

RNS Number : 2133K

**African Pioneer PLC
05 May 2022**

**African Pioneer Plc
("African Pioneer" or "the Company")**

Corporate update and Accounts publication date

African Pioneer plc ("APP" or the "Company"), the exploration and resource development company with projects located in Namibia, Botswana and Zambia, is pleased to provide a corporate update for the period from 30 June 2021 in relation to its projects in Namibia, Zambia and Botswana.

Executive Chairman Colin Bird said,

"The second half of 2021 and the start of 2022 have been very positive for African Pioneer. When we listed in June 2021 we were looking to explore and develop projects in Namibia, Botswana and Zambia.

We have now entered into option agreements with;

- **First Quantum Minerals Ltd (listed on the Toronto Stock Exchange FM.TO) in relation to four of our five 80% owned Zambian exploration licences; and**
- **Sandfire Resources Limited (listed on the ASX in Australia SASX:SFR) in relation to four of our eight 100% owned Botswana prospecting licences**

Meanwhile we have increased our interest from 70 to 85 percent in our Namibian projects, announced a 3.76 Mt increase in the Measured & Indicated Mineral Resources of the Ongombo Project and submitted a mining licence application in relation to the Ongombo Project in Namibia."

Namibia: On 27 August 2021 the Company announced it had acquire a further 15% interest in its Ongombo Project and Ongeama Project in Namibia (the "Namibian Projects") increasing its interest in the Namibian Projects to 85%. On 20 December 2021 the Company announced a 3.76 Mt increase in the Measured & Indicated Mineral Resources of the Ongombo Project Mineral Resources to 10.47Mt @ 1.4% Cu, 7g/t Ag at a cut-off of 1.0% Cu, with 0.35g/t Au categorised as Inferred following a JORC (2012) compliant review by external consultant, Red Bush Analytics, the submission of a mine application and a positive scoping study by Practara Consulting.

- **Positive Scoping Study Conclusions:** The base case of the Scoping Study by Mine design specialists, Practara Consulting, generated a post-tax NPV of US\$39 million using a 10% discount rate and an IRR of 27.7%, with payback from first production estimated to be 2.4 years. Practara considers that the economic study for Ongombo meets the "Criteria for Reasonable Prospects for Eventual Economic Extraction".
- **Mining Licence submitted:** A Mining Licence application has been submitted to the Ministry of Mines and Energy of Namibia. Follow-up detailed mine layout and mine scheduling review is being undertaken by external consultants Practara Consulting and Nurizon Consulting Engineers with emphasis on assessing the initial Life of Mine and the development of the Central Shoot

- Metallurgical test work: Metallurgical test work has commenced on historic samples and new samples will be taken as part of the planned drill programme
- Environmental and Social Impact Assessment (ESIA): More detailed ESIA studies completed and we have commenced community consultation.

Zambia: On 20 January 2022 the Company announced that on 19 January 2022 it and its 80% owned subsidiary African Pioneer Zambia Ltd ("African Pioneer Zambia") entered into an option agreement with First Quantum Minerals Ltd ("First Quantum") (listed on the Toronto Stock Exchange FM.TO) in relation to 4 of the 5 Zambian exploration licences held by African Pioneer Zambia (the "Option Agreement").

Highlights of the Option Agreement:

- The four exploration licences the subject of the Option Agreement are in the highly prospective Central Africa Copperbelt in northwest Zambia which is the largest and most prolific mineralized sediment-hosted copper province in the world and are located less than 100km from First Quantum's giant Sentinel copper mine.
- The exploration licenses include geological formations similar in age and rock type to that hosting the major copper deposits of the Copperbelt.
- During the initial 18 month option period First Quantum has the right but not the obligation to spend US\$500,000 on each of the exploration licences 27767-HQ-LEL, 27768-HQ-LEL, 27770-HQ-LEL, and 27771-HQ-LEL (the "Zambian Projects"). At this stage First Quantum will not have earned any shares in African Pioneer Zambia, just the right to proceed to take one or more of the properties into the First Earn In Period by issuing an Option Exercise Notice.
- During the First Earn In Period, First Quantum then has 2 years when it has the right but not the obligation to prepare a Technical Report in respect of the Zambian Projects demonstrating an Indicated Mineral Resource of at least 300,000 tonnes of contained copper (the "Technical Report Requirement"). First Quantum is to fund the Technical Report. Once the Technical Report is issued First Quantum has the right to be issued shares equal to a 51% shareholding in African Pioneer Zambia. This will also trigger the Second Earn-In Period.
- In the Second Earn-In Period First Quantum shall have the right but not the obligation to complete all necessary mining, metallurgical and development studies to establish a mine at the Property and make a public announcement that it intends to proceed towards commercial development of a Mine on the Property (a "Decision to Mine"). First Quantum is to fund all costs related to the Decision to Mine. Once First Quantum announces a Decision to Mine First Quantum has the right to be issued shares in African Pioneer Zambia to increase their 51% shareholding in African Pioneer Zambia to 75%.

Botswana: On 4 October 2021 the Company announced that in place of the existing arrangements, it had on 2 October 2021 entered into a two year option agreement with ASX listed Sandfire Resources Limited (ASX:SFR) ("Sandfire") in relation to 4 of its 8 Botswana prospecting licences for a cash payment of US\$500,000 and the issue of 107,272 Sandfire shares (share price on 3 May 2022 - A\$5.60 - approx. £3.17) and a 24 months exploration expenditure commitment of US\$1,000,000 (the "Option Agreement"). The Company has entered into the Option Agreement to allow an acceleration of exploration activities on the 4 Kalahari Copper Belt prospecting licences the subject of the Option Agreement (the "Included Licences")

funded by Sandfire. Funds received will also allow the Company to accelerate exploration activities on the Company's 4 other prospecting licences in Botswana and its projects in Namibia and Zambia.

Publication date for Accounts for the year ended 31 December 2021: Due to the challenges presented by the COVID-19 pandemic the Company is utilising the temporary relief measures implemented by the Financial Conduct Authority and the Financial Reporting Council which continue to apply to issuers with reporting periods ending before 28 June 2022. Accordingly, the Company is deferring the publication of its annual financial report for the year ended 31 December 2021 for the permitted time extension of two months and plans to announce its final results by 30 June 2022.

For further information, please contact:

African Pioneer Plc

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Qualified Person:

In accordance with AIM Note for Mining and Oil & Gas Companies, June 2009 ("Guidance Note"), Colin Bird, CC.ENG, FIMMM, South African and UK Certified Mine Manager and Director of Xtract Resources plc, with more than 40 years' experience mainly in hard rock mining, is the qualified person as defined in the Guidance Note of the London Stock Exchange, who has reviewed the technical information contained in this press release.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR").

Glossary

A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological

evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

"Ag" Silver

"Au" Gold

"Cu" Copper

"g/t" grammes per tonne

"Kt" thousand tonnes

"Mt" million tonnes

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