RNS Number : 5371O
30 July 2026

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

Financing and Mine Development Agreement with Xinhai re Namibian Projects, GBP712K share subscription

African Pioneer Plc ("AFP"), the exploration and resource development company with projects in Namibia, Zambia and Botswana, is pleased to announce that further to its announcement on 12 June 2026 it has signed a conditional definitive financing and technical services agreement (the "**Definitive Agreement**") with Hong Kong Xinhai Mining Services Limited ("**Xinhai**"), a globally recognised engineering, procurement, construction and mine development group in relation to African Pioneer's Ongombo and Ongeama projects (the "**Namibian Projects**").

The Definitive Agreement, on substantively the terms in the heads of agreement previously announced, is for the development and financing of the Ongombo and Ongeama copper projects in Namibia, outlining the terms for establishing of a project holding company (the **"Holding Company"**) to hold a 95% interest in the Namibian Projects, loan facilities to be provided by Xinhai to the Holding Company, to finance the agreed development milestones, debt-to-equity conversion, governance, confidentiality, dispute resolution, and other operational and legal provisions and a GBP712,786 share subscription in African Pioneer at 1.15 pence per share (the "**Subscription Price**").

Xinhai is an internationally recognised mining engineering and contracting group with an extensive global track record, having completed more than 500 EPC projects worldwide, including mine construction, processing plant development and operational management assignments across multiple jurisdictions https://www.xinhaimining.com/

Highlights

- Agreement with internationally recognised EPC and mine development group Xinhai to finance, engineer, construct and commission the Ongombo-Ongeama Copper Project.
- Comprehensive financing solution covering exploration, resource expansion, engineering design, construction and commissioning
- Development pathway designed to accelerate the transition from resource development to copper production
- Xinhai to provide 100% of the funding required to achieve agreed development milestones 1 to 4 (detailed below) by way of a 10% secured loan which at their election may be repaid by issuing up to c. 74% of the Holding Company to be established to hold the Namibian Projects.
- Strategic copper project located only 30km from Windhoek with excellent infrastructure access and development advantages
- Xinhai shall subscribe GBP712,786 at the Subscription Price for a 10% interest in the enlarged share capital of African Pioneer and convert the GBP30K intention money paid in relation to the term sheet announced on 12 June 2026 into African Pioneer shares at 0.9 pence per share (the "**Conversion Price**")

- The financing and services agreement combines African Pioneer's high-quality Namibian copper assets with Xinhai's internationally recognised technical expertise, engineering excellence and project delivery capability.
- If Xinhai exercise their option to be repaid in shares in the Holding Company African Pioneer would after Stage 4 have the option to convert their shareholding in the Holding Company to an NSR royalty equal to 4% of the gross revenue from the Namibian Projects.

Colin Bird, Chairman of African Pioneer, commented:

"We are pleased to announce the definitive agreement for the financing and development of the Ongombo mine, 25km from Windhoek in Namibia, which has been completed and signed with Xinhai.

The Ongombo mine is a copper gold project containing some 300,000 tonnes of contained copper, together with gold byproduct. The agreement is intended to facilitate the development of a mine on a fast-track basis and is constructed in clearly defined stages which it is estimated will cost approximately US$60 million. The scope of work also includes the Ongeama exploration licence close by, which has not been fully evaluated and work will commence on this project soon after the overall drilling programme commences.

We are impressed with Xinhai's management and technical team and look forward to working with them to fast-tracking the development of the mine whilst the copper and gold prices are close to their peak with huge upside potential. As we proceed with our new financing partner it is our intention to develop African Pioneer into a Namibian copper play, with the objective on increasing the copper inventory and mining activities. We will keep shareholders' updated on progress as it occurs."

Further information on the Definitive Agreement

The Development Milestones ("Milestones") which Xinhai has agreed to provide financing for to the Holding Company as borrower by way of a 10% p.a. loan and to enter into EPC contracts for technical services are:

- Milestone 1:Provision of funding sufficient to complete 7,000m of drilling in aggregate at the Ongombo and Ongeama projects
- Milestone 2: Completion by Xinhai of detailed engineering design for the Ongombo project
- Milestone 3: Delivery of construction equipment to Walvis Bay port and transfer of ownership to the Holding Company for the Ongombo Projects and an additional 3,000m of drilling for the Ongeama project, provided the initial drilling results at Ongeama project are positive
- Milestone 4: Commercial operation achieving over 75% of design capacity for 30 consecutive days of no less than 720,000 tonnes per annum (tpa) processing plant and phase I of underground decline development to access underground ore at the Ongombo Project

Xinhai's financing may at their election be repaid by a 53.68% interest in the Holding Company after Milestone 3 increasing to 73.68% after Milestone 4.

Xinhai's financing is at an interest rate of 10% p.a. and will be secured by African Pioneer providing security over its shareholding in the Holding Company until the loan is repaid.

Both African Pioneer and Xinhai will each appoint director to the Board of the Holding Company. After Milestone 3 has been completed Xinhai will have the right to appoint a second director.

The Definitive Agreement has the following conditions precedent which are all expected to be completed within twenty (20) Business Days, to be announced when satisfied.

(a) Xinhai having obtained all required regulatory approvals from the relevant authorities in the People's Republic of China, if required;
(b) the company having obtained all necessary approvals from its shareholders the London Stock Exchange and the Financial Conduct Authority (FCA), if required;
(c) no Material Adverse Change having occurred in respect of the Company, the Projects, the Licences or the Project Companies since the date of the Term Sheet; and
(d) the Local Shareholder having irrevocably waived in writing any and all pre-emptive rights, rights of first refusal, or similar rights in respect of the Project Companies or the Licences

The Xinhai Share Subscription is for GBP712,785 to acquire 61,981,383 African Pioneer shares at the Subscription Price, which is at a premium of 6.5% to the mid-market closing share price of 1.08 pence on 29 July 2026 the last practical date before this announcement (the "**Current Share Price**") and is payable within 20 business days once the Conditions Precedent have been met. Whilst Xinhai owns more that 5% of the issued share capital of African Pioneer it will have the right to appoint a director to the Board of African Pioneer subject to the nominated director meeting the usual regulatory procedures and checks. Xinhai has the right to participate in future African Pioneer fundraisings on the same basis as other participants on a pro rata basis to its African Pioneer shareholding. Xinhai shall also be issued 30,990,692 warrants to subscribe for African Pioneer shares at 1.6 pence per share exercisable during the six month period commencing on the completion of Stage 4 (the "**Xinhai Warrants**"). If prior to the exercise of the Xinhai warrants African Pioneer issues shares at less than 1.6 pence per share when the then spot price is higher than 1.6 pence then the exercise price of the warrants will be reduced to that lower share price.

Upon Xinhai exercising their option to be repaid in shares in the Holding Company African Pioneer would after Stage 4 have the option to convert their shareholding in the Holding Company to an NSR royalty equal to 4% of the gross revenue from the Namibian Projects.

The agreement has warranties customary for an agreement of this nature.

Upon the earlier of the conditions precedent being met and 11 August 2026 Xinhai's GBP30K of intention money paid in relation to the term sheet shall be settled by the issue of 3,333,333 African Pioneer shares at 0.9 pence per share.

The agreement has customary events of default for a financing agreement of this nature and a break fee of up to US$2,000,000 is payable if prior to the completion of stage 2 the borrower refuses to perform its obligations under the Definitive Agreement.

Information on the Namibian Projects (as previously announced)

Location

- Mining Licence ML 240 and two adjacent exploration licences (EPL 6011 and EPL 5772 pending renewal) located in the N-Central part of the 350km-long Matchless Amphibolite belt hosting 13 known deposits including Otjihase and Matchless mines and more recently, the Hope & Gorob mine.

History

- Explored by B&O Minerals (1971), Tsumeb Corporation (1980 – 86), Gold Fields Namibia (1986-1994) and Namibian Copper Ltd (20067 – 2012). Despite a significant amount of exploration including more than 200 drill holes completed pre-1991, no detailed evaluation of mineralisation was undertaken until African Pioneer commenced a drill programme in April 2022.
- Gold Fields Namibia declared a Mineral Resource Estimate of 335Kt @ 1.04% Cu.

Geology

- Stratabound massive sulphide copper, gold and silver deposit hosted in magnetite quartzites.
- Mineralisation typically associated with a well-defined magnetite-rich band in the quartzite host rock.
- Three mineralised shoots, West, Central and East/Ost dip
- Chalcopyrite is the dominant copper mineral.
- Very little oxidation occurs at either Ongombo and Ongeama and typically sulphide mineralisation is found within one or two metres of surface.

Mineralogy & Metallurgy

- Mineralisation is very similar to that encountered at the nearby Otjihase and Matchless mines and in respect of mineralogical and metallurgical processing requirements is expected to be aligned with the nearby mines.
- The flowsheet is expected to incorporate crushing, milling and flotation with similar copper recoveries greater than 87% Cu.
- Sequential flotation will produce a copper – silver concentrate with gold reporting to a separate pyrite concentrate.

Resources

- Coffey Mining SA Pty Ltd reported a Mineral Resource Estimate of 3.75Mt @ 1.7% Cu, 9g/r Ag and 0.32g/t Au (Measured and Indicated) in May 2013.
- In 2023, African Pioneer through independent Resource consultant Addison Mining Services ("AMS") reported a JORC (2012) estimate 5.7Mt Indicated @ 1.1% Cu Eq (0.94% Cu, 4.4g/t Ag & 0.23g/t Au) of which 0.93Mt was considered open pittable at a grade of 0.63% Cu Eq. A further potential underground Resource of 4.7Mt @ 1.20% Cu Eq was declared by AMS together with 23Mt Inferred @ 1.1% Cu Eq.
- At 2026 metal prices (Cu: USD13,000/y, Au: USD3,500/oz and Ag: USD50/oz) the combined Resource has a Cu Eq grade of 1.22% Cu.
- In September 2024, independent consultants Sound Mining ("Sound") investigated the potential of the Ongombo mineralisation and identified opportunities for development. The 2023 geological block model was reviewed, and Mine Design Criteria were applied to an optimisation exercise of the Resource. Using, at the time, updated metal prices (Cu: USD9,100/t, Au: USD2,300/oz & Ag: USD28/oz) Sound determined an open pittable Resource of 1.05Mt @ 1.33% Cu, 0.17g/t Au & 6.3g/t Ag.
- In addition, the NE extension of the current defined open pit was considered highly prospective with the potential to deliver a further 1Mt of open pittable mineralisation in an area previously undrilled.

- At 2026 metal prices, the open pit mineralisation has a Cu Eq grade of 1.60% Cu Eq.

Ongeama

- Mineralisation is akin to that found at Ongombo with higher gold grades discovered in some drilling.
- Historic exploration focused on the down-dip extensions of the Ongeama ore body. More recent work by AFP has discovered potential for near-surface mineralised lenses that could potentially offer additional open pittable resources.

Development Plan

- Whilst the open pit potential provides an early entry into the development of Ongombo and Ongeama, the bulk of the delineated Resource is associated with underground mineralisation. Discussions with Xinhai have therefore focused on underground development and a programme of infill drilling is planned to update and refine the existing block model particularly in the East/Ost shoot where mineralised widths appear to be wider than that found in both the West and Central shoots and therefore offers the best initial opportunity for underground mine development focusing on wider mineralised package widths.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law pursuant to the Market Abuse (Amendment) (EU Exit) regulations (SI 2019/310).

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