

EARLY WARNING REPORT

This report is made pursuant to National Instrument 62-103 — *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* and the applicable securities legislation:

(a) **Name and address of the offeror:**

THE AU LIMITED PARTNERSHIP (the “Offeror”)
Gategny Esplanade
St. Peter Port, Guernsey (British Crown Dependency) GY1 3ST

(b) **The designation and number or principal amount of securities and the offeror’s security holding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances:**

On August 2, 2012, the Offeror acquired ownership and control of 6,250,000 common shares of Afri-Can Marine Minerals Corporation’s (“**Afri-Can**”) capital (the “**Common Shares**”), representing 8.35% of Afri-Can’s issued and outstanding Common Shares, and 6,250,000 common share purchase warrants of Afri-Can (the “**Warrants**”), each Warrant entitling the holder thereof to acquire one additional Common Share at a price of \$0.20 per Common Share until July 31, 2015.

The foregoing securities were acquired by way of a private placement.

(c) **The designation and number of principal amount of securities and the offeror’s securityholder percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release:**

The Offeror now owns or controls 12,500,000 Common Shares representing approximately 16.70% of Afri-Can’s issued and outstanding Common Shares and Warrants exercisable into 12,500,000 Common Shares. Should the Offeror’s Warrants be fully exercised, its holdings would represent approximately 28.62% of Afri-Can’s issued and outstanding Common Shares on a partially diluted basis assuming the exercise of the Offeror’s Warrants only.

(d) **The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph (c) over which:**

(i) **the offeror, either alone or together with joint actors, has ownership and control:**

See (c) above.

- (ii) **the offeror, either alone or together with joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor:**

Not applicable.

- (iii) **the offeror, either alone or together with joint actors, has exclusive or shared control but does not have ownership:**

Not applicable.

- (e) The name of the market in which the transaction or occurrence that gave rise to the news release took place:**

Not applicable (issuance from treasury –private placement).

- (e.1) The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release:**

\$0.16 per Common Share.

- (f) The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:**

The Offeror acquired the Common Shares for investment purpose. The Offeror expects to review from time to time its investment in Afri-Can and may, depending on the market and other conditions: (i) acquire securities or related financial instruments of Afri-Can in the open market, in privately negotiated transactions or otherwise, and/or (ii) dispose of all or a portion of the securities or related financial instruments of Afri-Can over which he now or hereafter exercises, or may be deemed to exercise, control or direction, or owns.

- (g) The general nature and material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

Not applicable.

- (h) The names of any joint actors in connection with the disclosure required by Appendix E to national Instrument 62-103:**

Not applicable.

- (i) In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror:**

\$0.16 per Common Share for an aggregate subscription price of \$1,000,000.

- (j) **If applicable, a description of any change in any material fact set out in a previous report under National Instrument 62-103:**

Not applicable.

- (k) **If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance.**

The acquisition of 6,250,000 Common Shares and of 6,250,000 Warrants was carried out in accordance with and in reliance on the "Accredited Investor" exemption in section 2.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions* (Regulation 45-106 respecting *Prospectus and Registration Exemptions* in Quebec).

DATED this 8th day of August, 2012.