

Annual Report 2019



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CORPORATE DIRECTORY

Directors

Evan Cranston	Non-Executive Chairman
Stephen Parsons	Executive Director
Tolga Kumova	Non-Executive Director

Company Secretary

Michael Naylor

Chief Executive Officer & Exploration Manager

Glen Edwards

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Australian Business Number

ABN 29 624 164 852

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DIRECTORS' REPORT

The Directors of African Gold Limited (African Gold or the Company) present their report, together with the financial statements for the year ended 31 December 2019.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Non-Executive Chairman

Evan Cranston appointed 22 March 2018

Evan Cranston is an experienced mining executive with a background in corporate and mining law. He is the principal of corporate advisory and administration firm Konkera Corporate and has extensive experience in the areas of equity capital markets, corporate finance, structuring, asset acquisition, corporate governance and external stakeholder relations. He holds both a Bachelor of Commerce and Bachelor of Laws from the University of Western Australia.

Other current Directorships:

New Century Resources Limited (from 13 July 2017)
Carbine Resources Limited (from 23 March 2010)
Boss Resources Limited (from 2 May 2012)

Previous Directorships (last 3 years):

Cradle Resources Limited (to 8 May 2016)
Primary Gold Limited (to 29 November 2017)
Clancy Exploration Ltd (to 1 December 2017)

Executive Director

Stephen Parsons appointed 1 February 2018

Mr Parsons has 22 years' experience in the mining industry with a proven track record of mineral discoveries, corporate growth, international investor relations and creating shareholder wealth. Mr Parsons has an honours degree in Geology. He is the Managing Director of Bellevue Gold Ltd and was previously the Managing Director of Gryphon Minerals.

Other current Directorships:

Auteco Minerals Ltd (from 28 January 2020)
Bellevue Gold Limited (from 31 March 2017)

Blackstone Minerals Ltd (from 30 October 2017)

Previous Directorships (last 3 years):

Gryphon Minerals Limited (appointed 1 April 2004, resigned 2 December 2016)
Centaurus Metals Limited (appointed 31 March 2017, resigned 28 February 2019)

Non-Executive Director

Tolga Kumova appointed 1 February 2018

Tolga Kumova has 16 years' experience in stockbroking, corporate finance and corporate restructuring, and has specialised in initial public offerings and capital requirements of mining focused companies. He has raised in excess of \$500 million for mining ventures, varying from inception stage through to construction and development.

Mr Kumova was a founding shareholder of Syrah Resources in 2010 and served as an Executive Director from May 2013 to October 2016, and as Managing Director from October 2014 to October 2016. During his tenure at Syrah Resources, Mr Kumova led the business from resource stage through to full funding through to development, gaining experience negotiating offtake agreements with numerous globally recognised counterparties.

Other current Directorships:

Copper Strike Limited (from 3 January 2020)
European Cobalt Ltd (from 29 May 2017)

Previous Directorships (last 3 years):

New Century Resources Limited (Resigned 17 July 2019)
Syrah Resources Limited (Resigned 5 October 2016)

Interests in the shares and options of the Company

As at the date of this report, the interests of the directors in the shares and options of African Gold Limited were:

Name	Number of ordinary shares	Number of options over ordinary shares
Evan Cranston	5,501,858	10,000,000
Tolga Kumova	5,700,000	10,000,000
Stephen Parsons	5,750,001	10,000,000

Company Secretary

Michael Naylor was appointed company secretary on 1 February 2018. Mr Naylor has 24 years' experience in corporate advisory and public company management since commencing his career and qualifying as a chartered accountant with Ernst & Young. Mr Naylor has been involved in the financial management of mineral and resources focused public companies serving on the board and in the executive management team focusing on advancing and developing mineral resource assets and business development.

Mr Naylor has worked in Australia and Canada and has extensive experience in financial reporting, capital raisings, debt financings and treasury management of resource companies.

Dividends paid or recommended

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Principal activities

The planned principal activities of the Company will consist of exploration and evaluation of mineral resources.

OPERATING AND FINANCIAL REVIEW

Project Portfolio

African Gold Limited's projects are located in highly productive Birimian Greenstone Belts of West Africa. Properties are located in Mali and Cote d'Ivoire in West Africa (See Figure 1).

Mali – During the year African Gold has entered into four option agreements to acquire gold projects located in the highly prospective and prolific gold producing Kedougou-Kenieba Inlier in western Mali known as the Falémé Gold Project. The permits are located close to the prolific Senegal Mali Shear Zone (SMSZ). The Falémé Project encompasses a major geological splay associated with a major flexure on the SMSZ with extensive alluvial and hard-rock artisanal gold workings scattered over 28km of strike potential.

During the year African Gold also entered into a purchase agreement to acquire 100% of Abra Resources Pty Ltd. Four of the five permits live within the Kedougou-Kenieba Inlier and one is located in south-east Mali along strike from Resolute's Syama Mine (8Moz). The permits area well located with respect to known mineralized corridors such as the SMSZ and The Syama Shear and contain a number of high quality conceptual geological, geochemical, geophysical, historic drill intercepts and artisanal workings that have yet to be tested.

Côte d'Ivoire - African Gold holds 100% of 1400km² of highly prospective Agboville Gold Project through its wholly owned subsidiary Golden Ivoire SARL. The Project is located in the south-east of the West African Craton in an area referred to as the South-Comoe domain, part of what is referred to as the Birimian (Paleoproterozoic rocks of West Africa). The Project is considered to have excellent prospectively for gold but is also considered to have the potential for nickel, cobalt, copper, lithium, tantalum, niobium and beryllium.

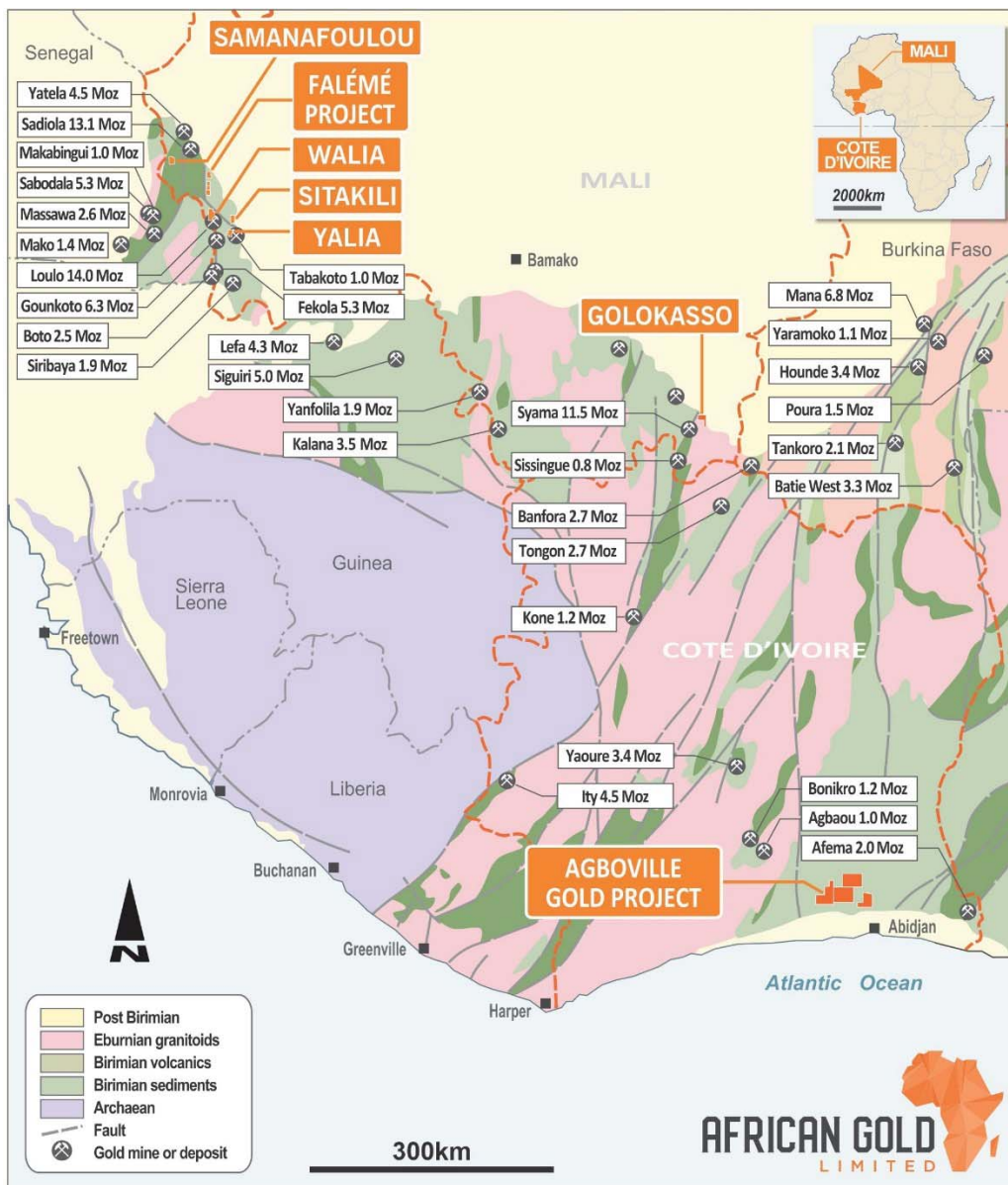


Figure 1: African Gold Project Locations (orange) on geology and significant gold deposits in West Africa.

Falémé Gold Project, Mali

In July 2019, African Gold's 100% owned Malian subsidiary African Gold Mali SARL entered into four option agreements to acquire gold projects located in the highly prospective and prolific gold producing Kenieba Inlier in western Mali known as the Falémé Gold Project. The secured Falémé Gold Project on the Senegal Mali Shear Zone is located centrally between the Loulou-Goukoto mine (14 Moz gold Barrick)¹ 45 km to the south and the Sadiola mine (13 Moz gold IAMGold/AngoGold Ashanti)¹ and 40 km to the north in the prolific Kenieba Inlier in Western Mali.

The properties are located in the hanging wall within 15km of the interpreted position of the main Senegal Mali Shear Zone (SMSZ). The majority of the large world class gold deposits in Mali are located in close proximity to the SMSZ which include Fekola 5.2 Moz (B2Gold)¹, Loulo 14 Moz (Barrick)¹, Goukoto 5.4 Moz (Barrick)¹, Yatela 3 Moz (IAMGold/AngloGold Ashanti)¹ and Sadiola 15 Moz (IAMGold/AngloGold Ashanti)¹.

The Tintinba Nord, Bourdala, BouBou and Diokena Sud permits which comprise African Gold Ltd's new Falémé Gold Project are located in favourable structural positions associated with splays and accommodation structures close to and associated with the SMSZ. All the acquired permits have significant demonstrated gold anomalism either in the form of artisanal gold workings, gold-in-soil anomalies and or historical drill intercepts. Fewer than 25 shallow drill holes have been completed on only 3 prospects (all targeting artisanal sites) within the Falémé Gold Project area. Many of these have returned significant intercepts, structure and alteration. Selected historical reconnaissance RC and Diamond drill intercepts include^{2,3}:

Demba Massa Prospect:	24 m @ 2.01 g/t gold 5 m @ 8.6 g/t gold 3 m @ 1.8 g/t gold 2.1 m @ 5.63 g/t gold 3 m @ 2.83 g/t gold 2.3 m @ 3.40 g/t gold 1.6 m @ 5.00 g/t gold 2.9 m @ 2.37 g/t gold
TD Prospect:	5.5 m @ 2.9 g/t gold within a broader 23 m @ 1.0 g/t gold 9 m @ 1.04 g/t gold within a broader 26 m @ 0.58 g.t gold 64 m @ 0.23 g/t gold 7 m @ 4.2 g/t gold 4.3 m @ 4.3 g/t gold
Bourdala West Prospect:	2 m @ 4.09 g/t gold

Encouragingly for the discovery of a large gold system is the identification of broad zones of alteration, shearing encompassing multiple lithologies. Recently completed soil sampling surveys by the previous company at Diokeba and BouBou Prospects have returned numerous >1km, coherent, robust >40ppb gold-in-soil anomalies that have never been drill tested. There are multiple high priority walk-up drill targets on the properties. Planned work programs will initially consist of geological and regolith mapping on all permits; soil geochemical programs (infill on Diokeba and BouBou Prospects); ready for follow up drill testing.

Kedougou-Kenieba and Syama Shear Zone Projects, Mali

In November 2019, African Gold completed the share purchase agreement with Abra Resources Pty Ltd (Abra) to acquire 100% of Abra which, through its wholly owned Malian subsidiary, owns the Samanafoulou, Sitikili, Yatia, Golokasso gold projects, and the option to purchase a 95% interest in the Walia gold project in Mali.

Four of the five permits are located in the highly prospective and prolific gold producing Kenieba Inlier in western Mali and the remaining permit is located along strike from the Syama Gold Mine in southern Mali.

The west Mali permits are located within the prolific gold producing Kedougou-Kenieba are as follows:

SITAKILI PERMIT (granted) – Kedougou-Kenieba Inlier, western Mali. The permit is located less than 25 km from the operating gold plants at Loulo 14 Moz (Barrick Gold)¹ and Tabakoto (Algom Resources)¹. The Tabakoto-Kofi ore haulage road passes approximately 5 km to the east of the Sitakili permit.

The Project area hosts folded, generally NNE-trending metapelite and metagreywacke lithologies and is traversed by a series of north-northeast trending structures relating to the regional D2 and D3 deformation events and accompanying gold mineralisation. Large-scale artisanal workings within the project area have exploited multiple in-situ gold lodes and quartz veins hosted in felsic

intrusive rocks. Artisanal mining has also exploited extensive gold bearing gravels shedding from the in-situ gold deposits and from the base of a cuirasse horizon which blankets the area. There are no records of the quantity of gold recovered by the artisanal miners.

Primary high-grade gold mineralisation has been intersected in sporadic reverse circulation (RC) drilling and diamond drilling (DD). Generally, gold mineralisation at Sitakili is related to quartz-carbonate veins and veinlets in bands and stockworks hosted within a felsic dyke that is interpreted to have intruded pre-existing structure along a north-northeast trending fold axis analogous to the Tabakoto Gold Mine (+2.1Moz)¹, situated on-trend about 20km to the south.

Large-scale artisanal workings occur at the localities of Kirchon, Grand Filon, Makandja, and Djimissi. Artisanal mine pits and stopes are up to 15m wide and extend along strike for in excess of 2km. Mine openings are typically 10-15 m deep, with some small shafts (utilising water pumping equipment) extending to about 25 m to selectively mine high-grade saprolite zones. Most of the workings appear to be relatively recent; local community suggest they were mostly opened up in the last 10 years. Significantly, the historical drilling (last done in 2005) is believed to have been completed prior to the artisanal “discovery” of the primary zones at Kirchon and Makandja, suggesting the extensive workings now evident at these locations remain relatively untested by drilling. More significant historical drill results include^{2,3}:

Grand Filon Prospect:	4 m @ 28.9 g/t gold from 129.0 metres
	9 m @ 5.9 g/t gold from 95.0 metres (Grand Filon)
Kirchon Prospect:	6.6 m @ 115.5 g/t gold (Kirchon Trend)

There is multiple high priority walk-up drill targets in this permit.

WALIA PERMIT (granted) - Kedougou-Kenieba Inlier, western Mali. The southern boundary of the Walia permit abuts the Loulo mining lease (Barrick Loulou Mine 14Moz¹). The Loulo milling complex is situated approximately 10km to the south of the permit. The Walia Gold Project area hosts folded generally north-northwest trending metapelite and metagreywacke lithologies, including gold prospective tourmaline altered sandstone and breccia, occurring to the east of the SMSZ. Second-order shear splays trend north-northeast-south-southwest, crosscutting the regional sedimentary layering and folding. Gold in soil and auger anomalies occur in proximity to gold prospective tourmaline alteration and structure at Walia. Very limited drilling has been done on the permit.

Historical mapping, airborne magnetic and electromagnetic surveys, surface geochemical sampling, auger drilling, rotary air blast (RAB) drilling have defined a number of priority targets, some of which have been partially tested or not tested at all.

There is multiple high priority walk-up drill targets in this permit. Systematic RC drilling will be taken to evaluate previously defined geochemical/drilling/geological targets.

Regolith within the Walia permit is generally dominated by transported gravels (cuirasse) and colluvial deposits which mask the gold prospective sub-surface rocks. Some auger has been undertaken, however large portions of the permit have not been effectively sampled beneath cover and the permit remains largely underexplored. In areas that have been partially auger sampled, potentially five anomalies occur in proximity to interpreted gold prospective tourmaline alteration and structure. Anomalous RAB results occur at one of these prospects; the remaining areas not been tested by any form of reconnaissance drilling. Infill auger and/or immediate follow up AC drilling is warranted.

YATIA PERMIT (application) - Kedougou-Kenieba Inlier, western Mali. The eastern boundary of the Yatia permit abuts the Tabakoto mining lease (Algom Resources). The Tabakoto Mill is situated approximately 5 km to the south-east of the permit boundary. The western boundary of the permit abuts the Kofi mining lease (Algom Resources).

The project area is generally underlain by gold prospective NNW trending Birimian-age meta-sediments, metavolcanics and granite. Artisanal gold mining occurs at two localities on the Yatia permit; Segala Ouest and Baroye. The 450m long artisanal mine camp at Segala Ouest is an extension of the NW-striking Segala Mine trend. The Segala deposit (0.8Mozs)¹, located on the Tabakoto mining lease, is exploited by Algom Resources utilising open pit and underground techniques. Ore is transported to the Tabakoto Mill.

Significant gold mineralisation has been intersected in drilling and trenching at a number of locations on the Yatia permit. Loulo-style alteration has also been intersected in limited drilling, historical drill results include^{2,3}:

10m @ 2.87 g/t gold (trench)
2m @ 7.40 g/t gold from 79.0 metres

7m @ 1.95 g/t gold from 28.0 metres
 1m @ 21.80 g/t gold from 17.0 metres
 13 m @ 1.17 g/t gold from 39.0 metres

The regolith setting is not well defined at Yatia. Large areas are expected to be masked by thin transported gravels and colluvium. The context of the systematic soil geochemistry undertaken to date requires more understanding before the next phase of exploration.

SAMANAFLOULOU PERMIT (granted) – Kedougou-Kenieba Inlier, western Mali. The Samanafoulou Gold Project is located in the Kayes region of west Mali, approximately 600km by road from Bamako in the geological Mako group, in the interpreted hanging-wall to the crustal scale Main Transcurrent Zone structure. Gold deposits of Sabodala (5.3 Moz)¹, Massawa (2.6 Moz)¹ and Mako (1.4 Moz)¹ are hosted in a similar setting in Senegal.

The Samanafoulou permit is at an early stage of evaluation and very limited exploration work has been undertaken. Reconnaissance soil sampling by government agencies has returned several anomalous results (max 279ppb Au) in wide spaced (1000m x 250m) sampling. Interpretation of regional magnetics and geology has defined a significant structural/magnetic/geological target that's coincident with anomalous regional soil geochemistry.

GOLOKASSO PERMIT (application) – Syama Shear Zone, South Mali. The permit is located in the Sikasso region of southern Mali, approximately 400 km by road from Bamako. The area is generally accessible by a sealed highway to the regional town of Sikasso, then via Kadiola to the Syama Gold Mine. The southern boundary of the permit is contiguous with the Resolute Mining Syama mining lease. The Syama mill is situated about 15 km to the south.

Golokasso is broadly situated on the northern extension of the Syama Gold Belt. Multiple gold deposits and gold prospects occur along the Syama Belt, including the world class Syama Mine (+8 Moz)¹, A21 deposits (+1 Moz)¹ and Tabakoroni (1 Moz)¹. Gold mineralisation is hosted predominately in mafic lithologies in the hanging wall of the regionally extensive Syama Shear Zone.

The Golokasso permit straddles the northern portion of the Syama Shear Zone and an interpreted north-trending structural splay of that mineralised trend. Approximately 10 km of prospective structure occurs within the permit area.

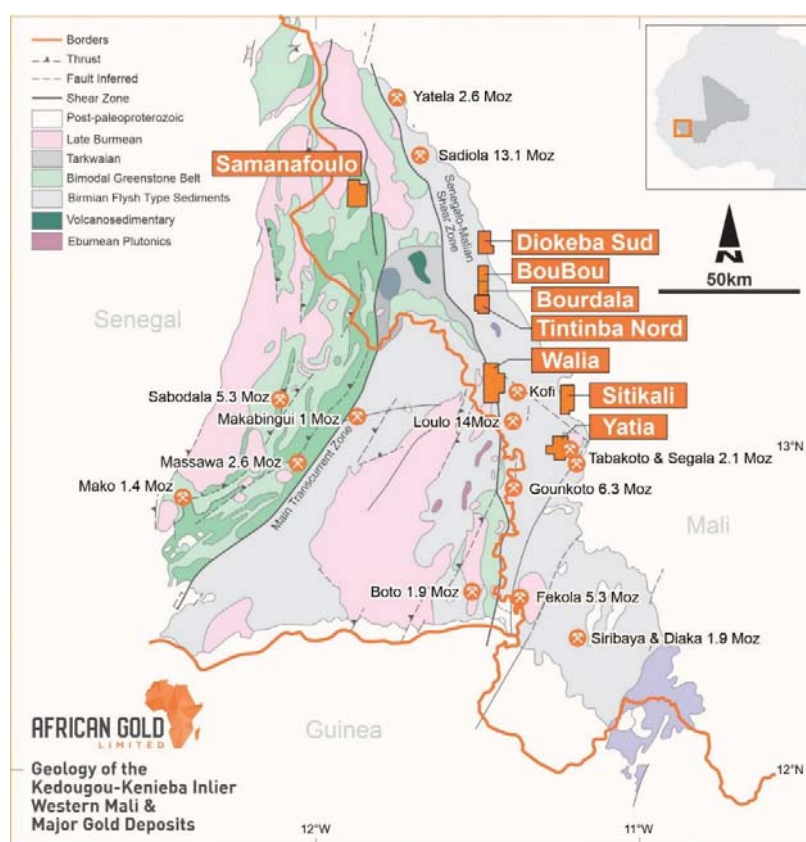


Figure 2: Falémé and Abra Acquisition Project location within the Kenieba-Kedougou Window, a major gold producing region - Western Mali showing simplified geology, major deposits in the area and Permits.

Exploration Activities Falémé and Kedougou-Kenieba Gold Projects, Mali

During the year field work commenced this included reconnaissance visits to all permits in west Mali (see Figure 3).

Surface geochemical sampling programs were undertaken. Infill soil sampling and supporting termite mound sampling of previously defined regional gold-in-soil anomalies was undertaken on the Bourdala, Diokeba Sud and BouBou permits. Sampling was typically 200m x 100m spacing. First past reconnaissance soil and supporting termite mound sampling was carried out on the Tintinba Nord and Samanafoulou permits. A total of 1,868 samples were collected. A total of 8 pits were excavated to assist with regolith interpretation on the Tintinba Nord and Bourdala permits. Base of pits were sampled. All results have yet to be received. A total of 40 rock chip have been collected from all areas. By year end all results have yet to be received.

A total of 28 RC holes for an aggregate of 3,660meters and a total of 74 shallow Air Core holes for an aggregate of 3,050 meters were drilled at on three permits in west Mali. The drill program was designed to provide an initial assessment of seven priority targets on the Sitakili and BouBou/Bourdala Permits. Four of the targets, namely Kichon, Grand Filon, TD and Demba Massa are associated with significant artisanal mining sites and were lightly drilled in the '90s and early '00s. The other targets are conceptual structural-magnetic-geological targets supported by strong coincident gold-in-soil anomalism that until this program have never been drill tested. By year end all results have yet to be received.

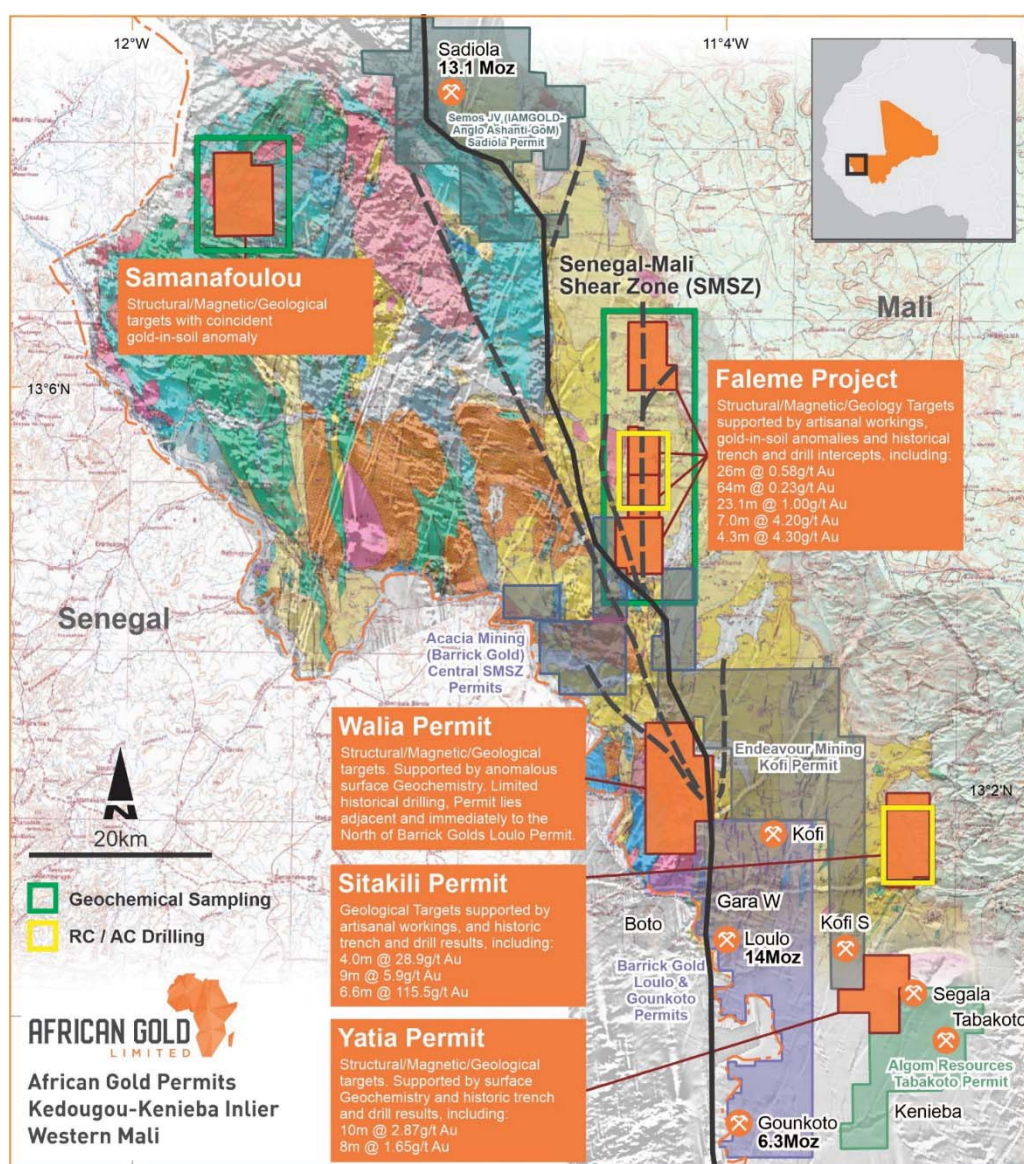


Figure 3: Kedougou-Kenieba and Falémé Project and Permits showing geology on magnetics, selected historical intercepts and major mines in the area. Location of work conducted during the year shown in yellow and green boxes.

Exploration Agboville Project, Côte d'Ivoire

During the year Phase 2 follow-up soil sampling program commenced and was approximately 2/3 completed before the program was suspended due to heavy rains and difficult access in mid-September. The program will recommence when conditions and priorities allow. The program was designed to:

- further define and evaluate the potential south westerly strike extension of the already +20km long Tyche gold-in-soil anomaly;
- follow-up anomalous LAG and wide spaced reconnaissance soil samples returned during previous sampling on "The Nose" Geological-Structural-Magnetic target located to the north west of the main Tyche anomaly;
- evaluate base metal potential of the Ultramafic bodies, and
- provide multielement data that will hopefully assist with geological mapping and interpretation.

Results from the regional 1600m x 100m Belg sampling designed to test the south western extent of the already 20km

long Tyche gold-in-soil anomaly are viewed as extremely encouraging and has defined an additional 10km of strike. The anomaly is open to the south west. Historical data has been deconstructed to 1600m x 100m to allow a comparison between old and new data (see Figure 4).

Multielement XRF determination was completed on pressed soil pellets. Results of the program are viewed as extremely encouraging. Data is clearly identifying different lithologies and is providing useful information regarding alteration and multielement responses to mineralization. Not all results have been assessed and interpreted in detail, but preliminary data suggests this approach is useful for mapping lithology. The data has also returned some highly anomalous results: Maximum (not necessarily the same sample) Cr 1.01%, 205ppm Cu, 7ppm Hg, 4.6% Mg, 1486ppm Ni, 42ppm Sb, 92ppm W and 191ppm Zn.



Figure 4: Agboville Project – Tyche Gold Prospect, thematically mapped gold on simplified geology, also showing lag anomalies, location of drilling and location of contoured gold-in-soil anomaly and location of Aircore drill traverse completed in April-May 2019 and trenches completed August 2019. Soil data has been deconstructed to show 1600m x 100m data only.

During the year, a 174 hole 6,000m reconnaissance Air Core drill program was completed over the northern most completed 10 kilometres of the Tyche Prospect. The drilling program was considered successful and assay results are considered encouraging. The work identified significant mineralisation in a number of holes that suggest a fertile structure capable of hosting economic mineralisation. Width and grades of intercepts are considered encouraging and suggest a large gold system (See Figure 5).

Results were received for all the holes. The program consisted of approximately 3.5 kilometres discrete heel-to-toe shallow drill traverses and provided useful insights into the project geology and style of mineralisation. Drilling has confirmed the stripped, shallow weathering profile with little to no transported cover. Average hole depth 35 metres and average vertical hole depth 26 metres. Minor transported alluvium in low lying areas and river valleys. Moderate topographic rises, positive topographic relief is associated with abundant quartz rich zones – some associated with mineralisation. In many places, there is a ferruginous overprint of the saprolite in the first 10 metres. In most cases (153 of the 174 holes) intersected recognizable weak to unoxidized bottom of hole lithologies – these comprising meta-psammities, meta-pelites and meta-arenites/arkose. Petrology was done on selected bottom of hole samples. The area is typically greenschist metamorphic grade.

Drilling and line clearance have uncovered a strain partitioned shear zone over a width of ~1 kilometre with more intense shear zones up to 30 metres wide, generally striking ~060 degrees and moderate to steeply dipping to the south east. In the northern part of anomaly shear zone is located within meta-siltstones and meta-arenites characterized by intense sericite alteration within the shear zone (20-30 metres in places). Petrology indicates dominantly – muscovite, biotite, chlorite with minor magnetite and sulphides (pyrite and chalcopyrite) alteration assemblages. Gold mineralisation is largely but not exclusively associated with quartz veining. For the most part, mineralized intercepts are interpreted from outcrop and drilling to have a moderate to steep south-easterly dip (See Figures 6 and 7).

Of the 174 holes, 117 returned anomalous intercepts i.e. 0.06 g/t Au and above (5 x detection limit), of those 72 holes contained highly anomalies intercepts >0.10 g/t Au and 21 holes contained intercepts of >0.50 g/t Au. Most significant intercept in hole 19AC020 of 9 metres @ 1.24 g/t Au from surface (or 12 metres @ 1.02g/t Au from surface – but includes a no sample 9-10 metres) the hole was terminated due to poor ground conditions and recovery problems at 13 metres ending in mineralisation (0.4g/t Au). Best individual grade 1 metre @ 4.01 g/t Au. More significant intercepts from the auger style drilling include⁴:

- 19AGAC014 - 9m @ 0.24 g/t Au from 12m
- 19AGAC019 - 11m @ 0.30 g/t Au from 14m
- 19AGAC0020 - 9 m @ 1.24 g/t Au from surface (incl 1 m @ 4.01 g/t Au)
- 19AGAC021 - 20m @ 0.44 g/t Au from 0m (incl 6 m @ 1.12 g/t Au from 0m)
- 19AGAC034 - 6m @ 0.38 g/t Au from 0m
- 19AGAC059 - 6m @ 1.42 g/t Au from 8m
- 19AGAC059 - 12m @ 0.29 g/t Au from 16m
- 19AGAC103 – 5m @ 1.02 g/t Au from 34m (incl 2m @ 2.46 g/t Au from 34m)
- 19AGAC0118 - 24m @ 0.21 g/t Au from 10m

Due to the large target size, the Company intends to build on the geological understanding to prioritise exploration and geophysical techniques to vector in on the most prospective part of the system for follow up drill testing.

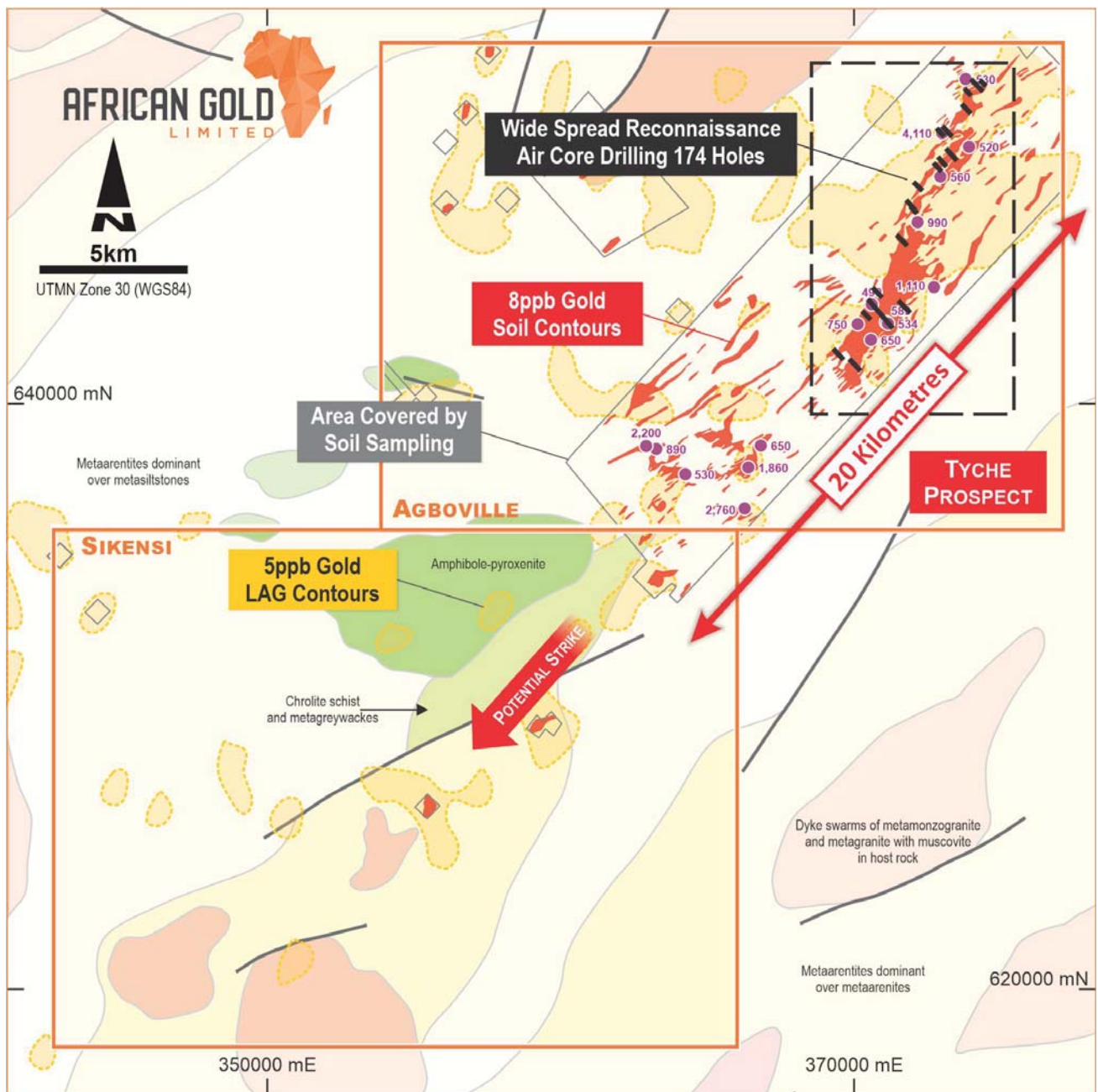


Figure 5: Agboville Project – Tyche Gold Prospect, contoured gold-in-soil anomaly and location of Aircore drill traverse completed in April-May 2019.

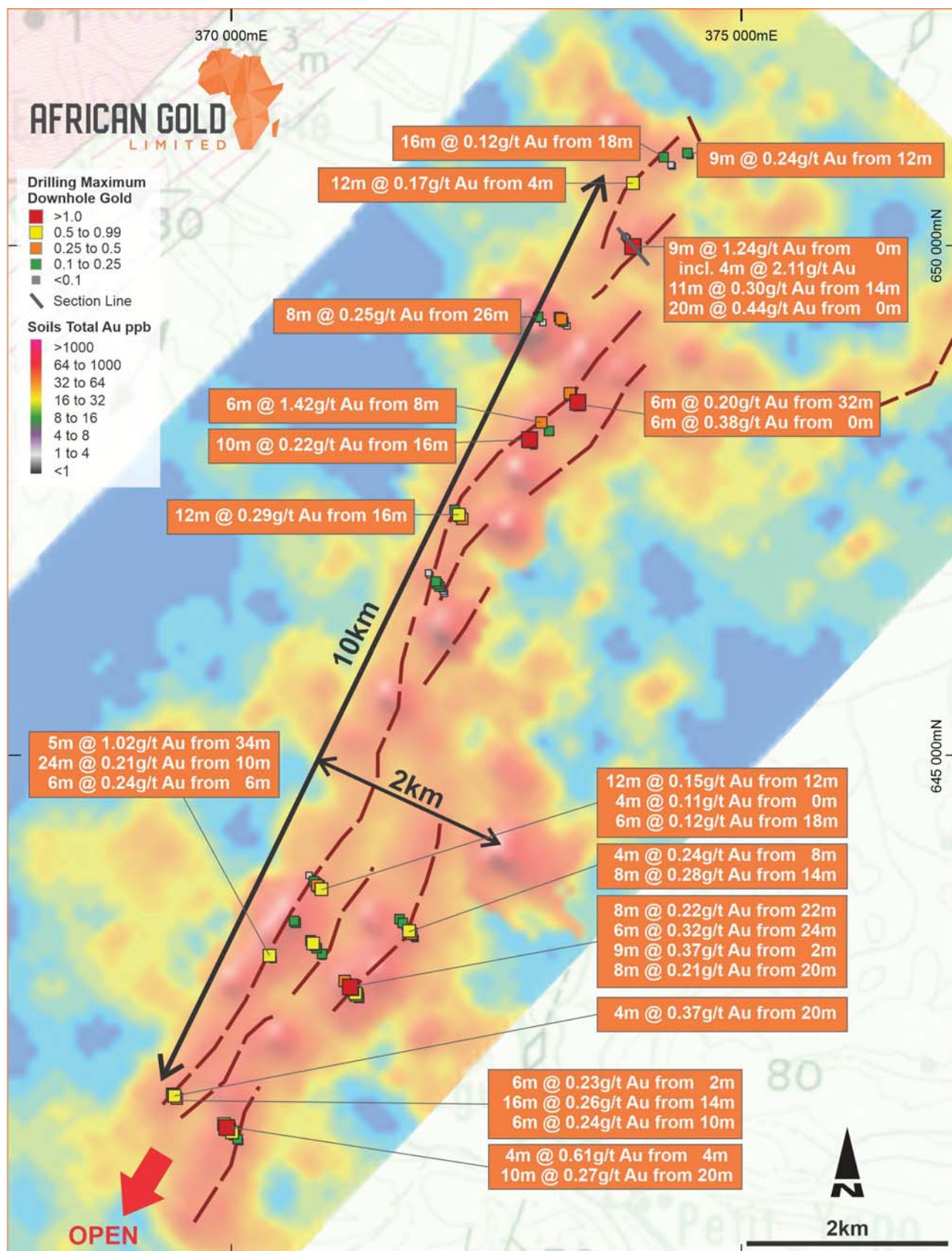


Figure 6: Aircore drilling, significant intercepts and intervals together with imaged gold-in-soil anomaly and interpreted high grade trends. Drilled portion of the Tyche gold-in-soil anomaly northern 10km only.

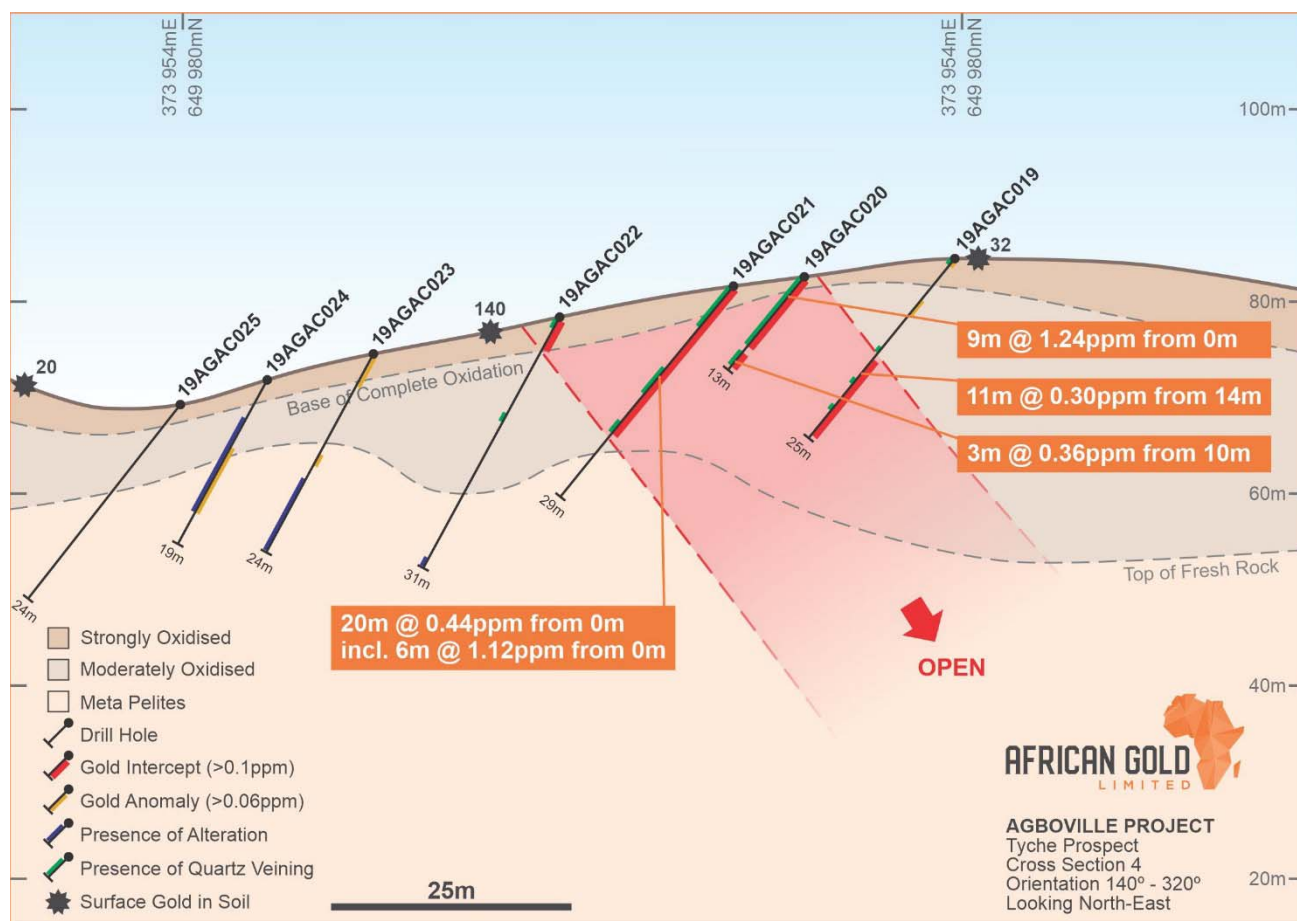


Figure 7: Tyche Gold Anomaly – Aircore drilling section 4. Simplified geological section showing assay results and presence of quartz veining and alteration (note alteration is difficult to identify in the weathered zone).

Petrology - Base Metal Potential - Nickel-Copper-Cobalt +/- PGE. In the centre of the Agboville Project area outcrops a layered mafic - ultramafic intrusion approximately 9 x 4 kilometres in dimensions. Three other smaller intrusions are mapped to the north west, two of which in part lie within the Project tenements and a further one which has been recently found.

A number of mineral occurrences (stream sediment and soil anomalies) are associated with these intrusions and are reported as copper-nickel, chrome-copper-nickel, nickel-cobalt, PGE-nickel-chrome and manganese-cobalt. At least one other chrome mineral occurrence is mapped to the north east of the main intrusive and may indicate the presence of additional intrusives not previously mapped (this is different to the ultramafic recently found). The mineral occurrences associated with these layered mafic and ultramafic intrusions are of such a number and over a significantly large enough area to justify a dedicated exploration effort in addition to the focus on the gold potential of the Project.

Samples from two of the mafic bodies were examined by optical petrology. They were identified as a retrogressed hornblende pyroxenite and a talc-carbonate altered ultramafic. Of the two ultramafic rock chips examined, the most interesting is LVRK-7 as it contained traces of probable recrystallised magmatic sulphide blebs (pyrrhotite-pentlandite-chalcopyrite assemblage). These seemingly minor accessory blebs can be an important fertility indicator for larger accumulations of magmatic sulphides elsewhere in the magmatic architecture of an intrusive body. It is recommended the sample and further ultramafic samples from the project area be assayed for Ni, Cu, Pt and Pd; the latter PGE by fire assay. Further work will be undertaken to evaluate base metal potential of these intrusive bodies.

During the year a total of 2 trenches were excavated. Trenches targeting gold-in-soil anomaly located ~5km south of the southernmost Aircore drill traverse completed in May 2019, for the most part, reached saprock and effectively tested the soil anomaly. Results from trench 2 are in particular considered extremely encouraging and continue to point to a large gold system (See Figure 4 for trenches location and Plates 1 and 2). Assay results include¹:

- Trench 1 - 4m @ 0.47 g/t Au and 2m @ 0.14 g/t Au
- Trench 2 – 82m @ 0.21 g/t Au (include some internal dilution)
- Including : 44m @ 0.28 g/t Au
- Which includes: 6m @ 1.15 g/t Au and 2m @ 1.80 g/t Au

While as expected individual quartz veins returned up to 2.8g/t Au, portions of the trench where no quartz veins were logged returned grades of over 1g/t Au. Due to the large target size the Company intends to build on the geological understanding to prioritise exploration and geophysical techniques to vector in on the most prospective part of the system for follow up drill testing.

Plates 1 and 2: logging and sampling Trench 1 and excavating trench 2 Agboville Project Southern Tyche Prospect



Significant changes in the state of affairs

There have been no changes in the state of affairs of the Company other than those outlined in the Review of Operations.

CORPORATE

ASX Listing

The Company was successfully admitted to the Official List of the Australian Securities Exchange with official quotation commencing on 14 February 2019 after raising \$4,500,000 (before costs) at an issue price of \$0.20 per share as part of the Initial Public Offer (IPO). In addition, 9,750,000 Advisor Options were issued at an issue price of \$0.0001 to advisors of the Company during the IPO and the remaining promoter shares of 195,000 fully paid ordinary shares at \$0.005 to raise \$975.

Release of Escrow Securities

- On 30 June 2019, 775,000 fully paid ordinary shares were released from escrow.
- On 4 December 2019, 900,000 fully paid ordinary shares were released from escrow.

Acquisition of Assets

Golden Ivoire SARL - Cote d'Ivoire

The company completed its share sale agreement with Golden Ivoire SARL and its vendors, with a completion date of 14 February 2019. The consideration paid by the company for Golden Ivoire SARL is as follows:

- issued a total of 8,250,000 Consideration Shares to the Vendors at a deemed issue price of \$0.20 per share amounting to \$1,650,000;
- previous payments of \$30,000 cash consideration to the vendors under the agreement have been repaid to the Company and instead issued 150,000 ordinary shares to the value of \$30,000 (restricted for 24 months from date of quotation); and
- an additional \$30,000 fee was paid to the vendors for the option to acquire 100% issued capital and was classified as an investment by African Gold at 31 December 2018.

Falémé Gold Project, Western Mali

In July 2019, African Gold's 100% owned Malian subsidiary African Gold Mali SARL entered into four option agreements to acquire gold projects located in the highly prospective and prolific gold producing Kenieba Inlier in western Mali known as the Falémé Gold Project.

Terms of the Agreement

BouBou Permit (25sqkm) agreement with Mande Empire Resources SARL

- 1) Option payment of US\$20,000 to the vendor on signing.
- 2) Payment of US\$30,000 the vendor 12 months after signing, at this point African Gold earns 51% equity in the Permit.
- 3) Payment of US\$60,000 the vendor 24 months after signing, at this point African Gold will have 90% equity and Mande Empire 10% equity. At this juncture, Mande Empire can elect to contribute or convert to a 2% NSR (1% NSR purchasable for US\$500,000).
- 4) African Gold will meet minimum expenditure commitments and keep permits in good standing.

Bourdala Permit (16sqkm) with Doumou SARL

- 1) Option payment of US\$40,000 to the vendor on signing.
- 2) Payment of US\$50,000 the vendor 12 months after signing, at this point African Gold earns 51% equity
- 3) Payment of \$60,000 the vendor 24 months after signing, at this point African Gold will have 90% equity and Doumou 10% equity. At this juncture, Doumou can elect to contribute or convert to a 2% NSR (purchasable for US\$1,000,000)
- 4) African Gold will meet minimum expenditure commitments and keep permits in good standing.

Diokeba Sud Permit (35sqkm) agreement with SAB International SARL

- 1) Option payment of US\$20,000 to the vendor on signing. Of this CFA 5,000,000 will be used to pay for the grant of the license in accordance with Malian Mining law.
- 2) Payment of US\$30,000 the vendor 12 months after signing, at this point African Gold earns 51% equity.
- 3) Payment of US\$50,000 the vendor 24 months after signing, at this point African Gold will have 90% equity and SAB International 10% equity. At this juncture, SAB International can elect to contribute or convert to a 2% NSR (1% NSR purchasable for US\$1,000,000).
- 4) African Gold will meet minimum expenditure commitments and keep permits in good standing.

Tintinba Nord Permit (35sqkm) agreement with Macina Gold Company SARL

- 1) Option payment of US\$50,000 on signing.
- 2) African Gold to sole fund first year exploration to a value of US\$250,000. Once done African Gold will hold 55% equity and Macina Gold 45% equity in the permit.
- 3) Macina gold will retain alluvial rights to a depth of 2 meters over a designated area. This will not restrict the exploration or exploitation of resources below this depth.
- 4) Thereafter a joint venture will be formed and Macina gold can elect to contribute to retain equity or dilute. If they dilute this will be converted to a 10% free carried to decision to mine. If Macina dilutes further this will be converted to a 2% NSR (purchasable for a consideration based in value profit calculated at time of DFS).
- 5) African Gold will meet minimum expenditure commitments and keep permits in good standing.

ABRA ACQUISITION – MALI

In September, African Gold announced that has entered into a conditional share purchase agreement with Abra Resources Pty Ltd (Abra) to acquire 100% of Abra which, through its wholly owned Malian subsidiary, owns the Samanafoulou, Sitikili, Yatia, Golokasso gold projects, and the option to purchase a 95% interest in the Walia gold project in Mali⁵.

Terms of the Agreement

The terms of the share purchase agreement (SPA) are as follows:

- 1) On signing, the Company made a payment of A\$45,000 to Abra to secure a 45-day exclusivity right to complete legal, financial and technical due diligence.
- 2) The consideration for the acquisition is as follows:
 - a. \$125,000 cash payment to Abra shareholders;
 - b. the issue of three million (3,000,000) African Gold shares at a deemed issue price of AUD\$16.5 cents per share to shareholders of Abra;
 - c. the issue of twelve and a half million (12,500,000) African Gold shares (Deferred Consideration Shares) to shareholders of Abra.The Deferred Consideration Shares will be issued upon the completion of the applicable milestone for each tranche as set out below:

- i. Tranche 1: ASX announcement by African Gold of:
 1. a JORC 2012 compliant Inferred, Indicated or Measured Resource with a minimum grade of 1.5g/t for a total of at least 500,000oz of gold located within the projects; or
 2. an announcement by the Company of the commercial production of gold from any of the projects, within 3 years of completion – number of Deferred Consideration shares 2,500,000;
- ii. Tranche 2: ASX announcement by African Gold of:
 1. a JORC 2012 compliant Inferred, Indicated or Measured Resource with a minimum grade of 1.5g/t for a total of at least 1,000,000oz of gold located within the projects; or
 2. announcement by the Company of the commercial production of gold from any of the projects, within 4 years of completion – number of Deferred Consideration shares 5,000,000; and
- iii. Tranche 3: ASX announcement by African Gold of:
 1. a JORC 2012 compliant Inferred, Indicated or Measured Resource with a minimum grade of 1.5g/t for a total of at least 2,000,000oz of gold located within the projects; or
 2. announcement by the Company of the commercial production of gold from any of the projects, within 5 years of completion – number of Deferred Consideration shares 5,000,000; and
- d. \$1,000,000 cash payment to the shareholders of Abra if 2,000,000oz of gold is announced by African Gold between 5 and 7 years. If this occurs, the Company is not required to issue the 5,000,000 Deferred Consideration shares pursuant to Tranche 3. The Company anticipates lodging a notice of meeting shortly.

In addition to the above, for the Walia Gold Project, the Company can pay US\$80,000 cash to finalise progression of the transfer of the 95% ownership.

REVIEW OF FINANCIAL PERFORMANCE

Operating results

The loss of the Company for the year ended 31 December 2019 after providing for income tax amounted to \$983,494 (2018: \$1,368,575).

Review of financial position

The net assets are \$5,374,369 as at 31 December 2019 (2018: \$3,817,026).

The view of the Directors is that the Company is operating as a going concern taking into account the current cash reserves and successful fund raising from the Initial Public Offering which occurred subsequent to year-end, the directors are confident the Company has adequate resources to continue as a going concern for the foreseeable future.

Capital raising

The Company was successfully admitted to the Official List with official quotation commencing on 14 February 2019 after raising \$4,500,000 (before costs) at an issue price of \$0.20 per share as part of the Initial Public Offer (IPO). In addition, 9,750,000 Advisor Options were issued at an issue price of \$0.0001 to advisors of the Company during the IPO and the remaining promoter shares of 195,000 fully paid ordinary shares at \$0.005 to raise \$975.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout Australia. The spread of COVID-19 has caused significant volatility in Australian and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and international economies. We cannot reasonably estimate the length or severity of this pandemic.

Other than the above there have not been any events that have arisen between 31 December 2019 and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years.

Likely developments and expected results

The Company is committed to realising value from the exploration assets acquired.

Running in parallel with the proposed evaluation and exploration of the tenements the Company's ongoing strategy will also include the identification and acquisition of projects that the Board believes will provide fundamental value to shareholders.

Corporate Governance

The directors of African Gold believe that effective corporate governance improves company performance, enhances corporate social responsibility and benefits all stakeholders. Changes and improvements are made in a substance over form manner, which appropriately reflects the changing circumstances of the company as it grows and evolves. Accordingly, the Board has established a number of practices and policies to ensure that these intentions are met and that all shareholders are fully informed about the affairs of the Company.

The Company reviews all of its corporate governance practices and policies on an annual basis to ensure they are appropriate for the Company's current stage of development. This year, the review was made against the new ASX Corporate Governance Council's Principles and Recommendations (3rd edition). Beginning 1 January 2020, the Company adopted the corporate governance practices for the new ASX Corporate Governance Principles and Recommendations (4th Edition).

The Board has reviewed and approved its Corporate Governance Statement on 31 March 2020, and this is available on the Company's website at www.african-gold.com.

The Company has a corporate governance section on the website which includes details on the Company's governance arrangements and copies of relevant policies and charters.

Environmental regulation and performance

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. The directors have considered the National Greenhouse and Energy Reporting Act 2007 ('the NGER Act') and at the current stage of development and based on the locations of the Company's operations, the directors have determined that the NGER Act will have no effect on the Entity for the current or subsequent financial year.

The directors will reassess this position as and when the need arises. No environmental breaches have occurred or have been notified by any Government agencies during the year ended 31 December 2019.

SHARE OPTIONS AND PERFORMANCE RIGHTS

The Company issued the following options as follows:

Advisor Options

On 7 February 2019, the Company granted 9,750,000 share options to advisors at an exercise price of \$0.20, with an expiry date of 7 February 2022.

32,250,000 management and key management personnel options have an exercise price of \$0.20 and an expiry date of 17 April 2023.

Unlisted Performance Rights

2,000,000 performance rights vesting conditions are achieved on 18 months of continued employment and delineation of 500,000 ounces of gold (or equivalent value if another commodity) within 3 years of the Commencement Date (date of listing of the Company to the ASX).

Shares issued during or since the end of the year as a result of exercise

During or since the end of the reporting period, the Company did not issue any ordinary shares as a result of the exercise of options.

Indemnification and insurance of directors and officers

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. The terms of the policy prevent disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Grant Thornton Audit, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Grant Thornton Audit during or since the financial year.

Directors' meetings

During the financial year, the following meetings of directors were held.

DIRECTOR'S NAMES	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND
Tolga Kumova	2	2
Evan Cranston	2	2
Stephen Parsons	1	2

The Board has decided there are no efficiencies to be gained from forming separate committees and hence the current board members carry out the roles that would otherwise be undertaken by a separate committee with each director excluding themselves from matters in which they have a personal interest.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit services

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors ensure that:

- Non-audit services are reviewed and approved by the directors to ensure that the provision of such services does not adversely affect the integrity and objectivity of the auditor; and
- Audit services do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The total remuneration for audit and non-audit services provided during the current financial year is set out in notes of the financial statements.

REMUNERATION REPORT (AUDITED)

INTRODUCTION

The Directors of African Gold Limited present the Remuneration Report (the Report) for the Company and its controlled entities for the year ended 31 December 2019. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001*. The Report details the remuneration arrangements for African Gold Limited's key management personnel (KMP):

- Non-executive directors (NEDs)
- Executive directors and senior executives (collectively the executives).

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company.

The table below outlines the KMP of the Company during the financial year ended 31 December 2019. Unless otherwise indicated, the individuals were KMP for the entire financial year.

NAME	POSITION	
Evan Cranston	Non-Executive Chairman	Appointed on 22 March 2018
Tolga Kumova	Non-Executive Director	Appointed on 1 February 2018
Stephen Parsons	Executive Director	Appointed on 1 February 2018
Glen Edwards	Chief Executive Officer and Exploration Manager	Appointed on 1 November 2018
Michael Naylor	Company Secretary and Chief Financial Officer	Appointed on 1 February 2018

There were no other changes to KMP after reporting date and before the date the financial report was authorised for issue.

Remuneration Governance

The Board has decided there are no efficiencies to be gained from forming a separate remuneration committee and hence the current board members carry out the roles that would otherwise be undertaken by a remuneration committee with each director excluding themselves from matters in which they have a personal interest.

The Board considers and recommends compensation arrangements for the non-executive chairman, directors and senior executives; remuneration policies and practices; retirement termination policies and practices; Company share schemes and other incentive schemes; Company superannuation arrangements and remuneration arrangements for members of the Board.

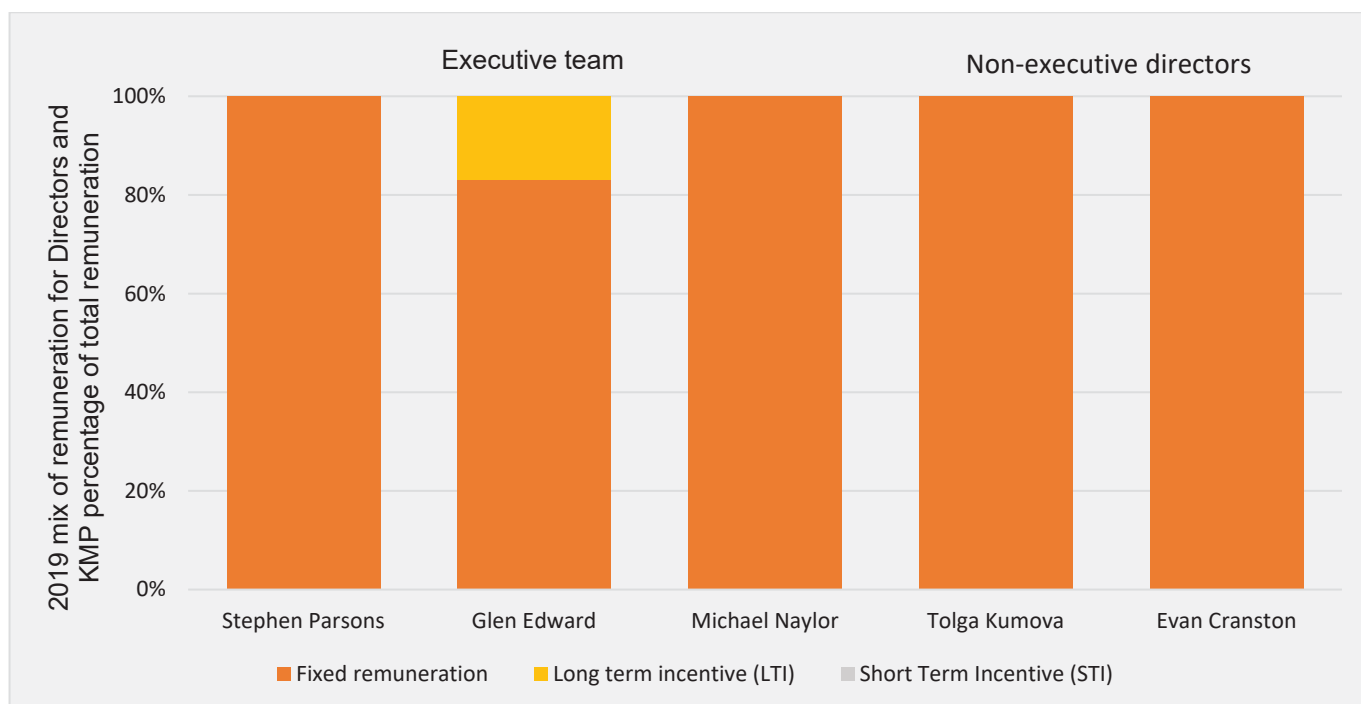
The Board obtains professional advice where necessary to ensure that the Company attracts and retains talented and motivated directors, executives and employees who can enhance Company performance through their contributions and leadership.

Remuneration Framework

The Board recognises that the Company's performance and ultimate success in project delivery depend very much on its ability to attract and retain highly skilled, qualified and motivated people in an increasingly competitive remuneration market. At the same time, remuneration practices must be transparent to shareholders and be fair and competitive taking into account the nature and size of the organisation and its current stage of development.

The approach to remuneration has been structured with the following objectives:

- to attract and retain a highly skilled executive team at the current stage in the Company's project development and who are motivated and rewarded for successfully delivering the short and long-term objectives of the Company, including successful project delivery;
- to link remuneration with performance, based on long-term objectives and shareholder return, as well as critical short-term objectives which are aligned with the Company's business strategy;
- to set clear goals and reward performance for successful project development in a way which is sustainable, including in respect of health and safety, environment and community-based objectives;
- to be fair and competitive against the market;
- to preserve cash where necessary for exploration, by having the flexibility to attract, reward or remunerate executives with an appropriate mix of equity-based incentives;
- to reward individual performance and Company performance thus promoting a balance of individual performance and teamwork across the executive management team and the organisation; and
- to have flexibility in the mix of remuneration, including offering a balance of conservative long-term incentive instruments such as options to ensure executives are rewarded for their efforts, but also share in the upside of the Company's growth and are not adversely affected by tax consequences.



The remuneration framework provides a mix of fixed and variable "at risk" remuneration and a blend of short and long-term incentives.

The remuneration for executives has three components:

- Fixed remuneration, inclusive of superannuation and allowances;
- Short Term Incentives ("STI") under a performance-based cash bonus incentive plan; and
- Long Term Incentives ("LTI") through participation in the Company's shareholder approved equity incentive plans.

These three components comprise each executive's total annual remuneration.

EXECUTIVE DIRECTOR REMUNERATION

Fixed Remuneration

All executives receive a fixed base cash salary and other associated benefits. All executives also receive a superannuation guarantee contribution required by Australian legislation which was 9.5% at 31 December 2019. No executives receive any other retirement benefits.

Fixed remuneration of executives will be set by the Board each year and is based on market relativity and individual performance. In setting fixed remuneration for executives, individual performance, skills, expertise and experience are also taken into account to determine where the executive's remuneration should sit within the market range. Where appropriate, external remuneration consultants will be engaged to assist the Board to ensure that fixed remuneration is set to be consistent with market practices for similar roles.

Fixed remuneration for executives will be reviewed annually to ensure each executive's remuneration remains fair and competitive. However, there is no guarantee that fixed remuneration will be increased in any service contracts for executives.

Short Term Incentives

The executive directors and other executives are eligible to earn short-term cash bonuses upon achievement of significant performance-based outcomes aligned with the Company's strategic objectives at that time. These performance-based outcomes are considered to be an appropriate link between executive remuneration and the potential for the creation of shareholder wealth. Given the Company's recent listing, no short-term incentives were paid during the year.

Long Term Incentives

The objective of the LTI plan is to reward executives and directors in a manner which aligns this element of remuneration with the creation of shareholder wealth. As such LTIs are made to executives and directors who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance.

Two types of LTI grants to directors and executives were issued during the year being:

1. Options with an exercise price at a premium to the average of the Company's ordinary share price at the date issued; and
2. Performance Rights with predetermined conservative performance hurdles with a low exercise price.

The Company prohibits directors or executives from entering into arrangements to protect the value of any African Gold shares, options or performance rights that the director or executive has become entitled to as part of his/her remuneration package. This includes entering into contracts to hedge their exposure.

The following table sets out the number of share options granted to Directors and the executive management team during the year:

	Options	Performance Rights
Tolga Kumova	10,000,000	-
Evan Cranston	10,000,000	-
Stephen Parsons	10,000,000	-
Michael Naylor	2,250,000	-
Glen Edwards	-	2,000,000

Non-Executive Remuneration

Non-executive directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. Retirement payments, if any, are determined in accordance with the rules set out in the Company's Constitution and the Corporations Act at the time of the director's retirement or termination. Non-executive directors' remuneration may include an incentive portion consisting of bonuses and/or options, as considered appropriate by the Board, which is subject to shareholder approval in accordance with the ASX Listing Rules.

The aggregate remuneration, and the manner in which it is apportioned amongst non-executive directors, is reviewed annually. The Board considers the amount of director fees being paid by comparable companies with similar responsibilities and levels of experience of the non-executive directors when undertaking the annual review process.

The current maximum amount of non-executive directors' fees payable is fixed at \$300,000 in total, for each 12-month period commencing 1 January each year, until varied by ordinary resolution of shareholders.

Note that non-executive directors received no cash remuneration during 2019. Cash remuneration commenced when the company was admitted to the Australian Securities Exchange.

Use of remuneration advisors

During the year ended 31 December 2019, the Board did not engage the services of remuneration consultants.

Voting and comments made at the company's last Annual General Meeting

African Gold received a 100% "yes" votes on its Remuneration Report for the period ended 31 December 2018. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

Consequences of Performance on Shareholder Wealth

In considering the Company's performance and benefits for shareholder wealth, the Board has regard to the following indices in respect of the current and previous financial years:

	2019 \$	2018 \$
Revenue	39,812	94
Net loss	983,494	1,368,575

The Company commenced trading on the ASX on 14 February 2019 with an initial public offering price of \$0.20. As at 31 December 2019 the share price was \$0.17.

Executive Director employment agreements

The Company has entered into an executive services agreement with Stephen Parsons (Executive Services Agreement) to provide executive services. A summary of the key terms is as follows:

- the Company will pay a salary of \$120,000 per annum (plus statutory superannuation) from accruing from the date the Company lists on ASX to be reviewed annually by the Company, and;
- the Company may in its sole discretion terminate the employment of Stephen Parsons by giving 6 months written notice.

Agreement with Chief Executive Officer and Exploration Manager

The Company has entered into an executive services agreement (CEO Agreement) with Mr Glen Edwards pursuant to which he is engaged as a full-time employee of the Company and serves the Company as a Chief Executive Officer and Exploration Manager responsible for planning, co-ordinating and implementing the Company's exploration programmes in Africa with planning input from other senior exploration and executive staff, and subject to the overall control and direction of the Board (CEO Services).

The remuneration payable to Mr Edwards for the Services is \$180,000 per annum exclusive of statutory superannuation.

The CEO Agreement commenced on 1 November 2018 and is for an indefinite term, continuing until terminated in accordance with the CEO Agreement, Mr Edwards has a notice period of 3 months.

Company secretarial and financial management services agreement

The Company has an agreement with Blue Leaf Corporate Pty Ltd for the provision of company secretarial and financial management services to the Company. At the time of entering into the Blue Leaf Agreement, Blue Leaf was a related party of the Company by virtue of being controlled by then-Director of the Company, Mr Michael Naylor. The Company confirms that the Blue Leaf Agreement was negotiated on arm's length terms.

The Blue Leaf Agreement commenced in February 2018 and will continue until terminated by mutual agreement or either party on 90 days' written notice. The Company will pay Blue Leaf fees of \$8,500 per month (plus GST) which commenced on the date of listing on the ASX. The Blue Leaf Agreement contains additional provisions considered standard for agreements of this nature.

STATUTORY AND SHARE-BASED REPORTING

Director and KMP Remuneration

Details of the nature and amount of each major element of remuneration of each Director and KMP of African Gold during the year are:

Directors and executive officers	Year	SHORT TERM BENEFITS		POST EMPLOYMENT	Share based payment (non-cash)	Total	Performance based % of remuneration
		Salary \$	Annual Leave \$	Superannuation Benefits \$	Options and Rights \$		
Evan Cranston Non-Executive Chairman	2019	57,761	-	-	-	57,761	0%
	2018	-	-	-	1,503,304 ¹	1,503,304	100%
Tolga Kumova Non-Executive Director	2019	46,209	-	-	-	46,209	0%
	2018	-	-	-	1,503,304 ¹	1,503,304	100%
Stephen Parsons Executive Director	2019	109,823	8,104	6,470	-	124,397	0%
	2018	-	-	-	1,503,304 ¹	1,503,304	100%
Michael Naylor Company Secretary	2019	93,500	-	-	-	93,500	0%
	2018	-	-	-	338,243 ¹	338,243	100%
Glen Edwards Chief Executive Officer	2019	180,000	13,847	18,415	43,541	255,803	17%
	2018	30,000	2,307	3,070	14,198	49,575	28.6%
Total directors and executive officer's remuneration	2019	487,293	21,951	24,885	43,541	577,670	8%
	2018	30,000	2,307	3,070	4,862,353	4,897,730	99.3%

¹ None of the KMP had received any cash remuneration since the incorporation of the Company but have each subscribed (or procured that a nominee subscribes) for Management Options for a nominal issue price, exercisable at \$0.20 each and expiring 17 April 2023. These options are escrowed for a period of 24 months from listing, in accordance with ASX listing rules. It should further be noted that amounts attributable to the Directors (Evan Cranston, Tolga Kumova and Stephen Parsons) are all considered to be earned in their role as promoters assisting in the raise of capital of the company through the IPO process.

It is for this reason that the amounts are not recorded as an expense in the *Statement of Profit or Loss and Other Comprehensive Income* and that they are recorded within *Reserves* on the *Statement of Financial Position*.

Director and KMP Remuneration Movements in Options

The movement during the reporting period in the number of options in African Gold held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1 January 2019	Granted as Compensation	Options exercised	Lapsed/ forfeited	Held at 31 December 2019 Or date of resignation	Vested and exercisable at 31 December 2019
Evan Cranston	10,000,000 ¹	-	-	-	-	10,000,000
Tolga Kumova	10,000,000 ¹	-	-	-	-	10,000,000
Stephen Parsons	10,000,000 ¹	-	-	-	-	10,000,000
Michael Naylor	2,250,000 ¹	-	-	-	-	2,250,000
Glen Edwards	-	-	-	-	-	-
Total	32,250,000	-	-	-	-	32,250,000

¹ Each option entitles the holder to subscribe for one share upon exercise of the option. The options have an exercise price of \$0.20 per option and expire on 17 April 2023. These options are escrowed for a period of 24 months from listing, in accordance with ASX listing rules.

Director and KMP Remuneration Movements in Performance Rights

The movement during the reporting period in the number of performance rights in African Gold held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1 January 2019	Granted as Compensation ¹	Options exercised	Lapsed/ forfeited	Held at 31 December 2019	Vested and exercisable at 31 December 2019
Glen Edwards	2,000,000 ¹	-	-	-	2,000,000 ¹	-
Total	2,000,000	-	-	-	2,000,000	-

¹Each performance right converts to one ordinary share in the Company upon satisfaction of the performance conditions linked to the rights. The rights do not carry any other privileges. The fair value of the performance rights granted is determined based on the number of rights awarded multiplied by the share price of the Company on the date awarded. The following performance conditions are applicable to the rights awarded in the year:

1. The CEO completing 18 months of continuous employment with the Company from the date the Company is admitted to the official list of ASX.
2. An announcement by the Company of a JORC Code compliant resource of a minimum of 500,000 ounces of gold (or equivalent value if another commodity) of at least 1 gram per tonne on any of the Company's mineral exploration licences in Côte D'Ivoire within 3 years of the date the Company is admitted to the official list of ASX.

There were no other Performance Rights held or issued in the year ended 31 December 2019.

Shareholdings of KMP

Shares held in African Gold Limited (number)

	Held at 1 January 2019	On market Purchases	Disposal	Held at 31 December 2019
Tolga Kumova	5,500,000	200,000	-	5,700,000
Evan Cranston	5,500,000	1,858	-	5,501,858
Stephen Parsons	5,500,001	250,000	-	5,750,001
Michael Naylor	525,000	-	-	525,000
Glen Edwards	-	-	-	-
Total	17,025,001	451,858	-	17,476,459

Share-based compensation (non-cash)

Options

No options were granted during the year ended 31 December 2019. The following table discloses the number of options granted during the prior year. Options do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met, until their expiry date.

Name	Financial year	Awarded during the year	Award date	Vesting date	Expiry date	Fair value of option at award date (\$)	Exercise price	Value of options granted during the year (\$) ¹	Risk free rate	Expected volatility
Evan Cranston	2018	10,000,000	20-Mar-18	20-Mar-18	17-Apr-23	0.1503	0.20	1,503,304	2.10%	100.00%
Tolga Kumova	2018	10,000,000	20-Mar-18	20-Mar-18	17-Apr-23	0.1503	0.20	1,503,304	2.10%	100.00%
Stephen Parsons	2018	10,000,000	20-Mar-18	20-Mar-18	17-Apr-23	0.1503	0.20	1,503,304	2.10%	100.00%
Michael Naylor	2018	2,250,000	20-Mar-18	20-Mar-18	17-Apr-23	0.1503	0.20	338,243	2.10%	100.00%

¹ Amounts attributable to the Directors (Evan Cranston, Tolga Kumova and Stephen Parsons) are all considered to be earned in their role as advisors assisting in the raise of capital of the company through the IPO process. It is for this reason that the amounts are not recorded as an expense in the *Statement of Profit or Loss and Other Comprehensive Income* and that they are recorded within *Reserves* on the *Statement of Financial Position*.

Performance rights

The following table discloses the number of performance rights granted, vested or lapsed during the year. Performance rights do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met, until their expiry date.

Name	Financial year	Awarded during the year	Award date	Vesting date	Expiry date	Fair value of performance right at award date (\$)	Exercise price	No. vested during year	No. lapsed during year	Value of performance rights granted during the year ¹ (\$)	Value of performance rights held on date of resignation (\$)	Value of performance rights on held on date of resignation (\$)
Glen Edwards	2018	1,000,000	1-Nov-18	N/A	14-Aug-20	0.10	Nil	-	-	100,000	-	-
Glen Edwards	2018	1,000,000	1-Nov-18	N/A	14-Feb-22	0.10	Nil	-	-	100,000	-	-

¹Determined at the time of grant per AASB 2 *Share-based payments*.

Loans to key management personnel

There were no loans to key management personnel of the Company, including their personally related parties, as at 31 December 2019.

Other transactions and balances with KMP and their related parties

The following transactions were undertaken with key management personnel during the year ended 31 December 2019.

Mr Naylor is a Director of the following related party entity which transacted with the Company.

Entity	Services provided	2019 \$	2018 \$
Blue Leaf Corporate Pty Ltd	Company secretarial and financial management services.	93,500	-

There were no other transactions and balances with key management personnel of the Company, including their personally related parties, as at 31 December 2019.

END OF REMUNERATION REPORT

Rounding of amounts

African Gold Limited is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and the financial report have been rounded to the nearest dollar.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended to 31 December 2019 has been received and is attached to this Directors' Report.

Signed in accordance with a resolution of the Board of Directors.



Mr Stephen Parsons

Executive Director

Perth, WA - dated 31 March 2020

COMPETENT PERSONS STATEMENT

Information in this report that relates to the commencement of drilling is based on and fairly represents information and supporting documentation prepared by Mr Glen Edwards. Mr Edwards is a full-time employee of African Gold Limited and is a member of the Australian Institute of Geoscientists (AIG) and Society of Economic Geologists (SEG). Mr Edwards has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activity which they are undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Edwards has provided his prior written consent as to the form and context in which the Exploration Results and the supporting information are presented in this report.

FORWARD LOOKING STATEMENT

This report may contain certain forward-looking statements and projections regarding estimated, resources and reserves; planned production and operating costs profiles; planned capital requirements; and planned strategies and corporate objectives. Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of African Gold Limited. The forward-looking statements/projections are inherently uncertain and may, therefore, differ materially from results ultimately achieved.

African Gold Limited does not make any representations and provides no warranties concerning the accuracy of the projections and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws. While the information contained in this report has been prepared in good faith, neither African Gold or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. Accordingly, to the maximum extent permitted by law, none of African Gold Limited, its directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortuous, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this presentation or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this presentation.

NOTES

1. Refer Quarterly Report on 31 October 2019 for more details. African Gold is not aware of any new information or data that materially affects the information included in the said announcement.
2. Refer ASX announcement on 4 July 2019. African Gold is not aware of any new information or data that materially affects the information included in the said announcement.
3. Refer ASX announcement on 5 September 2019. African Gold is not aware of any new information or data that materially affects the information included in the said announcement.
4. Refer ASX announcement on 15 August 2019. African Gold is not aware of any new information or data that materially affects the information included in the said announcement.

Auditor's Independence Declaration

To the Directors of African Gold Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of African Gold Limited the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 31 March 2020

Grant Thornton Audit Pty Ltd ACN 130 913 594
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	31 December 2019 \$	1 February 2018 to 31 December 2018 \$
Accounting and audit		(144,367)	(52,913)
Consultants and contractors		(224,864)	(74,879)
Depreciation and amortisation		(1,465)	-
Employee benefits expense		(298,933)	(138,827)
Exploration and evaluation costs		(12,677)	-
Impairment of loan to Golden Ivoire SARL		-	(227,411)
Listing and compliance		(36,249)	(70,855)
Net foreign exchange losses		(26,214)	(3,482)
Office rental and outgoings		(33,269)	-
Share based payments	9.3	(86,373)	(762,350)
Travel and accommodation		(40,662)	(17,584)
Other expenses		(118,233)	(20,368)
Results from operating activities		(1,023,306)	(1,368,669)
Finance income		39,812	94
Loss before income tax		(983,494)	(1,368,575)
Income tax expense	19	-	-
Loss for the year/ period after tax from continuing operations		(983,494)	(1,368,575)
Other comprehensive expenses			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations		193	-
Other comprehensive income for the period, net of tax		193	-
Total comprehensive loss for the year/ period		(983,301)	(1,368,575)

Loss per share attributable to equity holders of the Company:	Notes		
Loss per share:			
Basic and Diluted loss per share (cents per share)	16	(1.90)	(8.09)

The above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	31 December 2019 \$	31 December 2018 (Restated) \$
Assets			
Current			
Cash and cash equivalents	4	1,627,845	52,337
Trade and other receivables	6	54,682	56,529
Prepayments	6, 22	79,499	60,515
Subscription receivable	21	-	3,923,500
Total current assets		1,762,026	4,092,881
Non-current			
Exploration and evaluation	12	4,390,255	-
Investment in Golden Ivoire SARL		-	30,000
Property, plant and equipment	13	2,236	-
Total non-current assets		4,392,491	30,000
Total assets		6,154,517	4,122,881
Liabilities			
Current			
Trade and other payables	7	757,375	297,011
Provisions - employee benefits		22,773	8,844
Total current liabilities		780,148	305,855
Total liabilities		780,148	305,855
Net assets		5,374,369	3,817,026
Equity			
Share capital	8	1,138,992	496,251
Other contributed equity	21	-	3,923,500
Reserves	9, 22	6,587,446	765,850
Accumulated losses		(2,352,069)	(1,368,575)
Total equity		5,374,369	3,817,026

The above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Notes	Share capital	Other contributed equity	Share based payments reserve	Foreign Currency Translation Reserve	Accumulated losses	Total equity
		\$	\$	\$	\$	\$	\$
As at 1 February 2018		-	-	-	-	-	-
Loss for the period		-	-	-	-	(1,368,575)	(1,368,575)
Other comprehensive loss		-	-	-	-	-	-
Total comprehensive loss		-	-	-	-	(1,368,575)	(1,368,575)
Transactions with owners and options							
Issue of share capital	8	496,251	-	-	-	-	496,251
Subscriptions yet to be issued	21	-	3,923,500	-	-	-	3,923,500
Share based payments expense	9.3	-	-	5,275,763	-	-	5,275,763
Prior period restatement	22	-	-	(4,509,913)	-	-	(4,509,913)
Balance at 31 December 2018		496,251	3,923,500	765,850	-	(1,368,575)	3,817,026
At 1 January 2019 (restated)		496,251	3,923,500	765,850	-	(1,368,575)	3,817,026
Loss for the year		-	-	-	-	(983,494)	(983,494)
Other comprehensive income		-	-	-	192	-	192
Total comprehensive income		-	-	-	192	(983,494)	(983,302)
Transactions with owners and options							
Issue of share capital	8	4,500,000	(3,923,500)	-	-	-	576,500
Share capital issued for the acquisition of subsidiaries	8, 10 (a,c)	2,130,000	-	-	-	-	2,130,000
Share issue transaction costs	8	(1,477,346)	-	-	-	-	(1,477,346)
Options issue transaction costs	22	(4,509,913)	-	4,509,913	-	-	-
Share based payments expense	9	-	-	1,311,491	-	-	1,311,491
Balance at 31 December 2019		1,138,992	-	6,587,254	192	(2,352,069)	5,374,369

The above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Notes	31 December 2019 \$	1 February 2018 to 31 December 2018 \$
Operating activities			
Payment to suppliers and employees		(926,404)	(286,411)
Payment for exploration and evaluation		(5,577)	(65,634)
Interest received		39,812	94
Net cash used in operating activities	5	(892,169)	(351,951)
Investing activities			
Payment for the acquisition of subsidiary Abra Resources Pty Ltd	10	(297,607)	-
Payment for the acquisition of Falémé Gold Project, Mali	10	(222,798)	-
Cash acquired on acquisition of subsidiary Golden Ivoire	10	59,948	-
Payment for exploration expenditure		(1,242,771)	-
Payment for property, plant and equipment		(3,701)	-
Other (security deposit)		(30,000)	-
Investment in Golden Ivoire SARL	10	-	(30,000)
Net cash used in investing activities		(1,736,929)	(30,000)
Financing activities			
Proceeds from share issuances		4,500,000	496,250
Proceeds from option issuances		975	3,500
Share issue transaction costs		(268,677)	-
Loans to Golden Ivoire SARL		-	(65,462)
Net cash provided by financing activities		4,232,298	434,288
Net increase in cash and cash equivalents		1,603,200	52,337
Effect of movements in exchange rates on cash held		(27,692)	-
Cash and cash equivalents, at 1 January/ date of incorporation 1 February		52,337	-
Cash and cash equivalents, at year end 31 December	4	1,627,845	52,337

The above should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

African Gold Limited (African Gold or the Company) and its subsidiaries (collectively, the Group) is a for-profit entity for the purpose of preparing the financial statements. Principal activities include exploration and evaluation of mineral resources and pursuing various investment opportunities in the resources sector designed to add shareholder value by acquiring, exploring, evaluating and exploiting mineral resource project opportunities in Africa.

African Gold is a for-profit company incorporated and domiciled in Australia whose shares are publicly traded and listed on the 14 February 2019 on Australian Securities Exchange (ASX: A1G). The address of its registered office and its principal place of business Suite 3, Level 3, 24 Outram Street, West Perth WA 6005.

The financial statements were approved and authorised for issue by the Board of Directors on 31 March 2020.

2 Basis of presentation and statement of compliance

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Board (IASB).

The financial report has been prepared on a historical cost basis.

The accounting policies used in the preparation of this financial report, as described below. The financial report is presented in Australian Dollars, being the functional currency of the Company.

3 Going Concern

At 31 December 2019, the Group had cash and cash equivalents of \$1,627,845. The Group incurred a net loss of \$983,494 and had cash outflows from operating and investing activities of \$2,629,098 during the year ended 31 December 2019.

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The balance of cash and cash equivalents as at 31 December 2019 is not sufficient to meet the Group's planned expenditures to continue to fund working capital for the Group's projects and general corporate activities over the next 12 months. The Directors have determined the Group will have the required funds to meet its planned expenditures. It is the current intention of the Group to raise required equity capital from strategic investors and/or existing shareholders.

Prevailing market conditions are particularly volatile as a result of the global impact from the Covid-19 declared pandemic. The extent and duration of the impact remain uncertain. The ability of the Group to raise future funding in this environment in order to continue its plans represents material uncertainty. In the event that further funding is not available, the Group may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors are, however, confident that further funding will be obtained to meet the Groups objectives. In addition, the Directors have considered the minimum expenditure requirements necessary in order to maintain tenements in good standing and to meet the committed expenditures for the 12 month period from the date of this report and consider the going concern basis of preparation as appropriate.

4 Cash and cash equivalents

Cash and cash equivalents	2019 \$	2018 \$
Cash in hand and at bank	1,627,845	52,337

5 Reconciliation of net profit after tax to net cash flows from operations

	2019 \$	2018 \$
Cash flows from operating activities		
Loss for the year/ period	(983,494)	(1,368,575)
Non-cash items		
Share based payments	86,373	762,350
Depreciation and amortisation	1,465	-
Exploration expenditure expensed (investing for cash flow purposes)	114,556	-
Foreign exchange gain/loss	26,060	-
Impairment of loans and re-charges to Golden Ivoire SARL	-	161,777
Other	1,377	(3,500)
Net changes in working capital:		
Change in trade and other receivables	(61,297)	(56,531)
Change in employee benefits provisions	13,928	8,844
Change in trade and other payables	(91,137)	143,684
Net cash from operating activities	(892,169)	(351,951)

6 Trade, other receivables and prepayments

Trade and other receivables	2019 \$	2018 \$
Other receivables	24,682	56,529
Security deposit	30,000	-
Total	54,682	56,529

Prepayments	2019 \$	2018 (restated) ¹ \$
Prepaid listing costs	-	56,726
Other prepayments	79,499	3,789
Total	79,499	60,515

¹Refer to note 22.

7 Trade and other payables

	2019 \$	2018 \$
Trade payables	438,704	151,761
Other payables and accruals	318,671 ¹	145,250
Total	757,375	297,011

¹Includes \$156,805 acquisition costs for the Falémé Gold Project refer to note 10(b) and \$57,020 acquisition costs for the Acquisition of Abra Resources Pty Ltd refer to note 10(c)

8 Share capital

Ordinary Shares	No. of Shares	\$
Share capital at 1 February 2018	-	-
Shares issued at \$1 per share	1	1
Shares issued at \$0.005 per share	20,250,000	101,250
Shares issued at \$0.10 per share	3,950,000	395,000
At 31 December 2018	24,200,001	496,251
Shares issued at initial Public Offering \$0.20 per share	22,500,000	4,500,000
Shares issued as part of the acquisition of Abra Resources Pty Ltd ⁽¹⁾	3,000,000	450,000
Shares issued as part of the acquisition of Golden Ivoire SARL ⁽²⁾	8,400,000	1,680,000
Less cost of share issues ^(3,4,5)	-	(5,987,259)
At 31 December 2019	58,100,001	1,138,992

The share capital of the Company consists only of fully paid ordinary shares. The shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting.

- (1) Represents the value of the Consideration Shares at the date of issue and are restricted for 6-12 months from the date of quotation, refer to note 10(c) for further details.
- (2) 150,000 ordinary shares to the value of \$30,000 are restricted for 24 months from date of quotation, plus 8,250,000 Consideration Shares to the Vendors at a deemed issue price of \$0.20 per share amounting to \$1,650,000. Refer to note 10(a) for further details.
- (3) The Group has treated the value of the options issued to Directors \$4,509,913 as consideration for capital raising activities. A reconciliation of the total option issuance is as follows: \$5,261,565 total issuance less amounts issued to management and employees of \$751,652 which was not directly linked to capital raising activities of the Company and therefore expensed.
- (4) The Group has treated the value of the options issued to Advisors of \$1,224,143 in consideration for capital raising services provided during the Initial Public Offering as share issue transaction costs.
- (5) The total includes the above consideration in points 2 and 3 plus \$253,203 for costs associated with the Initial Public Offer which included brokerage fees, legal, accounting and administrative fees as well as printing, advertising and other expenses.

9 Reserves

The following table shows the movements in reserves during the year:

	Share based payments reserve (restated) \$	Foreign currency translation reserve \$	Total reserves (restated) \$
Balance at 1 February 2018 – date of incorporation	-	-	-
Transactions with owners in their capacity as owners:	-	-	-
Share-based payment transactions			
Share Options	5,261,565	-	5,261,565
Performance Rights	14,198	-	14,198
Prior period restatement (refer note 22)	(4,509,913)	-	(4,509,913)
Balance at 31 December 2018	765,850	-	765,850
Balance at 1 January 2019	765,850	-	765,850
Foreign currency translation differences	-	192	192
Total comprehensive gain	-	192	192
Transactions with owners in their capacity as owners:			
Share-based payment transactions			
Options issue transaction costs	4,509,913	-	4,509,913
Share Options	1,225,118	-	1,225,118
Performance Rights	86,373	-	86,373
Balance at 31 December 2019	6,587,254	192	6,587,446

9.1 SHARE BASED PAYMENTS

During the Year:

- 9,750,000 unlisted options were issued;
- 8,250,000 Shares issued on acquisition of subsidiary Golden Ivoire SARL refer to note 10 (a); and
- 3,000,000 Shares issued on acquisition of subsidiary Abra Resources Pty Ltd refer to note 10 (c).

Set out below is a summary of unlisted options and performance rights outstanding at 31 December 2019:

	Vested	Unvested	Issue Date	Expiry date	Exercise price (Cents)	Fair value per unit (Cents)	Total fair value \$
Unlisted options	9,750,000	-	07/02/19	07/02/22	0.20	0.1257 ⁽¹⁾	1,225,118
Unlisted options	35,000,000	-	20/03/18	31/3/23	0.20	0.1503 ⁽¹⁾	5,261,565
Performance Rights	-	2,000,000	01/11/18	2-4 years	N/A	0.10 ⁽²⁾	200,000

(1) Valuation was determined using a Black Sholes pricing model.

(2) The performance rights have non-market vesting conditions only. Management estimates the number of units that are expected to vest, and the total fair value of the issuance is recognised over the vesting period (which is the period to expiry).

Share Options Issued during the year

The Company has determined the fair value of its options awarded using the Black Scholes pricing model. The following share options were issued during the year ended 31 December 2019, alongside the key inputs utilised in the pricing model, including the Company's risk-free borrowing rate and volatility of the Company's shares.

9,750,000 unlisted options were issued to Advisors in consideration for capital raising services in connection with the Initial Public Offering:

Granted during the year	Grant date and Vesting date	Expiry date	Fair value of option at Grant date (\$)	Exercise price (Cents)	Risk free rate	Expected volatility	Value of options granted during the year (\$)
9,750,000	06/02/2019	07/02/21	0.12565	0.20	2.10%	100%	1,225,118
Less: option cash consideration received							(975)
Total:							1,224,143

The full amount of \$1,224,143 was recorded as share issue transaction costs, this treatment was selected based on the nature of the services provided by the advisors as mentioned above.

9.2 Share Options and performance rights Issued during the prior year

Prior year share based payment expense total of \$762,350 (includes both share options expensed of \$748,152 and \$14,198 performance rights):

Share Options

Awarded during the year	Award date and Vesting date	Expiry date	Fair value of option at award date (\$)	Exercise price (Cents)	Risk free rate	Expected volatility	Value of options granted during the year (\$)	Amount of expense recognised (\$)
35,000,000	20/3/2018	31/3/2023	0.15033	0.20	2.10%	100%	5,261,565	751,652
Less: option cash consideration received							-	(3,500)
Total:							5,261,565	748,152

The Company has treated the value of the options issued to Directors (\$5,261,565 less Management and Employee options expense \$751,652 which was not directly linked to capital raising activities of the Company amounted to \$4,509,913). The balance of \$4,509,913 classified as a Share Based Payments Reserve this was selected based on the nature of the remuneration to the Directors in their capacity as promoters of the company and assistance with obtaining capital investment under their Prospectus and Initial Public Offering.

The balance in Share Based Payments Reserve was unwound against Share Capital upon listing on the ASX on the 14 February 2019.

9.3 Share Options and performance rights Issued during the prior year (continued)

Performance rights issued to employee

Awarded during the year	Award date	Vesting date	Expiry date	Fair value of performance right at award date (\$)	Service period date	No. vested during year	No. lapsed during year	Value of performance rights granted during the year (\$)	Amount of expense recognised during the prior year (\$)	Amount of expense recognised during the year (\$)
1,000,000	1/11/18	N/A	14/8/20	0.10	14/8/20	-	-	100,000	9,202	55,981
1,000,000	1/11/18	N/A	14/2/22	0.10	14/2/22	-	-	100,000	4,996	30,392
Total								200,000	14,198	86,373

The table above discloses the number of performance rights granted, vested or lapsed during the year. Each performance rights converts to one ordinary share in the Company upon satisfaction of the performance conditions linked to the rights. The rights do not carry any other privileges. The fair value of the performance rights granted is determined based on the number of rights awarded multiplied by the share price of the Company on the date awarded.

The following performance conditions are applicable to the rights awarded in the year:

- 1,000,000 Performance Rights vesting after the Executive completes 18 months' continuous employment with the Company from the Listing Date.
- 1,000,000 Performance Rights vesting on the announcement by the Company of a JORC compliant resource of a minimum of 500,000 ounces of gold (or equivalent value if another commodity) of at least 1 gram per tonne on any of the Company's mineral exploration licences in Cote D'Ivoire within 3 years of the Listing Date.

The total expense of \$200,000, calculated at the share price on issuance (10 cents) multiplied by the number of rights, is recognised from the vesting period. The expense is then recognised on a straight-line basis over the vesting period.

10. Asset acquisitions

a) Acquisition of Golden Ivoire SARL

The Company completed its share sale agreement with Golden Ivoire SARL and its vendors on the 14 February 2019. It is as this date that the Company obtained control over the subsidiary and consolidated its accounts. The group has determined that the transaction does not constitute a business combination in accordance with *AASB 3 Business Combinations*.

Details of the purchase condition are as follows:

	At acquisition
Purchase consideration:	\$
Cash paid	30,000
Ordinary Shares issued (150,000)	30,000
Ordinary Shares issued (8,250,000)	1,650,000
Total purchase consideration	1,710,000

Initial cash payment of \$30,000 was paid in 2018. The fair value of the shares issued to gain control of Gold Ivoire was based on the African Gold's share price on 14 February 2019 (the date on which control was obtained) of \$0.20 per share and are subject to escrow for 24 months.

	At acquisition
Net assets acquired	\$
Cash and cash equivalents	59,948
Other receivables	5,957
Exploration and evaluation	1,803,354
Loan payable	(159,259)
Net assets acquired	1,710,000

b) Acquisition of Falémé Gold Project

In July 2019, African Gold's 100% owned Malian subsidiary African Gold Mali SARL entered into four option agreements to acquire gold projects located in the highly prospective and prolific gold producing Kenieba Inlier in western Mali known as the Falémé Gold Project.

Terms of the Agreement

BouBou Permit (25sqkm) agreement with Mande Empire Resources SARL

- 1) Option payment of US\$20,000 to the vendor on signing.
- 2) Payment of US\$30,000 the vendor 12 months after signing, at this point African Gold earns 51% equity in the Permit.
- 3) Payment of US\$60,000 the vendor 24 months after signing, at this point African Gold will have 90% equity and Mande Empire 10% equity. At this juncture, Mande Empire can elect to contribute or convert to a 2% NSR (1% NSR purchasable for US\$500,000).
- 4) African Gold will meet minimum expenditure commitments and keep permits in good standing.

Bourdala Permit (16sqkm) with Doumou SARL

- 1) Option payment of US\$40,000 to the vendor on signing.
- 2) Payment of US\$50,000 to the vendor 12 months after signing, at this point African Gold earns 51% equity
- 3) Payment of \$60,000 the vendor 24 months after signing, at this point African Gold will have 90% equity and Doumou 10% equity. At this juncture, Doumou can elect to contribute or convert to a 2% NSR (purchasable for US\$1,000,000)
- 4) African Gold will meet minimum expenditure commitments and keep permits in good standing.

Diokeba Sud Permit (35sqkm) agreement with SAB International SARL

- 1) Option payment of US\$20,000 to the vendor on signing. Of this CFA 5,000,000 will be used to pay for the grant of the license in accordance with Malian Mining law.
- 2) Payment of US\$30,000 to the vendor 12 months after signing, at this point African Gold earns 51% equity.
- 3) Payment of US\$50,000 to the vendor 24 months after signing, at this point African Gold will have 90% equity and SAB International 10% equity. At this juncture, SAB International can elect to contribute or convert to a 2% NSR (1% NSR purchasable for US\$1,000,000).
- 4) African Gold will meet minimum expenditure commitments and keep permits in good standing.

Tintinba Nord Permit (35sqkm) agreement with Macina Gold Company SARL

- 1) Option payment of US\$50,000 on signing.
- 2) African Gold to sole fund first year exploration to a value of US\$250,000. Once done African Gold will hold 55% equity and Macina Gold 45% equity in the permit.
- 3) Macina gold will retain alluvial rights to a depth of 2 meters over a designated area. This will not restrict the exploration or exploitation of resources below this depth.

- 4) Thereafter a joint venture will be formed and Macina gold can elect to contribute to retain equity or dilute. If they dilute this will be converted to a 10% free carried to decision to mine. If Macina dilutes further this will be converted to a 2% NSR (purchasable for a consideration based in value profit calculated at time of DFS).
- 5) African Gold will meet minimum expenditure commitments and keep permits in good standing.

In summary, African Gold has paid a total purchase consideration of \$228,216 in cash to obtain the option to acquire the Falémé Gold Project and anticipates obtaining 51% equity in permits BouBou, Bourdala and Diokeba Sud by paying an additional \$156,805 (equivalent to US\$110,000) due in July 2020, to arrive at a total exploration and evaluation asset of \$325,874.

c) Acquisition of Abra Resources Pty Ltd

On 15 November 2019, African Gold completed a share purchase agreement with Abra Resources Pty Ltd (Abra) to acquire 100% of Abra which, through its wholly owned Malian subsidiary, owns the Samanafoulou, Sitikili, Yatia, Golokasso gold projects, and the option to purchase a 95% interest in the Walia gold project in Mali. The group has determined that the transaction does not constitute a business combination in accordance with *AASB 3 Business Combinations*.

Details of the purchase condition are as follows:	At acquisition
Purchase consideration:	\$
Cash paid	170,000
Ordinary Shares issued (3,000,000)	450,000
Total purchase consideration	620,000

The fair value of the shares issued to gain control of Abra was based on the African Gold's share price on 15 November 2019 (the date on which control was obtained) of \$0.15 per share and are subject to escrow for 6-12 months.

	At acquisition
Net assets acquired	\$
Exploration and evaluation	736,167
Other payable	(116,167) ¹
Net asset acquired	620,000

¹To finalise progression of the transfer of the 95% ownership in Walia Gold Project, the Company can pay US\$80,000 cash. Of which US\$40,000 was paid after acquisition in November 2019 and remaining US\$40,000 (AUD equivalent \$57,020) outstanding at 31 December 2019, due in November 2020.

11 Operating segment

The Group reports two segments for the year ended 31 December 2019:

- Exploration and evaluation of Minerals in Cote d'Ivoire
- Exploration and evaluation of Minerals in Mali

These are the geographical areas, the results are which reported to the chief operating decision maker, being the Chief Executive Officer and Exploration Manager for the purposes of assessing performance and determining the allocation of resources.

	Mali \$	Cote d'Ivoire \$	Total \$
Year ended 31 December 2019			
Segment results - Loss after income tax	(19,475)	(29,274)	(48,749)
Unallocated losses after income tax			(934,745)
Loss after income tax			(983,494)
As at 31/12/2019			
Segment assets	1,946,596	2,530,407	4,477,003
Unallocated assets			1,677,514
Total assets			6,154,517
Segment liabilities	(281,102)	-	(281,102)
Unallocated liabilities			(499,045)
Total liabilities			(780,147)

No comparative has been included as the Company had no operating segments in previous periods.

12 Exploration and evaluation

	Notes	2019 \$	2018 \$
Opening balance as at 1 January		-	-
Acquisition costs in purchase of Golden Ivoire SARL	10 (a)	1,803,354	-
Acquisition of Falémé Gold Project	10 (b)	325,874	-
Acquisition of Abra Resources Pty Ltd	10 (c)	736,167	-
Amount capitalised during the period		1,524,860	-
Closing balance as at 31 December		4,390,255	-

13 Property, plant and equipment

	2019 \$	2018 \$
Opening carrying amount	-	-
Additions	3,701	-
Less: Depreciation	(1,465)	-
Closing carrying amount	2,236	-

14 Controlled entities

Entities forming part of African Gold Limited consolidated group are as follows:

	Country of incorporation	Percentage Owned % 2019	2018
Abra Resources Pty Ltd	Australia	100	-
Tanzanian Nickel Pty Ltd	Australia	100	-
Golden Ivoire SARL	Cote d'Ivoire	100	-
African Gold Mali SARL	Mali	100	-
Eureka Gold SARL	Mali	100	-
Catalyst Resources SARL	Mali	100	-
Millerite Tanzania Limited	Tanzania	100	-

15 Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's principal financial instruments comprise cash. The Company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

15.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables.

The Company holds the majority of its cash and cash equivalents with banks and financial institution counterparties with acceptable credit ratings. As part of managing its credit risk on cash and cash equivalents, the majority of funds are held in Australian banks, which have a higher credit rating amongst the banks and financial institution counterparties.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the end of the reporting period was as follows:

Financial assets	Note	Carrying amount 2019 \$	Carrying amount 2018 (Restated) \$
Cash and cash equivalents	4	1,627,845	52,337
Trade and other receivables	6	54,682	56,529
Subscription receivable	21	-	3,923,500

None of the Company's trade and other receivables are past due as at 31 December 2019 (2018: Nil).

15.2 Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Company manages liquidity risk by monitoring forecast cash flows, only investing surplus cash with major financial institutions; and comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Company in managing its cash flows. Financial liabilities are expected to be settled within 12 months.

2019	Note	Carrying amount \$	Contractual Cash Flows \$	6 Months or less \$
Trade payables and accruals	7	757,375	757,375	757,375
2018				
Trade payables and accruals	7	297,011	297,011	297,011

Risks associated with market risk, credit risk and liquidity risk are not considered material with respect to the above items.

15.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Currency Risk

The Group is exposed to currency risk on purchases that are denominated in a currency other than the respective functional currencies of the Group entities, being AUD and CFA. The currencies in which these transactions are primarily denominated are AUD, CFA, EUR and USD.

The Group's investments in its Mali and Ivory Coast subsidiaries are denominated in CFA and are not hedged as those currency positions are considered to be long term in nature.

(b) Interest Rate Risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's cash. Cash includes funds held in cheque accounts during the year, which earned variable interest at rates ranging between 0.88% and 1.25% (2018: 1.05% and 2.25%) depending on the bank account type and account balances these amounts are not considered material.

The Company has no loans or borrowings.

16 Loss per share

	2019 \$	2018 \$
Net loss attributable to ordinary equity holders of the Company	(983,494)	(1,368,575)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share	51,743,957	16,907,509
Loss per share (cents per share)	(1.90)	(8.09)

Both the basic and diluted loss per share is calculated using the loss attributable to shareholders of the Company as the numerator (i.e. no adjustments to losses were necessary in 2019).

46,750,000 potential ordinary shares (options & rights) have not been included in determining the diluted loss per share as they are not considered to be dilutive due to the loss position of the Company for year ended 31 December 2019.

17 Auditor remuneration

	2019 \$	2018 \$
Audit and review of financial statements		
Auditors - Grant Thornton Australia	30,500	20,750
Non-audit services		
Investigation accountant's report and due diligence services	-	22,039
Taxation services	2,750	-
Total auditor's remuneration	33,250	42,789

18 Contingent liabilities

Falémé Gold Project

If the Company completes first year exploration activities to the value of US\$250,000 to earn 55% equity in permit Tintinba Nord. The group will have the option, in July 2021, to make an additional cash payment of US\$170,000 to obtain a total 90% equity in the Falémé Gold Project.

19 Income tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of African Gold Ltd at 27.5% and the reported tax expense in profit or loss are as follows:

	2019 \$	2018 \$
Accounting profit before tax	(983,494)	(1,368,575)
<i>Income Tax Expense to Accounting Profit</i>		
Domestic tax rate for African Gold Ltd 27.5% (2018: 27.5%)	(270,460)	(376,358)
Difference of effective foreign income tax rates	243	-
Expenditure not allowed for income tax purposes		
Share based payments	23,753	209,647
Other non-deductible items - foreign expenditure	146,865	124,810
Deferred Tax Asset not brought to account	(178)	6,888
Deferred Tax Asset losses not brought to account	99,777	35,013
Income tax expense (benefit)	-	-
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Unrecognised deferred tax asset losses - Australia	121,628	35,013
Unrecognised deferred tax asset losses - Foreign	13,160	-
Unrecognised deferred tax asset temporary differences	23,955	7,542
Unrecognised deferred tax liability	(2,021)	(208)
	156,722	42,347

20 Related parties

Names and positions of key management personnel in office at any time during the financial year:

Name	Position
Evan Cranston	Non-Executive Chairman
Tolga Kumova	Non-Executive director
Stephen Parsons	Executive director
Michael Naylor	Chief Financial Officer/Company Secretary
Glen Edwards	Chief Executive Officer and Exploration Manager

The following table provides a summary of the nature and amount of the elements of key management personnel remuneration for the year.

	2019 \$	2018 \$
Short term benefits	509,244	32,307
Post-employment benefits	24,885	3,070
Share based payments (non-cash)	43,541	4,862,353
Total	577,670	4,897,730

Transactions with related parties

The following transactions were undertaken with key management personnel during the year ended 31 December 2019. Mr Naylor is a Director of the following related party entity which transacted with the Company.

Entity	Services provided	2019 \$	2018 \$
Blue Leaf Corporate Pty Ltd	Company secretarial and financial management services.	93,500	-

21 Other Contributed Equity

As at 31 December 2018, the company had an unconditional right to cash balances raised as part of their Initial Public Offering (IPO) amounting to \$3,923,500.

The balance in Other Contributed Equity was unwound to Share Capital upon listing on the ASX on the 14 February 2019.

22 Restatement of prior period balance

During 2019, the Company discovered that the classification of prepayments was overstated by the Directors share options which amounted to \$4,509,913, refer to share option note 9.3. These share options were issued in their capacity as promoters of the company and assistance with obtaining capital investment under their Prospectus and Initial Public Offering and should have been classified to Share Based Payments Reserve, Refer to Note 9. This error has been rectified by restating each of the affected financial statement line items in the prior period ended 31 December 2018 as follows:

31 December 2018			
Statement of financial position (extract)	Previous amount \$	Adjustment \$	Restated amount \$
Prepayments	4,570,428	(4,509,913)	60,515
Total Current Assets	8,602,794	(4,509,913)	4,092,881
Total Assets	8,632,794	(4,509,913)	4,122,881
Net Assets	8,326,939	(4,509,913)	3,817,026
Share Based Payments Reserve	5,275,763	(4,509,913)	765,850
Total equity	8,326,939	(4,509,913)	3,817,026

23 Parent entity disclosure

The following information relates to the parent entity, African Gold Limited, as at and for the year ended 31 December 2019.

	2019 \$	2018 (restated) \$
Loss for the year	(983,300)	(1,368,575)
Other comprehensive expenses	-	-
Total Comprehensive loss for the year	(983,300)	(1,368,575)
Financial Position of parent entity at year end:		
Current assets	3,518,336	4,092,881
Non-current assets	2,355,078	30,000
Total assets	5,873,414	4,122,881
Current liabilities	499,045	305,855
Total liabilities	499,045	305,855
Total equity of the parent entity comprising of:		
Contributed equity	1,138,992	4,419,751
Foreign currency translation reserve	(192)	-
Share-based payment reserve	6,587,446	765,850
Accumulated losses	(2,351,877)	(1,368,575)
Total equity	5,374,369	3,817,026

24 Post-reporting date events

COVID-19

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout Australia. The spread of COVID-19 has caused significant volatility in Australian and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and international economies. We cannot reasonably estimate the length or severity of this pandemic.

Other than the above there have not been any events that have arisen between 31 December 2019 and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years.

25 Summary of significant accounting policies

25.1 Parent entity information

In accordance with *the Corporations Act 2001*, these financial statements present the results of the Group only, and information about the parent entity is disclosed in note 23.

25.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2019. Subsidiaries are entities that are controlled by the Company. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with its subsidiaries and has the ability to affect those returns through its capacity to direct the activities of its subsidiaries.

Specifically, the Group controls a subsidiary if, and only if, the Group has:

- power over the subsidiary (i.e., existing rights that give it the current ability to direct the relevant activities of the subsidiary)
- exposure, or rights, to variable returns from its involvement with the subsidiary
- the ability to use its power over the subsidiary to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of a subsidiary, the Group considers all relevant facts and circumstances in assessing whether it has power over a subsidiary, including:

- the contractual arrangement(s) with the other vote holders of the subsidiary
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights

The consolidated entity re-assesses whether or not it controls an entity if facts and circumstances indicate that there is a change to the elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the consolidated entity gains control until the date the consolidated entity ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries align to their accounting policies with the group. All consolidated entity assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

25.3 Interest Income

Interest revenue is brought to account on an accruals basis using the effective interest rate method and, if not received at the end of the reporting period, is reflected in the statement of financial position as a receivable.

25.4 Trade and Other Payables

These amounts represent liabilities for amounts owing at the end of the reporting period. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade and other payables are initially recognised at fair value less transaction costs and subsequently carried at amortised cost.

25.5 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office ('ATO') and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full. Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

25.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

25.7 Equity

Share capital is recognised at the fair value of the consideration received. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

25.8 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

25.9 Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is capitalised and accumulated in respect of each identifiable area of interest. The costs are only carried forward to the extent that they are valid exploration and evaluation expenditure in area of interests that have current tenement licenses belonging to the company and expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable resources and further work is intended to be performed. Accumulated costs in relation to an abandoned area will be written off in full against the profit and loss in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

25.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

25.11 Share based payment transactions

The Company may provide benefits to individuals acting as, and providing services similar to employees (including Directors) of the Company in the form of share based payment transactions, whereby individuals render services in exchange for shares, options or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the value of the shares of the Company ('market conditions').

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at the balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at the grant date.

25.12 Employee entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. Liabilities arising in respect of wages and salaries, annual leave and other benefits due to be settled within twelve months of the reporting date are measured at rates which are expected to be paid when the liability is settled.

All other employee entitlement liabilities are measured at the present value of estimated payments to be made in respect of services rendered up to reporting date.

Contributions for other post-employment benefits to defined contribution plans are recognised in comprehensive income as incurred during the period in which employees render the related service.

25.13 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

25.14 Financial instruments

i) Financial assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Other receivables

Other receivables, which generally have 30 day terms, are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method, less an allowance for any estimated shortfall in receipt. An estimate of any shortfall in receipt is made when there is objective evidence a loss has been incurred. Bad debts are written off when identified.

Trade and other payables

Liabilities for creditors and other amounts are carried at amortised cost, which is the present value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity. The carrying period is dictated by market conditions but is generally less than 45 days.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss will be recognised through an allowance. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-

month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For other debt financial assets (i.e., cash on deposit at bank). The ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

The Group's financial liabilities are classified, at initial recognition, as subsequently measured at amortised cost, at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value.

The Group's financial liabilities include trade and other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

the group's financial liabilities are subsequently measured at amortised cost.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

25.15 Foreign currency transactions and balances

Transactions and balances

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the date of the transaction and foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction and non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss component of the statement of profit or loss and other comprehensive income, except where they are deferred in equity as a qualifying cash flow or net investment hedge.

Subsidiaries

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the exchange rate prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. Exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

25.16 Significant Estimates and Judgments

The Group has applied the following estimates and judgments pertaining to the financial report:

Share options

- (i) Volatility of share price and risk-free rate

For the purposes of the Black Scholes models used in Note 10, the Company has estimated the volatility of its share price based on other companies considered to be comparable, being junior exploration companies listed on the ASX and with African gold assets. The volatility is estimated to be 100%. The Group has estimated a risk-free rate based on the three-year average bond rates of Australia, 2.10%.

Performance rights

For performance rights, the Group makes a judgment around whether performance conditions, linked to exploration and evaluation activities, are more than probable to be met at which point the value of the rights are recognised either in full or over any service period. This judgment is made based on management's knowledge of the performance condition and how the Group is tracking based on exploration and evaluation activities as at the report date and with reference to subsequent events.

25.17 Loss per share

Earnings per share

- (i) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

- (ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

25.18 Capital management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group. Management is constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management considers that the total equity of the Group (contributed equity, reserves and retained earnings) is what it manages as capital.

25.19 New and amended accounting standards

The Group has adopted all Accounting Standards and Interpretations relevant to the Group that became effective for financial reports beginning on or after 1 January 2019. These include the following, alongside disclosure of the impact, if any, to the Group's results:

AASB 16 Leases

AASB 16 'Leases' replaces AASB117 'Leases' along with three interpretations (IFRIC 4 'Determining an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Invoicing the Legal Form of a Lease').

AASB 16 removes the distinction between operating and finance leases for lessees. Instead, all leases other than short term and low value asset leases are recognised on the balance sheet as a right of use asset, representing the lessee's entitlement to the benefits of the identified asset over the lease term, and a lease liability representing the lessee's obligation to make the lease payments. For leases recognised as operating leases under AASB 117, the lease expense will be replaced by the amortisation of the right of use asset and interest expense on the lease liability.

The Group has assessed the impact of this standard in the current period. The Group currently maintains a short-term lease, which includes a month-to-month arrangement with no formal agreement in place (relating to the head office). The Group has considered there to be no impact under AASB 16, however as this does fall into the definition of a lease under the standard, it may qualify for use of the optional practical expedient to recognise as a lease expense instead of on-balance sheet accounting.

New and amended accounting standards and interpretations issued but not yet effective

The directors have considered Australian Accounting Standards and interpretations issued but not yet effective and have determined that none are expected to have a significant effect on the group.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of African Gold Limited, I state that:

In the opinion of the Directors:

- (a) the consolidated financial statements and accompanying notes for the year ended 31 December 2019 and are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2019 and of their performance for the period ended on that date; and
 - (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and
- (b) the financial statements and notes also comply with the International Financial Reporting Standards as disclosed in note 2 and;
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial period ended 31 December 2019.

On behalf of the Board:



Mr Stephen Parsons

Executive Director

Dated the 31 March 2020

Independent Auditor's Report

To the Members of African Gold Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of African Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial statements, which indicates that the Group incurred a net loss of \$983,494 during the year ended 31 December 2019, and as of that date, the Group's operating cash outflows from operating and investing activities amount to \$2,629,098. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter – COVID-19

We draw attention to Note 24 of the financial report, which describes the circumstances relating to the material subsequent event regarding COVID-19 and the uncertainty surrounding any potential financial impact on the financials. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Exploration and evaluation assets - Notes 12 & 25.9</p> <p>At 31 December 2019, the carrying value of exploration and evaluation assets was \$4,390,255.</p> <p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; reviewing management's area of interest considerations against AASB 6; conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including: <ul style="list-style-type: none"> tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure; understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and assessing the appropriateness of the related financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's/Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company/Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 22 to 30 of the Directors' report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of African Gold Limited, for the year ended 31 December 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 31 March 2020

ADDITIONAL SHAREHOLDER INFORMATION

In accordance with ASX Listing Rule 4.10, the following information is provided as at 25 March 2020.

TOP 20 HOLDERS OF ORDINARY SHARES

Rank	Name	Units	% of issued capital
1	Symorgh Investments Pty Ltd	5,500,001	9.47
2	Kingslane Pty Ltd	5,500,000	9.47
3	Kitara Investments	5,500,000	9.47
4	Redstar Resources Limited	4,455,000	7.67
5	Mohamed Niare	2,887,500	4.97
6	Citicorp Nominees Pty Limited	2,057,171	3.54
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,252,600	2.16
8	ANTMAN HOLDINGS PTY LTD	1,100,000	1.89
9	Berringer Limited	907,500	1.56
10	Sidi Oumar Haidara	841,584	1.45
11	Wavecape Holdings Pty Ltd	841,584	1.45
12	6466 Investments Pty Ltd	800,000	1.38
13	Hakuna Matata Investments Pty Limited	600,000	1.03
14	Mrs Sarah June Naylor + Mr Michael Dylan Naylor <Blue Leaf Trust >	525,000	0.90
15	Mr Samuel Richard Brooks Sandhurst Trustees Ltd	500,000	0.86
16	Malekula Projects Pty Ltd	500,000	0.86
17	Mimo Strategies Pty Ltd	425,000	0.73
18	Demba Camara	407,921	0.70
19	Souleymane Sangare	407,921	0.70
20	GP SECURITIES PTY LTD	397,225	0.68
Total: Top 20 Holders of Ordinary Fully Paid Shares		35,406,007	60.94
Total Remaining Holders Balance		22,693,994	39.06

UNMARKETABLE PARCELS

There were 163 shareholders with less than a marketable parcel of shares, based on the closing price \$0.038.

RANGE OF SHARES

RANGE	TOTAL HOLDERS	UNITS	% OF ISSUED CAPITAL
1 - 1,000	10	2,828	0.00
1,001 - 5,000	60	194,757	0.34
5,001 - 10,000	79	712,313	1.23
10,001 - 100,000	206	9,374,261	16.13
100,001 Over	84	47,815,842	82.30
Total	439	58,100,001	100

SUBSTANTIAL HOLDERS

RANGE	UNITS	% OF ISSUED CAPITAL
Kingslane Pty Ltd	5,500,000	9.47
Kitara Investments Pty Ltd	5,500,000	9.47
Symorgh Investments Pty Ltd	5,500,001	9.47
Redstar Resources Limited	4,455,000	7.67

RESTRICTED SECURITIES

658,414 ordinary shares escrowed until 14 May 2020

2,341,586 ordinary shares escrowed until 14 November 2020

28,443,751 ordinary shares escrowed until 14 February 2021.

VOTING RIGHTS

In accordance with the Company's constitution, on a show of hands every member presenting person or by proxy or attorney or duly appointed representative has one vote. On a poll every member present or by proxy or attorney or duly authorised representative has one vote for every fully paid share held.

ASX LISTING RULE 4.10.19

In accordance with Listing Rule 4.10.19, the company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily mineral exploration.

Abra Resources Acquisition - Deferred Consideration Shares

On 15th of November African Gold completed the acquisition of Abra Resources Pty Ltd (Abra). The terms of the purchase were released on 5 September 2019. As at 31 December 2019, no deferred consideration shares had been issued and the remaining deferred consideration shares and milestones are as follows:

- i. Tranche 1: ASX announcement by African Gold of:
 - 1. a JORC 2012 compliant Inferred, Indicated or Measured Resource with a minimum grade of 1.5g/t for a total of at least 500,000oz of gold located within the projects; or
 - 2. announcement by the Company of the commercial production of gold from any of the projects, within 3 years of completion – **number of Deferred Consideration shares 2,500,000;**
- ii. Tranche 2: ASX announcement by African Gold of:
 - 1. a JORC 2012 compliant Inferred, Indicated or Measured Resource with a minimum grade of 1.5g/t for a total of at least 1,000,000oz of gold located within the projects; or
 - 2. an announcement by the Company of the commercial production of gold from any of the projects, within 4 years of completion – **number of Deferred Consideration shares 5,000,000;** and
- iii. Tranche 3: ASX announcement by African Gold of:
 - 1. a JORC 2012 compliant Inferred, Indicated or Measured Resource with a minimum grade of 1.5g/t for a total of at least 2,000,000oz of gold located within the projects; or
 - 2. an announcement by the Company of the commercial production of gold from any of the projects, within 5 years of completion – **number of Deferred Consideration shares 5,000,000.**

MINERAL TENEMENTS

TENEMENT NAME	LOCATION	PERMIT TYPE AND NUMBER	% OF OWNERSHIP
Agboville	Côte d'Ivoire.	Permis de recherche (Or) – no. 648	100%
Sikensi	Côte d'Ivoire.	Permis de recherche (Or) – no. 649	100%
Azaguie	Côte d'Ivoire.	Permis de recherche (Or)	Pending, 100%
Gomon	Côte d'Ivoire.	Permis de recherche (Or)	Pending, 100%
Sitakili	Mali	Permit de recherche (Or) 2018/0395	100%
Walia	Mali	Permit de recherche (Or) 2018/4272	95%
Samanaoulou	Mali	Permit de recherche (Or) 2018/3824	100%
Golokasso	Mali	Convention	Pending 100%
Yatia	Mali	Permit de Recherche (Or) 2019/4872	100%
Bourdala	Mali	Permit de Recherche (Or) 2018/4485	100% (Subject to option agreement)
BouBou	Mali	Permit de Recherche (Or) 2017/0441	100% (subject to option agreement)
Diokeba Sud	Mali	Permit de Recherche (Or) 2017/2591	100% (subject to option agreement)
Tintinba Nord	Mali	Permit de Recherche (Or) 2018/4534	55%



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