Financial Statements

Golden Ivoire SARL
CI-ABJ-2016-B-00830
For the year ended 31 December 2017

Contents

Auditor's Independence Declaration

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2017

	Notes	2017 $	2016 $
Revenues			-
Corporate and administration expense		(23,337)	(8,064)
Loss before income tax		**(23,337)**	**(8,064)**
Income tax expense		-	-
Loss for the year		**(23,337)**	**(8,064)**
Other comprehensive income for the year, net of tax		1,340	56
Total comprehensive loss for the year		**(21,998)**	**(8,008)**

Note: This statement should be read in conjunction with the notes to the financial statements.

Statement of Financial Position

As at 31 December 2017

	Notes	2017 $	2016 $
Assets			
Current			
Cash and cash equivalents	5	24,545	41,542
Current assets		24,545	41,542
Total assets		**24,545**	**41,542**
Current			
Liabilities			
Trade and other payables	6	10,000	5,000
Current liabilities		10,000	5,000
Total liabilities		**10,000**	**5,000**
Net assets		**14,545**	**36,542**
Equity			
Share Capital	7	44,550	44,550
Reserve		1,396	56
Accumulated losses		(31,401)	(8,064)
Total equity		**14,545**	**36,542**

Note: This statement should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

For the year ended to 31 December 2017

	Notes	Share capital $'000	Foreign currency reserve $'000	Retained Losses $'000	Total equity $'000
Balance at 8 January 2016		-	-	-	-
Loss for the year		-	-	(8,064)	(8,064)
Other comprehensive income		-	56	-	56
Total comprehensive loss		-	**56**	**(8,064)**	**(8,008)**
Transactions with owners and options					
Issue of share capital	7	44,550	-	-	44,550
Balance at 31 December 2016		**44,550**	**56**	**(8,064)**	**36,542**
Balance at 1 January 2017		**44,550**	**56**	**(8,064)**	**36,542**
Loss for the year		-	-	(23,337)	(23,336)
Other comprehensive income		-	1,340	-	1,339
Total comprehensive loss		-	**1,340**	**(23,337)**	**(21,997)**
Transactions with owners and options					
Issue of share capital	7	-	-	-	-
Balance at 31 December 2017		**44,550**	**1,396**	**(31,401)**	**14,545**

Note: This statement should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

For the year ended 31 December 2017

	Notes	2017 $	2016 $
Operating activities			
Payments to suppliers for administration		(16,997)	(3,008)
Net cash used in operating activities	8	**(16,997)**	**(3,008)**
Financing activities			
Proceeds from share issuances	7	-	44,550
Net cash provided by financing activities		**-**	**44,550**
Net change in cash and cash equivalents		(16,997)	41,542
Exchange rate adjustment to cash		-	-
Cash and cash equivalents, beginning of year		41,542	-
Cash and cash equivalents, end of year	5	**24,545**	**41,542**

Note: This statement should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

1 Nature of operations

Golden Ivoire SARL ('the Company') principal activities include the acquisition of tenements for the exploration of gold in Cote d'Ivoire.

2 General information and statement of compliance

The special purpose financial statements of the Company have been prepared in accordance with the measurement requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Golden Ivoire SARL is a for-profit entity for the purpose of preparing the financial statements.

Golden Ivoire SARL is a Company incorporated and domiciled in Cote d'Ivoire. The address of its registered office and its principal place of business is Cocody les 2 Plateaux 7eme tranche, 06 BP 461 Abidjan, Cote d'Ivoire. These financial statements are the first set prepared by the entity.

The financial statements for the year ended 31 December 2017 were approved and authorised for issue by the Board of Directors on 9 November 2018.

3 Changes in accounting policies

3.1 New and revised standards that are effective for these financial statements

The Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting years beginning on or after 1 July 2016.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business.

3.2 Accounting Standards issued but not yet effective and not being adopted early by the Company

A number of Accounting Standards (and Interpretations) have been issued by the AASB and IASB as at the date of authorisation of the financial report that are not yet effective until future years. None of these standards are expected to impact the financial statements.

4 Summary of accounting policies

4.1 Overall considerations

The financial statements are presented in Australian Dollars, which is not the functional currency of the Company being West African CFA franc.

4.2 Foreign currency transactions

Foreign currency transactions are translated into Australian Dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

4.3 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised.

4.4 Financial instruments

Recognition, Initial Measurement and Derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at Fair Value Through Profit or Loss ('FVTPL')
- Held-To-Maturity ('HTM') investments; or
- Available-For-Sale ('AFS') financial assets

The only category that is relevant to this set of financial statements are loans and receivables.

All financial assets are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Company of financial assets is impaired.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in companies, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified Company.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include trade and other payables. Financial liabilities are measured subsequently at amortised cost using the effective interest method.

4.5 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.

4.6 Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Retained earnings include all current and prior year retained profits.

4.7 Provisions, contingent liabilities and contingent assets

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

4.8 Exploration and Development expenditure

Exploration, evaluation and development expenditures incurred are expensed in respect of each identifiable area of interest.

4.9 Significant management judgement in applying accounting policies

When preparing the financial statements, there were no significant judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

4.10 Going Concern

The Company has incurred a net loss of $23,337 during the year ended 31 December 2017 (2016 $8,064) and the cash outflows from operating activities equates to $16,997(2016 $3,008).

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 Directors consider this to be appropriate with the impending purchase of Golden Ivoire

S.A.R.L by African Gold Limited that is pursuing an initial public offering to raise $4,500,000. African Gold Limited has also loaned $102,426 to Golden Ivoire of which it is deferring repayment to a date beyond 12-months from the date of the Directors' Declaration, should the listing be successful. The Directors do acknowledge that these conditions create material uncertainty with respect to whether the company will continue as a going concern.

Going forward, as part of a Group structure, the Company will have an ability to manage its cost structure dependent on the success of the initial public offering. In turn, the Company will be able to control its levels of cash outflow dependent on timing of its exploration activities and discretionary spend.

It is for these reasons that the Directors are confident the Company will continue as a going concern. The financial statements have therefore been presented on a Going Concern basis.

5 Cash and cash equivalents

	2017 $	2016 $
Cash at bank and in hand	24,545	41,542
Cash and cash equivalents	**24,545**	**41,542**

The amount of cash and cash equivalents accessible to the Company as at 31 December 2017.

6 Trade and other payables

Trade and other payables consist of the following:

Trade and other payables	2017 $	2016 $
Trade and other payables	10,000	5,000
Total trade and other payables	**10,000**	**5,000**

All amounts are short-term. The carrying values of trade and other payables are considered to be a reasonable approximation of fair value.

7 Equity

7.1 Share capital

The share capital of Golden Ivoire SARL 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.

	2017 Shares	2017 $	2016 Shares	2016 $
Shares issued and fully paid	2,000	44,550	2,000	44,550
Total contributed equity at 31 December	**2,000**	**44,550**	**2,000**	**44,550**

Each share has the same right to receive dividend and the repayment of capital and represents one vote at the shareholders' meeting of Golden Ivoire SARL.

8 Reconciliation of cash flows from operating activities

Reconciliation of cash flows from operating activities	2017 $	2016 $
Cash flows from operating activities		
Loss for the year	(21,997)	(8,008)
Net changes in working capital:		
Change in trade and other payables	5,000	5,000
Net cash from operating activities	**(16,997)**	**(3,008)**

9 Operating segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The company operates in one segment being Exploration and Evaluation of Minerals in Cote d'Ivoire.

10 Events subsequent to balance date

In the subsequent periods through to 30 June 2018, the Company incurred cash out flows from operations of $9,684 and borrowed $63,330 in cash via a zero interest loan from African Gold Limited with no repayment terms. As at 30 June 2018, the cash balance of the Company is $63,923 with trade and other payables of $15,000 and loans payable to African Gold Limited of $92,426, thus total liabilities of $107,427 and a net liability position of $43,504.

There have been no other material transactions of the Company since that date and no other subsequent events.

Directors' Declaration

In the opinion of the Directors of Golden Ivoire SARL:

a The financial statements and notes of Golden Ivoire SARL are in accordance with the policies as described in Notes 1 through 4 of this financial report, including:

  i Giving a true and fair view of its financial position as at 31 December 2017 and of its performance for the year ended on that date; and

  ii Complying with measurement standards of the Australian Accounting Standards (including the Australian Accounting Interpretations); and

b There are reasonable grounds to believe that Golden Ivoire SARL will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Director
Mohamed Niare

Dated the 9th day of November 2018

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Independent Auditor's Report

To the Members of Golden Ivoire SARL

Report on the audit of the financial report

Opinion

We have audited the financial report of Golden Ivoire SARL (the Company), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Golden Ivoire SARL:

a presents fairly, in all material respects, the Company's financial position as at 31 December 2017 and of its performance and cash flows for the year then ended in accordance with the accounting policies described in Note 4; and

b complies with Australian Accounting Standards to the extent described in Note 4.

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 Company in accordance with 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 4.10 in the financial statements, which indicates that the Company incurred a net loss of $23,337 and cash outflows from operating activities of $16,997 during the year ended 31 December 2017. As stated in Note 4.10, these events or conditions, along with other matters as set forth in Note 4.10, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter – basis of accounting

We draw attention to Note 4 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities for the purpose of pre-quotation filing as part of a listing on the ASX of which the Company is involved. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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

Management is responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2017, 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 accordingly 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 management and those charged with governance for the financial report

Management is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 4 to the financial report are appropriate to meet its financial reporting responsibilities and meets the needs of the Members. This responsibility also includes such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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/ar4.pdfn. This description forms part of our auditor's report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M P Hingeley
Partner – Audit & Assurance

Perth, 9 November 2018