AFRICAN GOLD LIMITED

Annual Report 2018

For the period 1 February 2018 to 31 December 2018

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CORPORATE DIRECTORY

Directors

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

Company Secretary

Michael Naylor

Chief Executive Officer & Exploration Manager

Glen Edwards

Contact Information

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Stock Exchange Listing

Australian Securities Exchange (ASX)
ASX Code: A1G

Australian Business Number

ABN 29 624 164 852

Share Registry

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PERTH WA 6000

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Auditor

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152-158 St Georges Terrace
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Solicitor

Bellanhouse Lawyers
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PERTH, WA 6000

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LETTER FROM THE CHAIRMAN

Dear Shareholders,

It is with great pleasure that we present African Gold Limited's first Annual Report as an ASX listed company.

Last year was a very busy year for African Gold, which was incorporated in early 2018, identified and purchased a number of exciting mining exploration licences located in Côte d'Ivoire, raised sufficient capital and successfully listed on the Australian Securities Exchange (ASX).

It was pleasing to see the strong support for African Gold, culminating in the Company comfortably achieving its maximum $4.5 million subscription goal. It is also a testament to the Company's strategy to leverage the expertise of its management and Directors to monetise its tenements through a thorough evaluation of each of the tenements' mineral exploration potential and the proposed development scenarios presented.

The Company's main assets consist of rights over four mining exploration licences located in Côte d'Ivoire. The tenements are considered to be highly prospective for gold.

The project consists of two granted exploration permits, the Agboville and the Sikensi Permits that secure a total of 792 km^2. In addition, there are two exploration permit application areas, Azaguie covers 214 km^2 and Gomon which covers 397 km^2.

In the short term, there are a number of exciting programs planned for 2019, including drilling the Agboville and the Sikensi Permits. 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. The Board is of the view that a well-funded and well credentialed entity such as African Gold will be poised to take advantage of the depressed valuations currently seen in some mining asset classes as a result of the highly volatile commodity price environment in which we now operate.

Speaking of the Board, I would like to thank our directors - comprising of highly experienced mining executives Steve Parsons and Tolga Kumova for their hard work and commitment to African Gold.

Lastly, I take this opportunity to thank all our shareholders – large and small – for the tremendous support shown to us throughout 2018 and to also thank the many stakeholders who have assisted African Gold over the last 12 months.

Yours faithfully,

Evan Cranston
Non-Executive Chairman

DIRECTORS' REPORT

The Directors of African Gold Limited (**African Gold** or **the Company**) present their report from the date of incorporation, 1 February 2018 to 31 December 2018.

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.

Executive Director

Stephen Parsons appointed 1 February 2018

Mr Parsons was previously the Managing Director of Gryphon Minerals Ltd, which he founded and listed on the Australian Securities Exchange, growing the company to be included on the ASX200 group of companies. During that time, Mr Parsons oversaw the discovery and delineation of the 3.6 Million oz Banfora Gold Project in Burkina Faso in West Africa and the subsequent takeover of the company for $100 Million by a significant North American gold company in late 2016. Mr Parsons has 21 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.

Other current Directorships:
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 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)

Non-Executive Director

Tolga Kumova appointed 1 February 2018

Tolga Kumova has 15 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:
New Century Resources Limited (from 13 July 2017)
European Cobalt Ltd (from 29 May 2017)

Previous Directorships (last 3 years):
Syrah Resources Limited (to 5 October 2016)

Director

Michael Naylor appointed 1 February 2018, resigned 22 March 2018.

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	-	-
Tolga Kumova	5,500,000	10,000,000
Stephen Parsons	5,500,001	10,000,000

Company Secretary

Michael Naylor was appointed company secretary on 1 February 2018. Mr Naylor has 23 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

Acquisition of Golden Ivoire SARL

The Company entered into a conditional agreement for the sale and purchase of 100% of the issued capital of Golden Ivoire SARL which owns the Agboville Project and other exploration permits in Cote d'Ivoire . The effect of the agreement is that, subject to the satisfaction or waiver of certain conditions precedent, the Company will acquire Golden Ivoire SARL for the following consideration:

A. the issue of that number of Shares which equates to a total of 15% of the total issued capital of the Company immediately prior to Admission, being an aggregate of 8,250,000 Shares (Consideration Shares); and

B. a cash payment of $30,000 and an additional cash payment of up to $50,000 (including GST, if any) as a reimbursement of expenditure incurred on the Tenements, subject to the Vendors producing evidence of such expenditure in a form and substance satisfactory to the Company.

The acquisition was completed subsequent to year end.

Agboville Project, Cote d'Ivoire (A1G - 100%)[1]

The Company's assets consist of rights over two granted exploration permits, the Agboville and the Sikensi Permits that secure a total area of 792 km^2, and two exploration permit application areas, Azaguie and Gomon, which cover 397 km^2 and 214 km^2 respectively (Tenements or Project). The Tenements are located in Côte d'Ivoire and are considered to be highly prospective for gold. The project area is well located in terms of infrastructure and access, being less than 100 kilometres to the north east of the economic capital of Côte d'Ivoire, Abidjan (figure below).

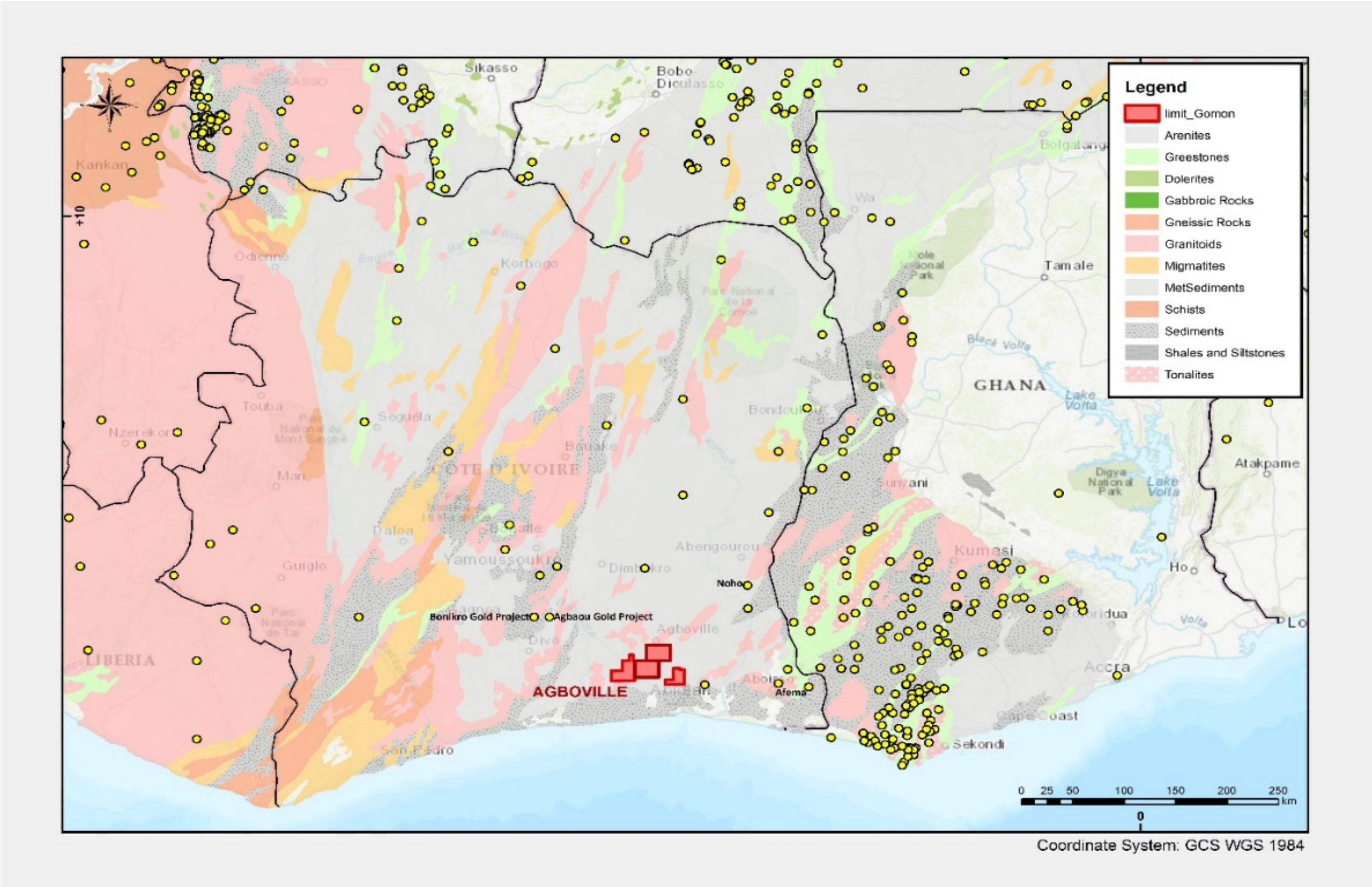

Figure: Location of Agboville Project permits on regional geology.

Geologically speaking the Project lies within 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. The geology of the South-Comoe domain is dominated by Paleoproterozoic greenstone belts and metasedimentary basins. The dominant rocks in the area are Birimian-age teriginous sedimentary rocks of the Comoe series comprising sandstones with a phyllitic matrix, arkoses and pelitic layers. There are graphitic and conglomeratic units. Volcanic rocks are also present within the sedimentary sequence however they only form a minor component. It is interpreted that the Comoe sedimentary series was deposited in a shallow continental basin. Within this sedimentary package a number of leucogranites and layered mafic – ultramafic intrusions have been emplaced. Late stage pegmatitic rocks associated with the leucogranite plutons are present.

Exploration work in the area, in modern times began with the acquisition of aeromagnetic data over much of the country between 1974 and 1976. In 1992 regional geology maps were produced by the Ministere des Mines et de L'Energie – Direction de la Geology. The product of this work, the 1:200,000 scale map and memoir has been the foundation of all subsequent geological work to date.

Much of the area now covered by the Agboville and Sikensi Permits, and approximately the eastern one third of the Gomon exploration permit application area was previously held by Golden Star Resources. In 2006 – 2007 Golden Star completed a BLEG (Bulk Leach Extractable Gold) stream sediment and a laterite sampling program. Golden Star collected 1,140 laterite samples on approximately 1 km^2 centres and collected 72 stream sediment samples within African Gold's areas. Results of the BLEG sampling were subtle however the laterite sampling identified a number of anomalous areas including an anomalous area of interest in the north east of the permit with a total area of 185 km^2 considered prospective for gold.

In 2009 – 2010 Eburnie Mining Services were commissioned by Golden Star Resources to complete two phases of soil sampling over the gold anomalous area identified by the laterite sampling in the north eastern part of the permit. Phase 1 of the work was completed on an 800 x 50 m grid (3419 samples) and phase 2, infilling the phase 1 work to a 200 x 50 m grid (2,401 samples).

The results of the two phases of soil sampling defined two gold-in-soil anomalies:

- The first, the broadest is orientated east - west, 3.5 kilometres long and 1.5 kilometres wide;
- The second, the longest is orientated north east to south west and is in excess of 10 kilometres long and 1 kilometre wide.

The maximum gold assay returning from the soil samples was 4.11 g/t gold (4,110 ppb). The following table shows all soil samples that returned particularly high gold values (over 250 ppb).

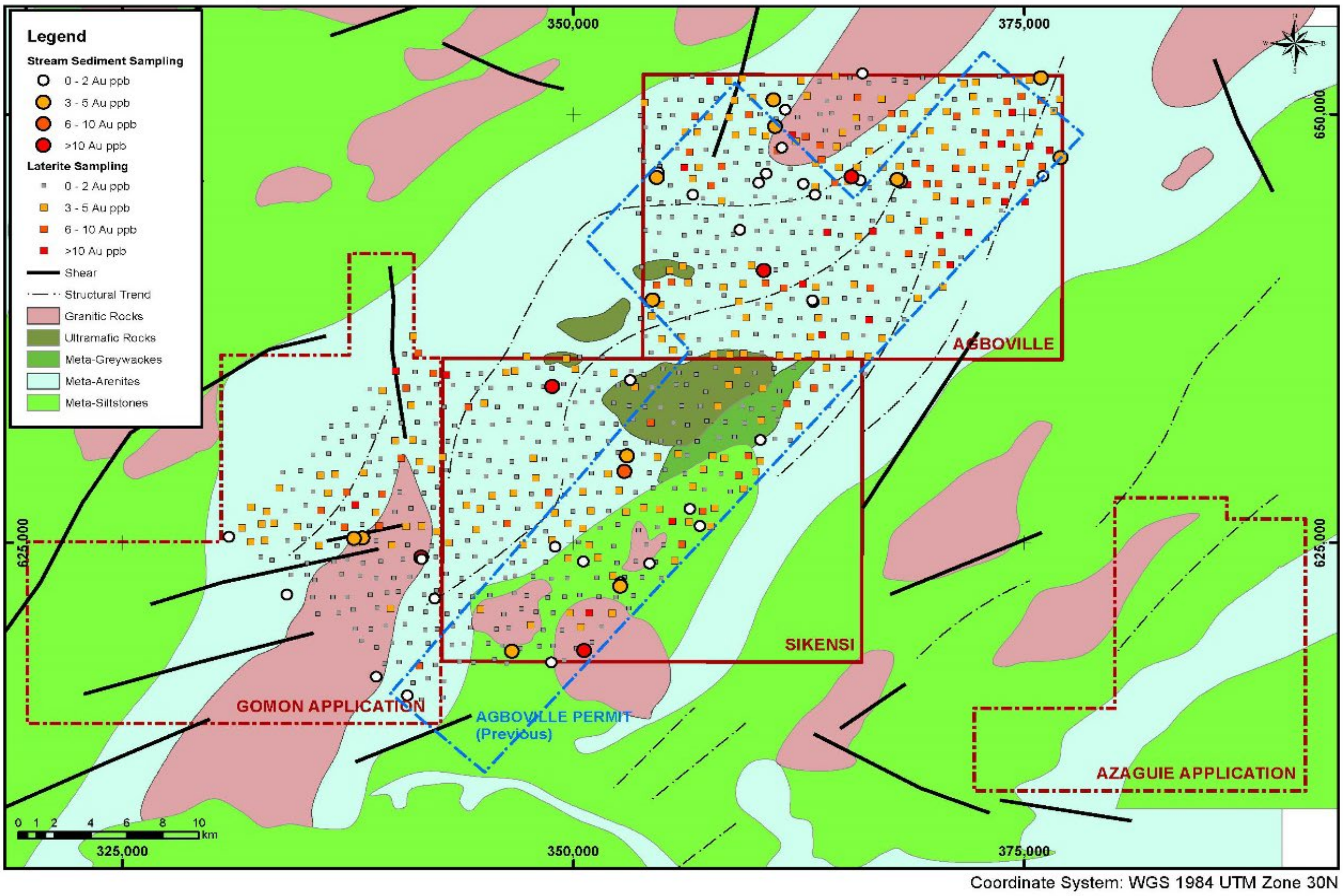

Figure: Laterite and stream sediment sampling locations thematically mapped by gold grade. (historical exploration permit boundary shown in blue)

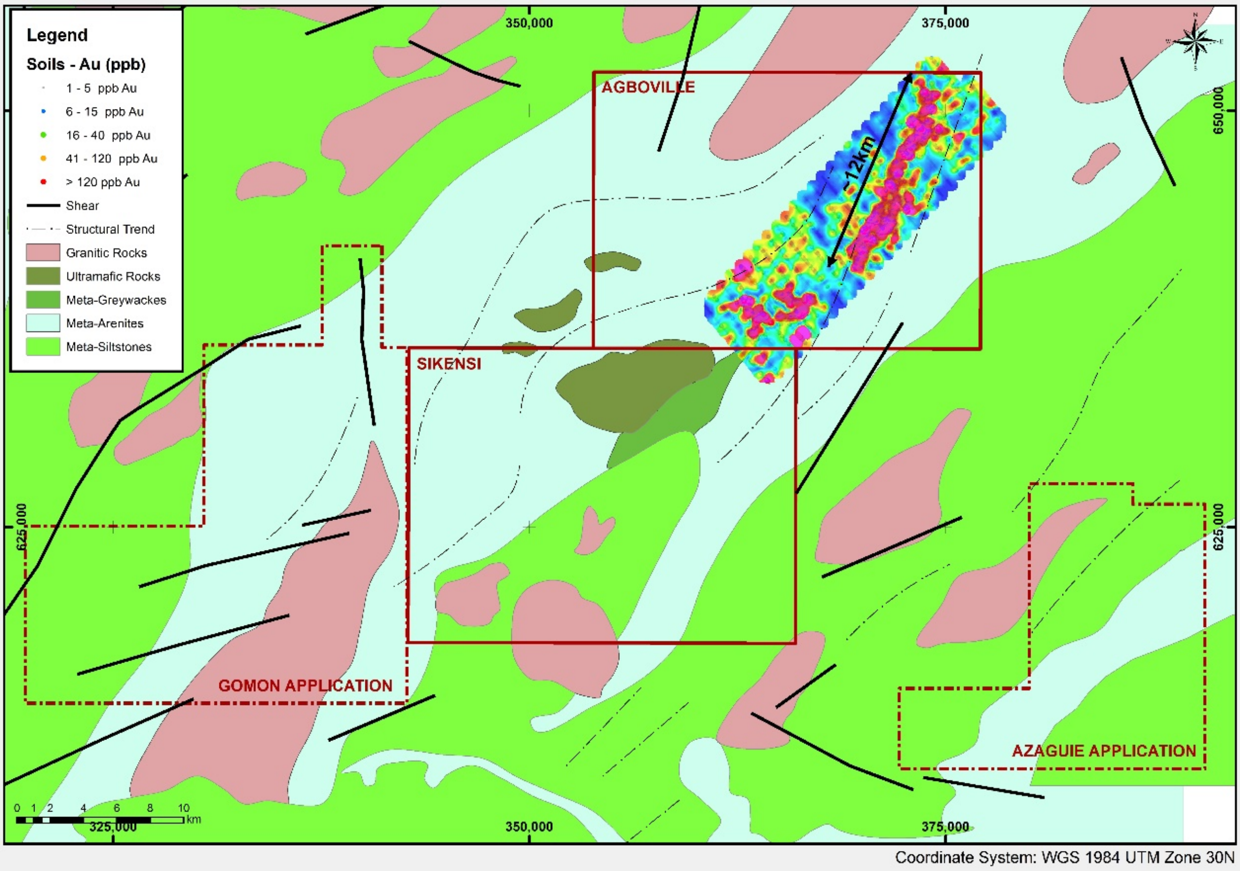

Figure: Soil samples thematically mapped and imaged by gold grade.

During the 2018 financial year exploration was focused on collection, collation and interpretation of historical data relating to the Agboville project. On the basis of this data an orientation soil sampling program was undertaken in May and June 2018. During this program a total of 408 samples were collected.

A total of 408, 2kg soil samples were collected and submitted to SGS Tarkwa for BLEG analysis of gold grid. Historical soil and LAG samples have been analysed by Aqua Regia AAS and BLEG respectively.

Results from the program are considered extremely encouraging (Refer ASX announcement dated 18 March 2019)[2].

- Soils up to 589 ppb gold in soil returned with many samples returning anomalous gold values.
- Infill sampling of historical 800m x 50m grid defined two new ENE striking anomalies to the east and west of the main Tyche Anomaly. The Eastern Anomaly is over 7km long and the South Western Anomaly is over 1km long, both are open along strike.
- Follow up in areas outside the main soil grid highlighted a number of anomalous gold in soil results indicating significant areas of the project not currently covered should be followed up. Only 10% of the project area (~1,400km^2) is covered by semi detailed (800x50m) soil geochemistry, 2.5% by detailed (200x50m) soil geochemistry and 55% by wide spaced LAG.

Results suggest the main Tyche anomaly could extend at least further 10 kilometres to the south west. Geochemical thresholds have been derived by a comparison of spatial coherency, statistical analysis (standard deviations, histograms and probability plots) for both LAG and Soils (BLEG and aqua regia AAS analytical methods). Results from the reconnaissance soil program supports the fact that anomalous LAG samples collected by Golden Star can for the most part be repeated by soil sampling and BLEG, this giving confidence in results.

The Company is highly encouraged by the tenor of the returned gold in soil values and the scale of the total anomalies so far covered over the Project which point to a high order drill target of regional significance.

Preparation for the maiden drilling program is advanced with stakeholder engagement, community consultation, access and site preparation underway and a drilling contract signed with Geodrill CDI.

Drilling is expected to commence during April.

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

Admission to the Australian Securities Exchange

The Company was successfully admitted to the Official List with official quotation commencing on 14 February 2019 raising $4,500,000 (before costs). After the listing the Company had 55,100,001 shares on issue.

Board and Management Changes

On 22 March 2018, the Company appointed Mr Evan Cranston as Non-Executive Chairman and Mr Michael Naylor resigned as a director.

On 1 November 2018, Mr Glen Edwards was appointed the Chief Executive Officer.

REVIEW OF FINANCIAL PERFORMANCE

Operating results

The loss of the Company for the year ended 31 December 2018 after providing for income tax amounted to $1,368,575

Review of financial position

The net assets are $8,326,939 as at 31 December 2018.

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.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

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.

Acquisition of Golden Ivoire SARL and Issued shares

The company completed its share sale agreement with Golden Ivoire SARL and its vendors, with a completion date of 14 February 2019. It is as this date that the Company obtained control over the subsidiary and consolidated its accounts. The purchase is accounted for post year-end as an asset acquisition with consideration to AASB 3 Business Combinations given the substance of Golden Ivoire SARL, which is not considered a business under the principles of the standard.

The consideration paid by the company in February 2019 for Golden Ivoire SARL is as follows:

(a) 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;

(b) previous payments of $30,000 cash consideration to the vendors under the agreement has been repaid to the Company and instead scarified by the issue of 150,000 ordinary shares to the value of $30,000 (restricted for 24 months from date of quotation); and

(c) An additional $30,000 fee was paid to the vendors for the option to acquire 100% issued capital and is currently classified as an investment by African Gold at 31 December 2018.

The above consideration combines with the accumulated losses assumed by the company in the purchase of Golden Ivoire SARL of $158,380 to arrive at a total exploration and evaluation asset of $1,868,380 recorded on the date of completion, 14 February 2019.

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 4 years from the date of issuance.

Other than the above there have not been any events that have arisen between 31 December 2018 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 Limited 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 reflect 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 (third edition) which became effective for financial years commencing on or after 1 July 2014.

The Company's initial Corporate Governance Statement was approved by the Board on 17 April 2018. The Company was listed on the Australian Securities Exchange on 14 February 2019 and the Board has reviewed and approved its revised Corporate Governance Statement on 29 March 2019 and 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 2018.

SHARE OPTIONS AND PERFORMANCE RIGHTS

The Company issued the following options and performance rights as follows:

Shares under option

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).

Other than stated above, during or since the end of the reporting period, the Company issued 9,750,000 advisor options which have an exercise price of $0.20 and an expiry date of 7 February 2022.

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	-	1
Evan Cranston[1]	-	-
Stephen Parsons	1	1
Michael Naylor	1	1

[1] Mr Cranston was yet to be appointed to board at the time the meeting was held.

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 2018. 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 and their movements during year:

NAME	POSITION	TERM AS KMP
Evan Cranston	Non-Executive Chairman	22 March 2018 to 31 December 2018
Tolga Kumova	Non-Executive Director	1 February 2018 to 31 December 2018
Stephen Parsons	Executive Director	1 February 2018 to 31 December 2018
Glen Edwards	Chief Executive Officer and Exploration Manager	1 November 2018 to 31 December 2018
Michael Naylor	Company Secretary and Chief Financial Officer	1 February 2018 to 31 December 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 depends 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 a critical 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 2018. 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 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 2018. Cash remuneration commenced when the company was admitted to the Australian Securities Exchange.

Use of remuneration advisors

During the year ended 31 December 2018 the Board did not engage the services of remuneration consultants.

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

The Company was incorporated in February 2018 and has not held an AGM as at the date of this report.

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 financial year:

	2018 $
Revenue	94
Net loss	1,368,575

The Company will use share price performance from 2019.

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, subject to a probationary period ending 3 months after Admission.

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) commencing from the date the Company lists on the ASX. The Blue Leaf Agreement contains additional provisions considered standard for agreements of this nature.

STATUTORY AND SHARE-BASED REPORTING

KMP remuneration for the year ended 31 December 2018

Directors and executive officers	Year	SHORT TERM BENEFITS Salary $	Annual Leave $	POST EMPLOYMENT Superannuation Benefits $	Share based payment (non-cash) Options and Rights $	Total $	Performance based % of remuneration
Evan Cranston	2018	-	-	-	1,503,304[1]	1,503,304	100%
Tolga Kumova	2018	-	-	-	1,503,304[1]	1,503,304	100%
Stephen Parsons	2018	-	-	-	1,503,304[1]	1,503,304	100%
Michael Naylor	2018	-	-	-	338,243[1]	338,243	100%
Glen Edwards[2]	2018	30,000	2,307	3,070	14,198	49,575	28.6%
Total	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 incorporation of the Company but have each subscribed (or procured that a nominee subscribe) 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 prepaid expenses recorded within *Trade and other receivables* on the *Statement of Financial Position.*

[2] Appointed as KMP on 1 November 2018 and was previously an employee of the Company outside of a KMP role, therefore the Remuneration Report only contains remuneration from employee's commencement date as KMP.

Option holdings of KMP

	Held at 1 February 2018	Granted as Compensation[1]	Held at 31 December 2018	Vested and exercisable at 31 December 2018
Evan Cranston	-	10,000,000	10,000,000	-
Tolga Kumova	-	10,000,000	10,000,000	-
Stephen Parsons	-	10,000,000	10,000,000	-
Michael Naylor	-	2,250,000	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.

Performance rights of KMP

	Held at 1 February 2018	Granted as Compensation[1]	Held at 31 December 2018	Vested and exercisable at 31 December 2018
Tolga Kumova	-	-	-	-
Evan Cranston	-	-	-	-
Stephen Parsons	-	-	-	-
Michael Naylor	-	-	-	-
Glen Edwards	-	2,000,000	2,000,000	-
Total	-	2,000,000	2,000,000	-

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. 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. 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 2018.

Shareholdings of KMP

Shares held in African Gold Limited (number)

	Held at 1 February 2018	Purchases	Held at 31 December 2018
Tolga Kumova	-	5,500,000	5,500,000
Evan Cranston	-	5,500,000	5,500,000
Stephen Parsons	-	5,500,001	5,500,001
Michael Naylor	-	525,000	525,000
Glen Edwards	-	-	-
Total	-	17,025,001	17,025,001

Share-based compensation (non-cash)

Options

The following table discloses the number of options granted, vested or lapsed during the 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 prepaid expenses recorded within *Trade and other receivables* 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 on 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	-	-

[1]Determined at the time of grant per AASB 2.

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 2018.

Other transactions and balances with KMP and their related parties

On 16 June 2017, Newgen Minerals Pty Ltd (Newgen) entered into an option deed with the vendors of Golden Ivoire SARL (Option Deed) pursuant to which it paid the vendors a fee of $30,000 for the option to acquire 100% of the issued capital in Golden Ivoire SARL (Option Fee). Newgen also paid approximately $9,800 of on-ground costs to the Vendors in relation to the Tenements in accordance with the Option Deed (On-Ground Costs).

Subsequent to the Option Deed, the Company entered into the acquisition agreement with the vendors.

The Company has entered into a deed under which it has agreed to reimburse Newgen for the Option Fee and the On-Ground Costs within 2 business days of being admitted to the Official List of ASX (Reimbursement Deed). Newgen is related to the Company by virtue of Director Steve Parsons being a director and shareholder of Newgen. The Company confirms that the reimbursement deed was negotiated on arm's length terms and was paid after listing. This was repaid to Mr Parsons subsequent to year end.

There were no other transactions and balances with key management personnel of the Company, including their personally related parties, as at 31 December 2018.

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 in the financial report have been rounded to the nearest dollar.

Auditor's independence declaration

The lead auditor's independence declaration for the period from incorporation to 31 December 2018 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 29 March 2019

COMPETENT PERSONS STATEMENT

Information in this report that relates to 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 20012 Edition of the "Australian ode 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. Information on historical results, including JORC Code Table 1 information, is contained in the Independent Geologist's Report within the African Gold Prospectus dated 6 December 2018. African Gold is not aware of any new information or data that materially affects the information included in the Prospectus.
2. Refer ASX announcement on the said date for full details of these exploration results. African Gold is not aware of any new information or data that materially affects the information included in the said announcement.

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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 for the year ended 31 December 2018, 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

P W Warr
Partner – Audit & Assurance

Perth, 29 March 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period from date of incorporation, 1 February 2018 to 31 December 2018

	Notes	31 December 2018 $
Accounting and audit		(52,913)
Consultants and contractors		(74,879)
Employee benefits expense		(138,827)
Share based payments	10.1, 10.2	(762,350)
Listing and compliance		(70,855)
Foreign exchange loss		(3,482)
Travel and accommodation		(17,584)
Impairment of loan to Golden Ivoire SARL		(227,411)
Other expenses		(20,368)
Results from operating activities		(1,368,669)
Finance income		94
Loss before income tax		(1,368,575)
Income tax expense		-
Loss for the period after tax from continuing operations		(1,368,575)
Other comprehensive loss for the period, net of tax		-
Total comprehensive loss for the period		(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)	15	(8.09)

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	31 December 2018 $
Assets		
Current		
Cash & cash equivalents	6	52,337
Trade and other receivables	7	56,529
Prepayments	7	4,570,428
Subscription receivable	21	3,923,500
Total current assets		8,602,794
Non-current		
Investment in Golden Ivoire SARL	12	30,000
Total non-current assets		30,000
Total assets		8,632,794
Liabilities		
Current		
Trade and other payables	8	297,011
Provisions - employee benefits		8,844
Total current liabilities		305,855
Total liabilities		305,855
Net assets		8,326,939
Equity		
Share capital	9	496,251
Other contributed equity	21	3,923,500
Reserves	10	5,275,763
Accumulated losses		(1,368,575)
Total equity		8,326,939

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

STATEMENT OF CHANGES IN EQUITY

For the period from date of incorporation, 1 February 2018, to 31 December 2018

	Notes	Share capital	Other contributed equity	Share based payments reserve	Accumulated losses	Total equity
		$	$	$	$	$
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	9	496,251	-	-	-	496,251
Subscriptions yet to be issued	21	-	3,923,500	-	-	3,923,500
Options issued to Directors	7, 10	-	-	4,513,413	-	4,513,413
Options issued to Management	10.1	-	-	748,152	-	748,152
Performance rights issued	10.2	-	-	14,198	-	14,198
Balance at 31 December 2018		496,251	3,923,500	5,275,763	(1,368,575)	8,326,939

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

STATEMENT OF CASH FLOWS

For the period from date of incorporation, 1 February 2018, to 31 December 2018

	Notes	2018 $
Operating activities		
Payment to suppliers and employees		(286,411)
Payment for exploration and evaluation		(65,634)
Interest received		94
Net cash used in operating activities	17	(351,951)
Investing activities		
Investment in Golden Ivoire SARL	12	(30,000)
Net cash used in investing activities		(30,000)
Financing activities		
Proceeds from share issuances		496,250
Proceeds from option issuances		3,500
Loans to Golden Ivoire SARL		(65,462)
Net cash provided by financing activities		434,288
Net increase in cash and cash equivalents		52,337
Cash and cash equivalents, date of incorporation 1 Feb		-
Cash and cash equivalents, at year 31 Dec	6	52,337

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

NOTES TO THE FINANCIAL STATEMENTS

1 Corporate information

African Gold Limited ('the Company') is a for-profit entity for the purpose of preparing the financial statements. These financial statements are the first annual set prepared by the entity. Principal activities include pursuing of various investment opportunities in the resources sector designed to add shareholder value by acquiring, exploring, evaluating and exploiting mineral resource project opportunities in Africa, and has not undertaken any activities since incorporation.

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 for the period from date of incorporation, 1 February 2018 to 31 December 2018 were approved and authorised for issue by the Board of Directors on 29 March 2019.

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 2018, the Company had cash and cash equivalents of $52,337. The Company incurred a net loss of $1,368,575 and had cash outflows from operating activities of $351,951 during the half year ended 31 December 2018.

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 given the ability to manage the Company's cost structure and in turn the levels of cash outflow dependent on timing of its exploration activities.

Taking into account the current cash reserves and successful fund raising from the Initial Public Offering which occurred subsequent to year-end of $4,500,000 before cost, the directors are confident the Company has adequate resources to continue as a going concern for the foreseeable future.

No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

4 Summary of significant accounting policies

4.1 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.

4.2 Trade and Other Payables

These amounts represent liabilities for amounts owing at 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 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.

4.8 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.

4.9 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 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 grant date.

4.10 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.

4.11 Operating expenses

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

4.12 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. The company has only non-complex financial instruments that are summarised in notes (6), (7) and (8) of the financial report, the details of which are as follows:

Trade and other receivables

- Net GST amounts owing from the tax authorities; and
- Subscription receivable from listing

Trade and other payables

- PAYG amounts withheld from employee wages and owing to the tax authorities;
- Superannuation amounts owed to the tax authorities; and
- Trade creditors and accruals for services performed by suppliers and vendors of the Company

The financial assets and financial liabilities above are measured at amortised cost. The 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. These events occur within 12-months of balance date.

4.13 Significant Estimates and Judgments

The Company 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 Company has estimated a risk-free rate based on the three-year average bond rates of Australia, 2.10%.

Performance rights

For performance rights, the Company 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 Company is tracking based on exploration and evaluation activities as at the report date and with reference to subsequent events.

4.14 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 company, 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.

5. New and amended accounting standards

The Company has adopted all Accounting Standards and Interpretations relevant to the Company that became effective for financial reports beginning on or after 1 January 2018. These include the following, alongside disclosure of the impact, if any, to the Company's results:

AASB 15 Contracts with Customers ("AASB 15") [IFRS 15]

Replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and some revenue-related Interpretations:

- establishes a new revenue recognition model
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)
- expands and improves disclosures about revenue.

This adoption of this standard had no impact on the balances and transactions reported in this financial report.

AASB 9 Financial Instruments ("AASB 9") [IFRS 9]

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

The adoption of this standard had no impact on the balances and transactions reported in this financial report.

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

There are no accounting standards and interpretations, relevant to the Company, that have recently been issued or amended but are not yet effective and have not been adopted by the Company for the annual reporting period ended 31 December 2017 are outlined as below:

6 Cash and cash equivalents

	2018 $
Cash in hand and at bank	52,337

7 Trade, other receivables and prepayments

Trade and other receivables	2018 $
Other receivables	56,529

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Prepayments	2018 $
Prepaid capital raising costs awarded to directors (Note 10.1)	4,509,913
Prepaid listing costs	56,726
Prepaid insurance costs	3,789
Total	4,570,428

8 Trade and other payables

	2018 $
Trade payables	151,761
Accruals and other payables	145,250
Total	297,011

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

9 Share capital

	2018 No. of Shares	2018 $
Shares issued and fully paid ordinary shares:		
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
Total share capital on issue at 31 December 2018	24,200,001	496,251

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.

Capital management

When managing capital, management's objective is to ensure the Company 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 Company. Management are 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 consider that the total equity of the Company (contributed equity, reserves and retained earnings) is what it manages as capital.

9.1 Share options

The movements in share options during the year are shown below:

Grant Date	Date of Expiry	Exercise Price	Balance 1 February 2018	Granted	Lapsed	Exercised	Balance 31 December 2018	Vested 31 December 2018
20/3/2018	17/4/2023	$0.20	-	35,000,000	-	-	35,000,000	35,000,000

10 Reserve

	Note	Number of Options	Number of Rights	2018 $
Share Based Payments Reserve				
Balance at the beginning of the year		-	-	-
Options issued to directors	10.1	30,000,000	-	4,509,913
Options issued to management and employees	10.1	5,000,000	-	751,652
Performance rights issued to employee	10.2	-	2,000,000	14,198
Balance at the end of the year		35,000,000	2,000,000	5,275,763

The Share Based Payments Reserve records items recognised as expenses based on the valuation of Director, employee, consultant and other third-party share options and performance rights.

10.1 Share options

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 2018, alongside the key inputs utilised in the pricing model, including the Company's risk-free borrowing rate and volatility of the Company's shares.

The amount expensed during the period is equivalent to the fair value of the options granted unless vesting periods exist or where there is a future service period to which the options pertain, at which point the expense is recognised evenly over that period.

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) as prepaid capital raising costs included in Note 7.

This treatment is 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 prepayments will therefore be unwound against Share Capital when the related share issuance under the Prospectus occurs.

10.2 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 ($)
1,000,000	1/11/18	N/A	14/8/20	0.10	14/8/20	-	-	100,000	9,203
1,000,000	1/11/18	N/A	14/2/22	0.10	14/2/22	-	-	100,000	4,996
Total								200,000	14,198

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.

11 Operating segments

The company did not operate during the period and therefore did not have any operating segments.

12 Investment

On 29 March 2018, the Company signed a share purchase agreement to purchase all ordinary shares of Golden Ivoire SARL, an entity domiciled in Cote D'Ivoire with local exploration and evaluation tenements. A cash consideration has been paid of $30,000 on 24 April 2018 as part of the agreement and has been recorded as an Investment in Subsidiary at cost.

In accordance with the share sale agreement, there is a share consideration to be distributed for the acquisition equivalent to 8,250,000 ordinary shares in the Company at $0.20 per share amounting to $1,650,000. The transaction is pending completion which will occur upon listing on the ASX. The purchase will be accounted for as an asset acquisition (Evaluation and Exploration Asset) as Golden Ivoire SARL does not meet the accounting definition of a business.

13 Loan - Golden Ivoire SARL

During the period, the Company loaned amounts of $159,259 to Golden Ivoire SARL for the purposes of conducting exploration and evaluation activity on behalf of the Company. This loan accumulated through the combination of cash loaned to Golden Ivoire SARL and re-charged amounts. The loan has no interest or maturity. These amounts have been fully provided for given inherent uncertainties in the ability of Golden Ivoire SARL to repay the loan.

14 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.

14.1 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 the 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	Carrying amount 2018 $
Cash and cash equivalents	52,337
Trade and other receivables	56,529
Subscription receivable	3,923,500

None of the Company's trade and other receivables are past due as at 31 December 2018.

14.2 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.

2018	Carrying amount $	Contractual Cash Flows $	6 Months or less $
Trade payables and accruals	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.

14.3 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 Company is not exposed to significant foreign currency risk on transactions that are denominated in a currency other than the respective functional currencies of the Company being the Australian Dollar (AUD).

(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 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.

15 Loss per share

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

Both the basic and diluted loss per share have been calculated using the loss attributable to shareholders of the Company as the numerator (ie no adjustments to profit were necessary in 2018).

16 Auditor remuneration

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

17 Reconciliation of cash flows from operating activities

	2018 $
Cash flows from operating activities	
Loss for the period	(1,368,575)
Adjustments for share based payments	762,350
Impairment of loans and re-charges to Golden Ivoire SARL	161,777
Other	(3,500)
Net changes in working capital:	
Change in trade and other receivables	(56,531)
Change in employee benefits provisions	8,844
Change in trade and other payables	143,684
Net cash from operating activities	(351,951)

18 Contingent liabilities

There were no contingent liabilities as at 31 December 2018.

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:

	2018 $
Accounting profit before tax	(1,368,575)
Income Tax Expense to Accounting Profit	
Domestic tax rate for African Gold Ltd (27.5%)	(376,358)
Expenditure not allowed for income tax purposes	
Share based payments	209,647
Other	124,810
Deferred Tax Asset not brought to account	6,888
Deferred Tax Asset losses not brought to account	35,013
Income tax expense (benefit)	0
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	35,013
Unrecognised deferred tax asset other	7,542
Unrecognised deferred tax liability as a result of other	(208)
	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.

	2018 $
Short term benefits	32,307
Post-employment benefits	3,070
Share based payments (non-cash)	4,862,353
Total	4,897,730

21 Subscriptions receivable and Other Contributed Equity

As at 31 December 2018, the company has an unconditional right to cash balances raised as part of their Initial Public Offering. As at balance date, these amounts were held in trust by the Share Register pending the official listing and quotation which occurred post year-end. See Note 22 below for details.

Given that the related shares had not been issued as at 31 December 2018, the balance receivable is recorded in equity as Other Contributed Equity and the amounts will transfer to Share Capital in 2019 accordingly.

22 Post-reporting date events

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.

Acquisition of Golden Ivoire SARL and Issued shares

The company completed its share sale agreement with Golden Ivoire SARL and its vendors, with a completion date of 14 February 2019. It is as this date that the Company obtained control over the subsidiary and consolidated its accounts. The purchase is accounted for post year-end as an asset acquisition with consideration to AASB 3 Business Combinations given the substance of Golden Ivoire SARL, which is not considered a business under the principles of the standard.

The consideration paid by the company in February 2019 for Golden Ivoire SARL is as follows:

(a) 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;

(b) previous payments of $30,000 cash consideration to the vendors under the agreement has been repaid to the Company and instead scarified by the issue of 150,000 ordinary shares to the value of $30,000 (restricted for 24 months from date of quotation); and

(c) An additional $30,000 fee was paid to the vendors for the option to acquire 100% issued capital and is currently classified as an investment by African Gold at 31 December 2018.

The above consideration combines with the accumulated losses assumed by the company in the purchase of Golden Ivoire SARL of $158,380 to arrive at a total exploration and evaluation asset of $1,868,380 recorded on the date of completion, 14 February 2019.

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 4 years from the date of issuance.

Other than the above there have not been any events that have arisen between 31 December 2018 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.

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 financial statements and notes of the Company for the period ended 31 December 2018 and are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2018 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 2018.

On behalf of the Board:

Mr Stephen Parsons
Executive Director
Dated the 29 March 2019

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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), which comprises the statement of financial position as at 31 December 2018, 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 Company is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Company's financial position as at 31 December 2018 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 Company 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.

Grant Thornton

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.

Key audit matter	How our audit addressed the key audit matter
Share based payments **Note 10.1, 10.2, 4.9 & 4.13**	
During the year ended 31 December 2018, the Company issued performance rights and share options resulting in the recording of share based payment expenses of $762,350 and prepaid share issuance costs of $4,509,913. The prepaid amounts are not yet recorded against share capital given that the related share issuance did not occur until post year-end. The Company records the issuance of its performance rights and share options in accordance with AASB 2 *Share based payments*. With respect to performance rights, management is required to determine a value of the transaction based on the probability that conditions will be met. For share options, management derives a value for each option using a pricing model that encompasses inputs including volatility of the Company's shares and risk-free rates available in the market. This area is a key audit matter given the following: For performance rights, management exercises its judgments and estimates in determining the probability that the relevant conditions will be met, which impacts the amounts recorded. For share options, management exercises its judgments and estimates in determining the appropriate model to be used in valuing the options and the relevant inputs, including volatility and risk-free rates.	Our procedures included, amongst others: • reviewing the vesting conditions of performance rights and tracing the conditions to agreements signed by all parties; • assessing management's estimates and judgments around the probabilities applied to each performance right's vesting condition by holding corroborating discussions with management; • testing the mathematical accuracy of management's valuations and where appropriate the pricing model; • for options, determining the appropriateness of the pricing model used by management and assessing the appropriateness of inputs, most notably the volatility applied in the pricing model and the comparable companies used to determine that volatility; • reviewing service contracts and holding discussions with management to determine the nature of the services provided in order to assess treatment of the share based payment as either a period expense or share issuance costs in equity; and • assessing the appropriateness of the related disclosures within the financial statements.

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 Company's annual report for the year ended 31 December 2018, 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 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 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 14 to 22 of the Directors' report for the year ended 31 December 2018.

In our opinion, the Remuneration Report of African Gold Limited, for the year ended 31 December 2018 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

P. Warr.

P W Warr
Partner – Audit & Assurance

Perth, 29 March 2019

ADDITIONAL SHAREHOLDER INFORMATION

In accordance with ASX Listing Rule 4.10, the following information is provided as at 18 March 2019.

TOP 20 HOLDERS OF ORDINARY SHARES

–

Rank	Name	Units	% of issued capital
1	Symorgh Investments Pty Ltd	5,500,001	9.98
2	Kingslane Pty Ltd	5,500,000	9.98
3	Kitara Investments	5,500,000	9.98
4	Redstar Resources Limited	4,455,000	8.09
5	Mohamed Niare	2,887,500	5.24
6	Citicorp Nominees Pty Limited	1,816,871	3.30
7	Merrill Lynch (Australia) Nominees Pty Limited	1,115,000	2.02
8	Mutual Trust Pty Ltd	1,050,000	1.91
9	Antman Holdings Pty Ltd	1,000,000	1.81
10	Berringer Limited	907,500	1.65
11	Carroll Superannuation Fund Pty Limited	841,019	1.53
12	Mrs Sarah June Naylor + Mr Michael Dylan Naylor	525,000	0.95
13	Mr Samuel Richard Brooks	500,000	0.91
14	Malekula Projects Pty Ltd	500,000	0.91
15	Sandhurst Trustees Ltd	500,000	0.91
16	Ms Linvana Thomson	500,000	0.91
17	Kobia Holdings Pty Ltd	390,000	0.71
18	Mr Antonius Joseph Smit	375,000	0.68
19	C G Heath Pty Ltd	300,000	0.54
20	Hakuna Matata Investments Pty Limited	300,000	0.54
	Total: Top 20 Holders of Ordinary Fully Paid Shares	34,462,891	62.55
	Total Remaining Holders Balance	20,637,110	37.45

UNMARKETABLE PARCELS

–

There were 24 shareholders with less than a marketable parcel of shares, based on the closing price $0.2350.

RANGE OF SHARES

RANGE	TOTAL HOLDERS	UNITS	% OF ISSUED CAPITAL
1 - 1,000	3	594	0.00
1,001 - 5,000	52	156,827	0.28
5,001 - 10,000	84	785,881	1.43
10,001 - 100,000	220	10,179,190	18.47
100,001 Over	71	43,977,509	79.82
Total	430	55,100,001	100

SUBSTANTIAL HOLDERS

RANGE	UNITS	% OF ISSUED CAPITAL
Kingslane Pty Ltd	5,500,000	9.98
Kitara Investments Pty Ltd	5,500,000	9.98
Symorgh Investments Pty Ltd	5,500,001	9.98
Redstar Resources Limited	4,455,000	8.09
Mohamed Niare	2,887,500	5.24

RESTRICTED SECURITIES

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

775,000 ordinary shares escrowed until 30 June 2019.

900,000 ordinary shares escrowed until 4 December 2019.

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.

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%