

31 OCTOBER 2019

30 September 2019 Quarterly Report Highlights

West Mali Gold Projects – New acquisitions in major gold region

- African Gold entered into agreements to acquire gold projects located in the highly prospective and prolific gold producing Kenieba Inlier in western Mali known (Falémé permits² & Abra Resources Pty Ltd permits⁵). The permits are located close to the prolific Senegal Mali Shear Zone (SMSZ) between the AngloGold Ashanti / IAMGold Sadiola Mine (15 Moz)³ and Barrick's Loulo-Gounkoto Mine Complex (14 Moz)⁴.
 - Falémé permits contain extensive alluvial and hard-rock artisanal gold workings scattered over 28km of strike potential that require drill testing.
 - The Abra Resources Pty Ltd⁵ permits, four of the five permits are also located within the Keieba Inlier in western Mali⁶ and the sixth in southern Mali's adjacent to Resolute Syama mine (8Moz). The Permits contain a number of high quality geological, geochemical, geophysical targets and artisanal workings that have yet to be tested.
 - Historic shallow reconnaissance style drilling results have included:
 - **6.6m @ 115.5 g/t gold**
 - **4m @ 28.9 g/t gold**

Exploration - Agboville project in Cote d'Ivoire

- Maiden shallow reconnaissance style air-core drilling programme was completed. A total of 174 holes were drilled on 17 short traverses over 10km strike of the +20km long Tyche gold-in-soil anomaly.
- Results are viewed as extremely encouraging, confirming a bedrock source to gold anomalism and potential for a large gold system. Drill intercepts illustrate both width and grade potential across the entire 10km of the anomaly drilled so far, results included¹:
 - 9m @ 1.24g/t gold from surface, 6m @ 1.12g/t gold from surface and 6m @ 1.42g/t Au from 8m.
- Other field work conducted during the quarter included step-out soil sampling and trenching. Results for this work have yet to be received.

Corporate

- As at 30 September 2019, African Gold Limited had \$2.7m in cash.
- The Company continues to actively review acquisitions in African which complement its existing assets and focus.



AFRICAN GOLD
LIMITED



“West Mali Project – Significant & highly prospective landholding in major gold producing district in Mali”

“Focused on delivering shareholder wealth through the identification, exploration & development of significant mineral properties in Africa”

CORPORATE DIRECTORY

Non-Executive Chairman
Evan Cranston

CEO & Exploration Manager
Glen Edwards

Executive Director
Steve Parsons

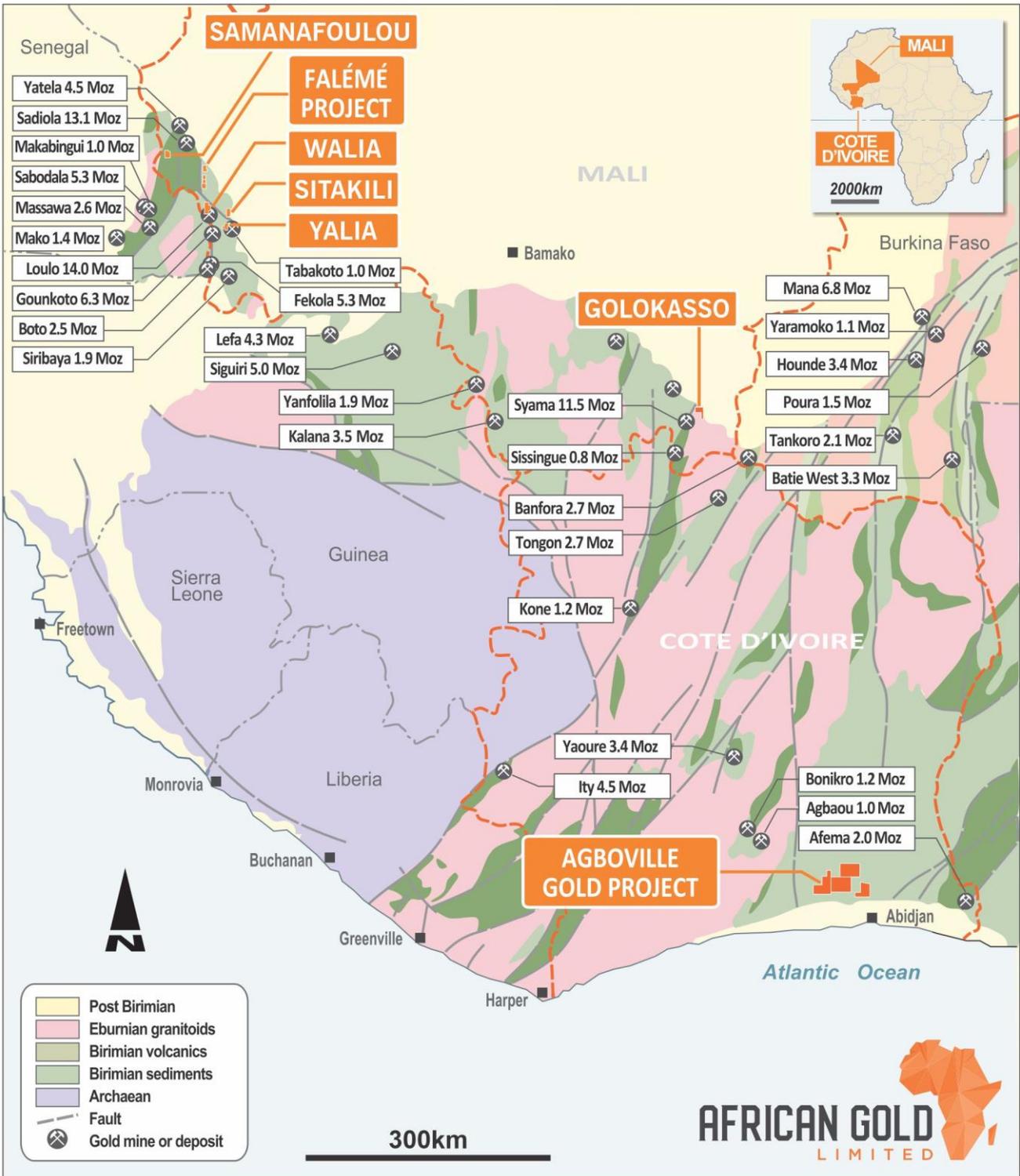
Non-Executive Director
Tolga Kumova

Company Secretary & CFO
Michael Naylor

CONTACT DETAILS

Principal & Registered Office
Suite 3, Level 3
24 Outram Street
West Perth WA 6005
E: admin@african-gold.com

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



EXPLORATION

Acquisition of Falémé Gold Project - Mali

In July 2019, African Gold's 100% owned Malian subsidiary African Gold Mali SARL entered into four option agreements to acquire gold projects located in the highly prospective and prolific gold producing Kenieba Inlier in western Mali known as the Falémé Gold Project².

The secured Falémé Gold Project on the Senegal Mali Shear Zone is located centrally between the Loulou-Goukoto mine (14 Moz gold Barrick)⁴ 45 km to the south and the Sadiola mine (13 Moz gold IAMGold/AngoGold Ashanti)³ and 40 km to the north in the prolific Kenieba Inlier in Western Mali. The projects are underexplored and highly prospective for gold mineralization and are proximate and complementary to African Gold's Cote d'Ivoire assets.

The properties are located in the hanging wall within 15km of the interpreted position of the main Senegal Mali Shear Zone (SMSZ). The majority of the large world class gold deposits in Mali are located in close proximity to the SMSZ which include Fekola 5.2 Moz (B2Gold)⁷, Loulo 14 Moz (Barrick)⁴, Goukoto 5.4 Moz (Barrick)⁴, Yatela 3 Moz (IAMGold/AngoGold Ashanti) and Sadiola 15 Moz (IAMGold/AngoGold Ashanti)³.

The Tintinba Nord, Bourdala, BouBou and Diokena Sud permits which comprise African Gold Ltd's new Falémé Gold Project are located in favorable structural positions associated with splays and accommodation structures close to and associated with the SMSZ. All the acquired permits have significant demonstrated gold anomalism either in the form of artisanal gold workings, gold-in-soil anomalies and or historical drill intercepts.

Fewer than 25 shallow drill holes have been completed on only 3 prospects (all targeting artisanal sites) within the Falémé Gold Project area. Many of these have returned significant intercepts, structure and alteration.

Selected historical reconnaissance RC and Diamond drill intercepts include²:

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

Encouragingly for the discovery of a large gold system is the identification of broad zones of alteration, shearing encompassing multiple lithologies. Recently completed soil sampling surveys by the previous company at Diokeba and BouBou Prospects have returned numerous >1km, coherent, robust >40ppb gold-in-soil anomalies that have never been drill tested. There are multiple high-priority walk up drill targets on the

properties. Planned work programs will initially consist of geological and regolith mapping on all permits; soil geochemical programs (infill on Diokeba and BouBou Prospects); ready for follow up drill testing.

There are multiple high-priority walk up drill targets on the properties. Planned work programs will initially consist of geological and regolith mapping on all permits; soil geochemical programs (infill on Diokeba and BouBou Prospects); ready for follow up drill testing.

Details for all historical drill hole the company is aware of are reported in Table 3 of the ASX announcement dated 4 July 2019. Of the 200 soils collected at Bou Bou 48 returned values of greater than 40ppb Au and of the 457 samples collected at Diokeba Sud 31 returned values of greater than 40ppb Au.

ABRA Acquisition - Mali

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

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

SITAKILI PERMIT (granted) – Kedougou-Keneiba Inlier, western Mali. The permit is located less than 25 km from the operating gold plants at Loulo 14 Moz (Barrick Gold)⁴ and Tabakoto (Algom Resources)⁸. The Tabakoto-Kofi ore haulage road passes approximately 5 km to the east of the Sitakili permit.

The Project area hosts folded, generally NNE-trending metapelite and metagreywacke lithologies and is traversed by a series of NNE trending structures relating to the regional D2 and D3 deformation events and accompanying gold mineralisation.

Large-scale artisanal workings within the project area have exploited multiple in-situ gold lodes and quartz veins hosted in felsic intrusive rocks. Artisanal mining has also exploited extensive gold bearing gravels shedding from the in-situ gold deposits and from the base of a cuirasse horizon which blankets the area. There are no records of the quantity of gold recovered by the artisanal miners.

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

Large-scale artisanal workings occur at the localities of Kirchon, Grand Filon, Makandja, and Djimissi. Artisanal mine pits and stopes are up to 15 m wide and extend along strike for in excess of 2 km. Mine openings are typically 10-15 m deep, with some small shafts (utilising water pumping equipment) extending to about 25 m to selectively mine high-grade saprolite zones. Most of the workings appear to be relatively recent; local community suggest they were mostly opened up in the last 10 years.

Significantly, the historical drilling (last done in 2005) is believed to have been completed prior to the artisanal “discovery” of the primary zones at Kirchon and Makandja, suggesting the extensive workings now evident at these locations remain relatively untested by drilling. More significant historical drill results include⁵:

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

Kirchon Prospect: 6.6 m @ 115.5 g/t gold (Kirchon Trend)

There are multiple high priority walk up drill targets in this permit. Systematic RC drilling will be taken to evaluate known mineralised structures and their strike extent.

WALIA PERMIT (granted) - Kedougou-Keneiba Inlier, western Mali. The southern boundary of the Walia permit abuts the Loulo mining lease (Barrick Loulou Mine 14Moz⁴). The Loulo milling complex is situated approximately 10km to the south of the permit.

The Walia Gold Project area hosts folded generally NNW-trending metapelite and metagreywacke lithologies, including gold prospective tourmaline altered sandstone and breccia, occurring to the east of the SMSZ. Second-order shear splays trend NNE-SSW, crosscutting the regional sedimentary layering and folding. Gold in soil and auger anomalies occur in proximity to gold prospective tourmaline alteration and structure at Walia. Very limited drilling has been done on the permit.

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

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

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

Auger sampling of weathered in situ material is a well-established technique in this terrane. It is proposed that systematic auger coverage be completed, initially east of SMSZ, and later extending over the entire Walia permit. There is a strong expectation that this initial auger program would generate targets for subsequent AC follow up drilling and eventual RC drill testing.

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

The project area is generally underlain by gold prospective NNW trending Birimian-age meta-sediments, metavolcanics and granite. Artisanal gold mining occurs at two localities on the Yatia permit; Segala Ouest and Baroye. The 450m long artisanal mine camp at Segala Ouest is an extension of the NW-striking Segala Mine trend. The Segala deposit (0.8Mozs)⁸, located on the Tabakoto mining lease, is exploited by Algom Resources utilising open pit and underground techniques. Ore is transported to the Tabakoto Mill.

Significant gold mineralisation has been intersected in drilling and trenching at a number of locations on the Yatia permit. Loulo-style alteration has also been intersected in limited drilling, historical drill results include⁵:

10m @ 2.87g/t gold (trench)
 2m @ 7.40 g/t gold from 79.0 metres
 7m @ 1.95 g/t gold from 28.0 metres
 1m @ 21.80 g/t gold from 17.0 metres
 13 m @ 1.17g/t gold from 39.0 metres

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

A comprehensive program of data compilation and assessment is proposed in parallel with detailed regolith and outcrop mapping. It is expected that auger saprolite sampling and follow up AC drilling would be a likely strategy to define RC drill targets. The nature and scale of this program would be developed when mapping is complete.

SAMANAFLOULOU PERMIT (granted) – Kedougou-Kenieba Inlier, western Mali. The Samanafoulou Gold Project is located in the Kayes region of west Mali, approximately 600km by road from Bamako in the geological Mako group, in the interpreted hanging-wall to the crustal scale Main Transcurrent Zone structure. Gold deposits of Sabodala (5.3 Moz)⁹, Massawa (2.6 Moz)¹⁰ and Mako (1.4 Moz)¹¹ are hosted in similar setting in Senegal.

The Samanafoulou permit is at an early stage of evaluation and very limited exploration work has been undertaken. Reconnaissance soil sampling by government agencies has returned a number of anomalous results (max 279ppb Au) in wide spaced (1000m x 250m) sampling.

Interpretation of regional magnetics and geology has defined a significant structural/magnetic/geological target that's coincident with anomalous regional soil geochemistry.

Further mapping and infill soil sampling are required to investigate the potential for gold mineralisation.

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

Golokasso is broadly situated on the northern extension of the Syama Gold Belt. Multiple gold deposits and gold prospects occur along the Syama Belt, including the world class Syama Mine (+8 Moz)⁶, A21 deposits (+1 Moz)⁶ and Tabakoroni (1 Moz)⁶. Gold mineralisation is hosted predominately in mafic lithologies in the hanging wall of the regionally extensive Syama Shear Zone.

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

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

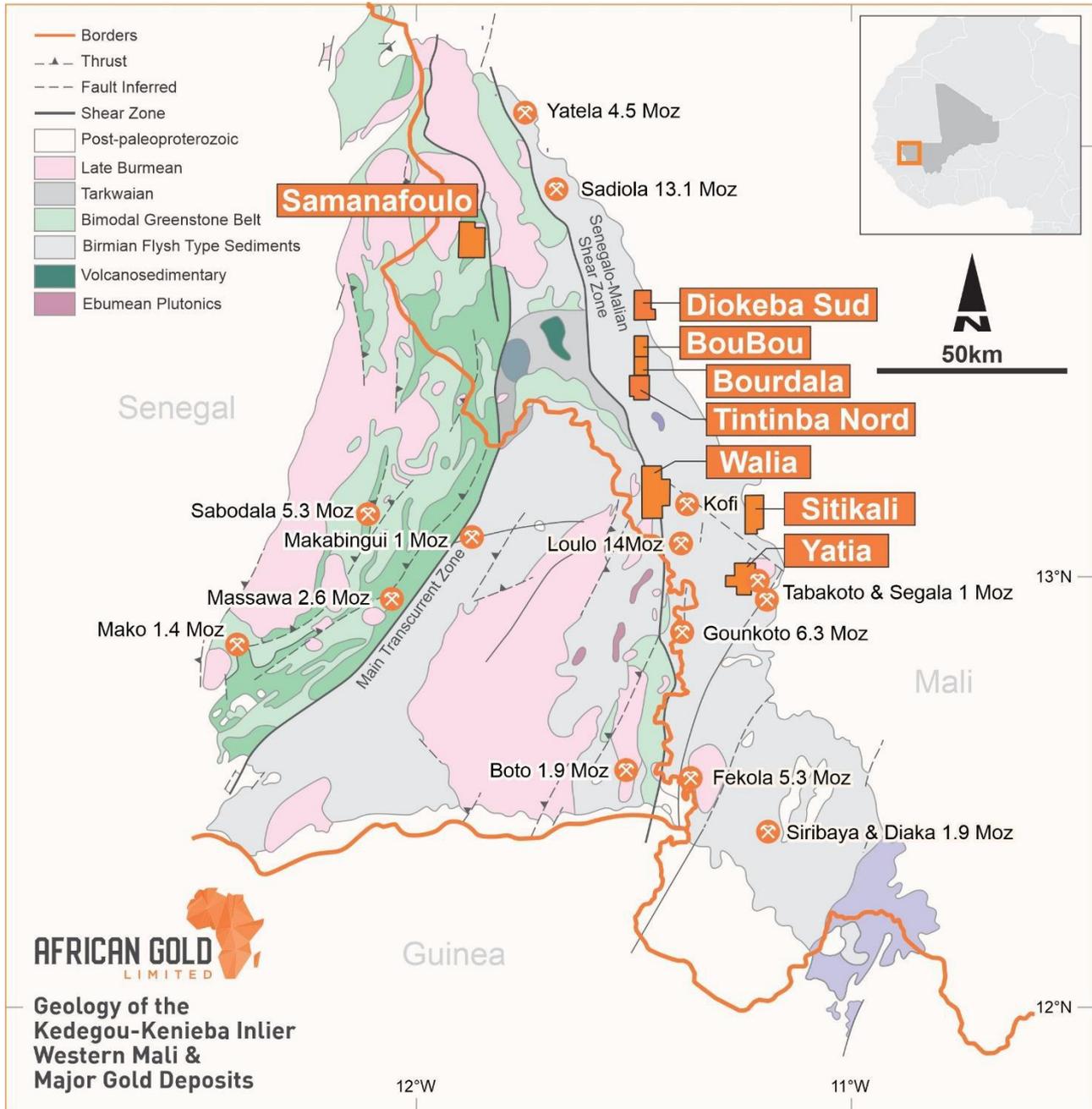
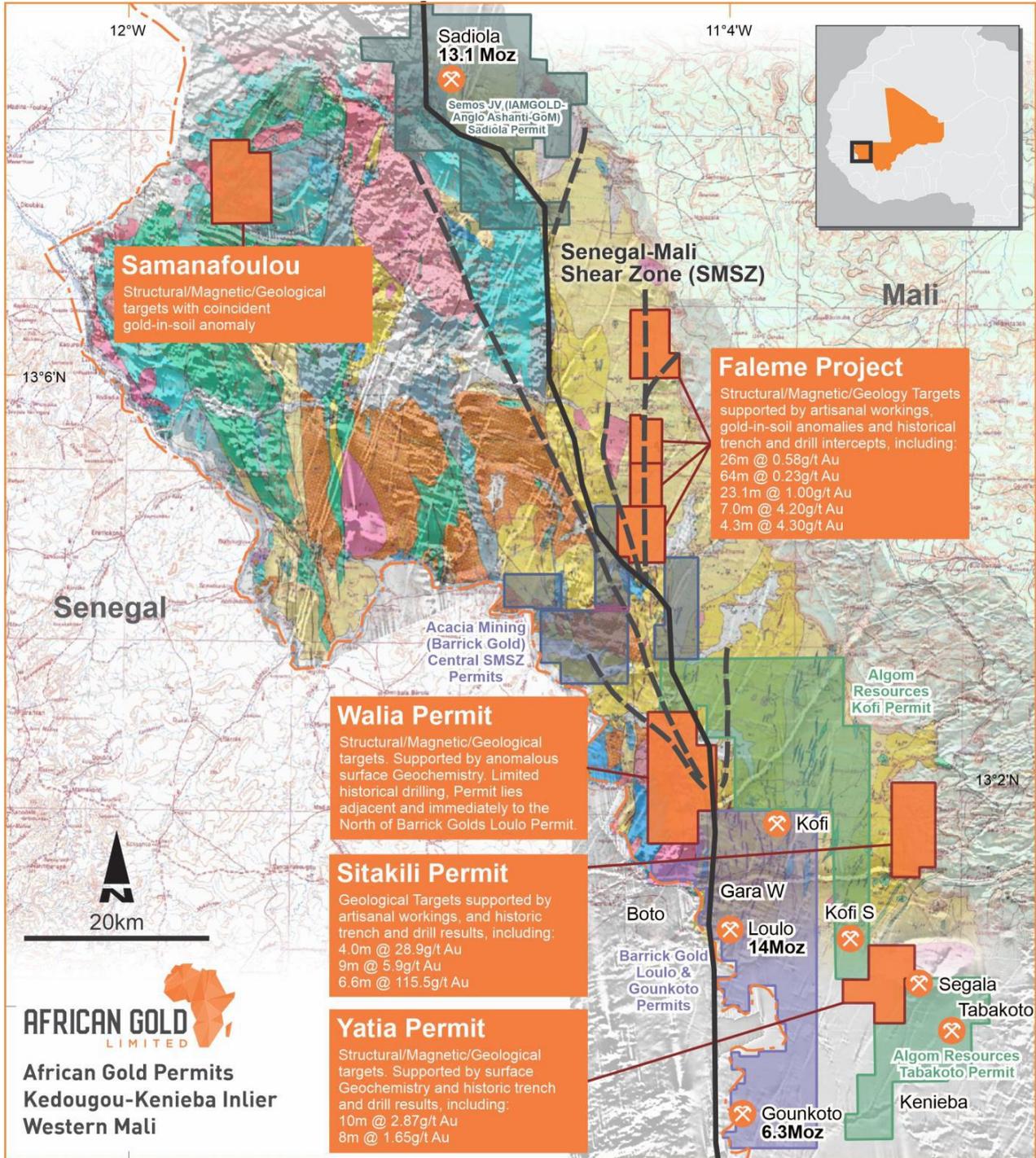


Figure 3: Falémé and Abra Acquisition Permits, location of permits on geology and magnetic image showing historical drill results.



Agboville Gold Project

Geology and Setting - The Project is located in the south east of the West African Craton, in an area referred to as the South-Comoe domain, part of what is referred to as the Birimian (Paleoproterozoic rocks of West Africa). This land is well located and considered to be very prospective for gold. It is also considered to have potential for nickel, cobalt, copper, lithium, tantalum +/- niobium and beryllium.

Rock type and structural architecture are considered conducive to hosting significant gold mineralisation within structural sites associated with rheological contracts. Mapped mineral occurrences on the licences include columbite, tantalite, monazite, copper, nickel, cobalt, manganese and chromite within the tenements.

Alluvial and eluvial gold mineralisation is known to the east and west of the project along the regional trend and recent exploration work in the project area has delineated a large and significant gold in soil anomaly. This soil anomaly trends to the north east – south west, and gold mineralisation is associated with shear zones parallel to the regional structural trend.

Previous Exploration

Formerly owned by Goldenstar Ltd, who defined a robust gold-in-soil anomaly but due to other priorities never followed up with drill testing. The maximum gold assay returning from the soil samples was 4.11 g/t gold (4110 ppb) within a ~ 20km coherent soil anomaly¹⁰. Until African Gold's April – May 2019 program, no previous drill testing has been conducted in the project.

The company views the coincident nature of the mineralisation with significant shearing and the nature of the regolith profile, which is highly conducive of surface geochemistry as a high priority drill target for follow up testing. Within the broad soil anomaly there are distinct higher-grade zones

During the second quarter 2019 a 6,000 metre, 174 hole Air Core drilling program was completed. The program was designed to provide a first pass assessment of the robust ~20 kilometre northeast trending gold-in-soil anomaly, of up to 4.1 g/t gold known as the Tyche Prospect¹⁰.

Current Exploration

Drilling Program Results¹ - During the quarter assay results from the 6,000 metre air core drill program completed. The drilling program was considered successful and assay results are considered encouraging. The work identified significant mineralisation in a number of holes that suggest a fertile structure capable of hosting economic mineralisation. Width and grades of intercepts are considered encouraging and suggest a large gold system.

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

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

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

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

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

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

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

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

Further work will be undertaken to evaluate base metal potential of these intrusive bodies.

Figure 4: Agboville Project – Tyche Gold Prospect, contoured gold-in-soil anomaly and location of Aircore drill traverse completed in April-May 2019.

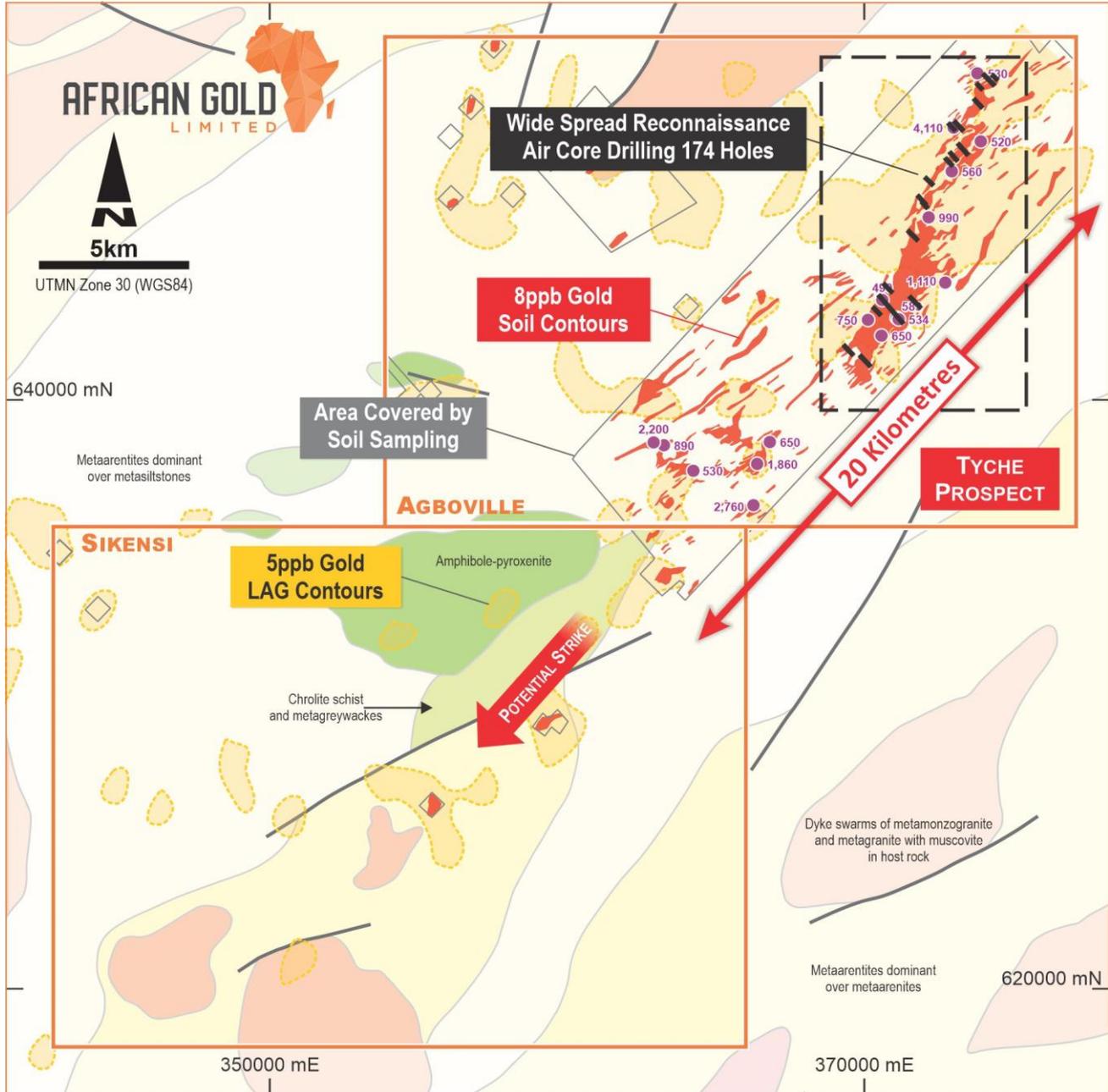


Figure 5: Aircore drilling, significant intercepts and intervals together with imaged gold-in-soil anomaly and interpreted high grade trends. Drilled portion of the Tyche gold-in-soil anomaly northern 10km only.

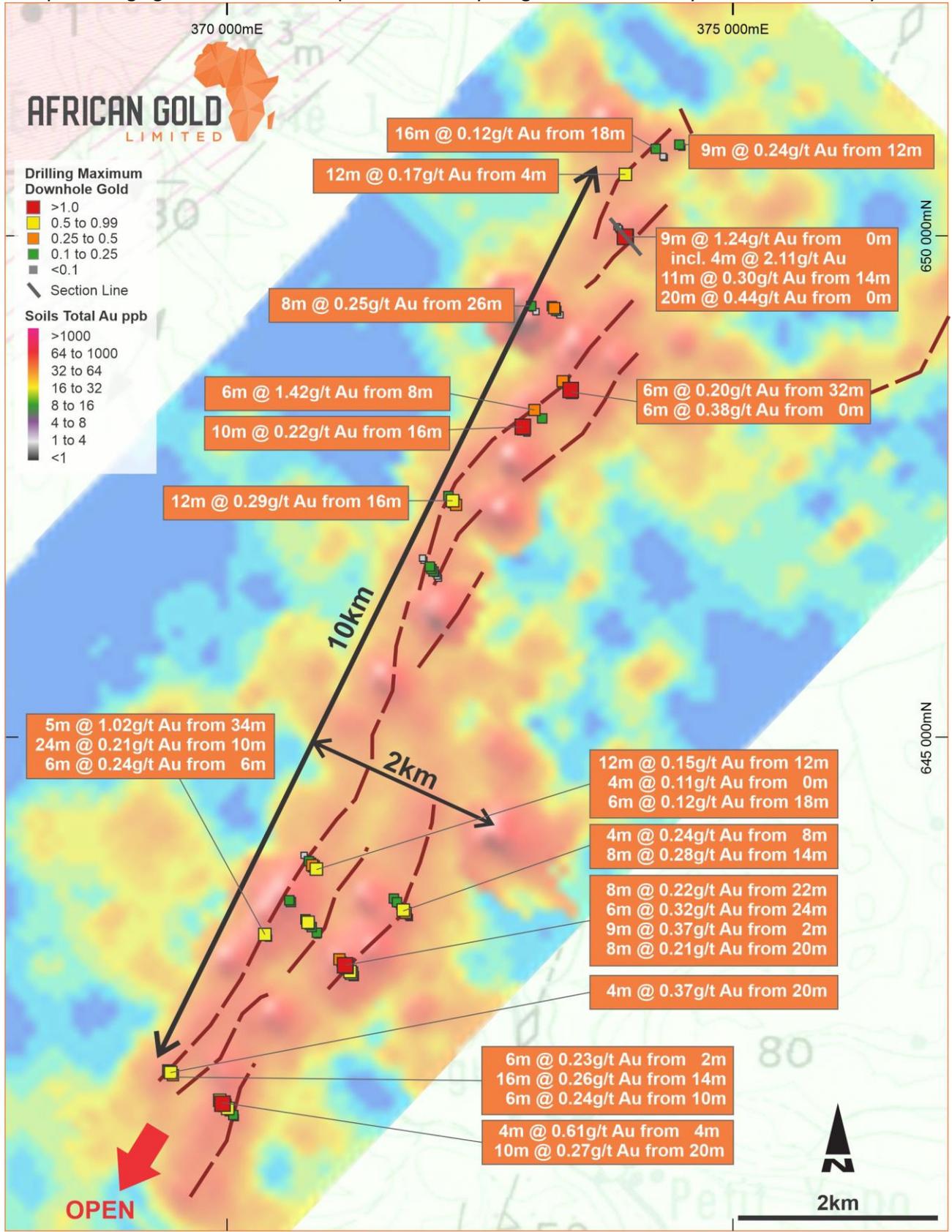
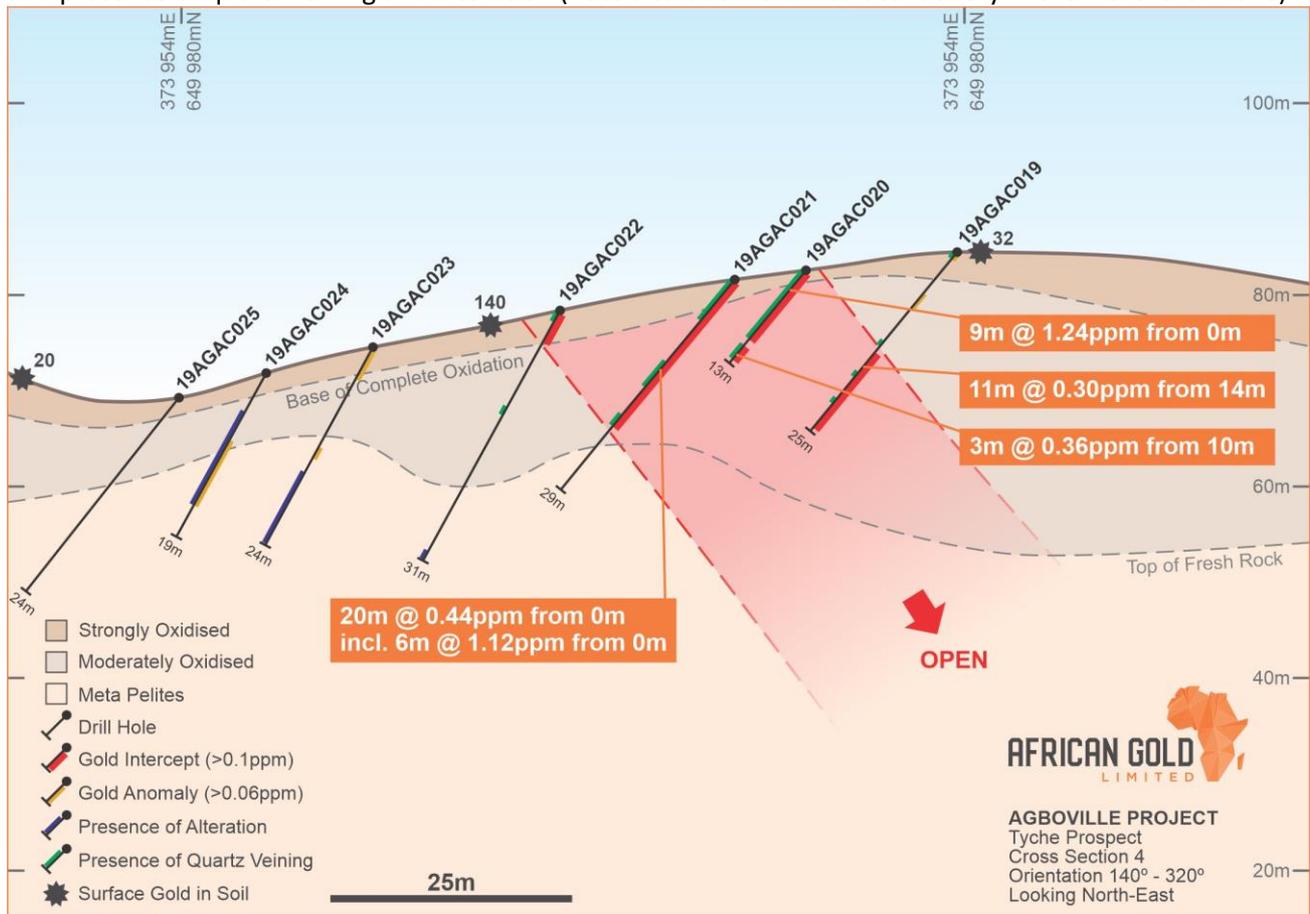


Figure 6: Tyche Gold Anomaly – Aircore drilling section 4. Simplified geological section showing assay results and presence of quartz veining and alteration (note alteration is difficult to identify in the weathered zone).



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

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

No assay results are available. Results will be made available to the market as soon as possible.

Trenching - During the quarter two trenches were excavated, logged and sampled. No assay results are available. Results will be made available to the market as soon as possible.

Future Work Programs

In the coming quarter, the Company intends to complete mapping and soil sampling programs.

CORPORATE

Cash

As at 30 September 2019, African Gold held \$2.7 million (30 June 2019: \$3.4 million) in cash. Refer to the Appendix 5B (ASX website) for principal movements in cash for the quarter.

Faleme Project - Terms of the Agreement

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

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

Bourdala Permit (16sqkm) with Doumou SARL

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

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

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

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

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

ABRA Acquisition - Terms of the Agreement

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

- 1) On signing, the Company made a payment of A\$45,000 to Abra to secure a 45-day exclusivity right to complete legal, financial and technical due diligence (this has been completed).
- 2) Subject to satisfaction of due diligence at African Gold's discretion and completion of the SPA, consideration for the Acquisition is as follows:
 - a. \$125,000 cash payment to Abra shareholders;
 - b. subject to shareholder approval, the issue of three million (3,000,000) African Gold shares at a deemed issue price of AUD\$16.5 cents per share to shareholders of Abra;
 - c. subject to shareholder approval and an ASX waiver from listing rule 7.3.2, the issue of twelve and a half million (12,500,000) African Gold shares (Deferred Consideration Shares) to shareholders of Abra. The Deferred Consideration shares will be issued upon the completion of the applicable milestone for each tranche as set out below:
 - i. Tranche 1: ASX announcement by African Gold of:
 1. a JORC 2012 compliant Inferred, Indicated or Measured Resource with a minimum grade of 1.5g/t for a total of at least 500,000oz of gold located within the projects; or
 2. announcement by the Company of the commercial production of gold from any of the projects,

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

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

within 5 years of completion – number of Deferred Consideration shares 5,000,000;
and
 - d. \$1,000,000 cash payment to the shareholders of Abra if 2,000,000oz of gold is announced by African Gold between 5 and 7 years. If this occurs, the Company is not required to issue the 5,000,000 Deferred Consideration shares pursuant to Tranche 3. The Company anticipates lodging a notice of meeting shortly.

Yours Faithfully



Mr. Glen Edwards
Chief Executive Officer and Exploration Manager
T: +61 8 6425 8007
E: admin@african-gold.com

Notes:

- 1 Refer ASX announcement on 15 August 2019. African Gold is not aware of any new information or data that materially affects the information included in the said announcement.
- 2 Refer ASX announcement on 4 July 2019. African Gold is not aware of any new information or data that materially affects the information included in the said announcement.
- 3 IAMGOLD Technical report - <https://www.sec.gov/Archives/edgar/data/1203464/000127956904000149/courtesycopy.pdf> see pages 5 and 6 (add mineral reserve, Measured and indicated resource and inferred resource).
- 4 Barrick Gold website - <https://www.barrick.com/English/operations/loulo-goukoto/default.aspx>
- 5 Refer ASX announcement on 5 September 2019. African Gold is not aware of any new information or data that materially affects the information included in the said announcement.
- 6 Resolute Mining Limited - website - <https://www.rml.com.au/syama/> and presentations August 2019
- 7 B2Gold – current - <https://www.b2gold.com/projects/producing/fekola/>
- 8 Endeavour Mining Corporation - <https://www.endeavourmining.com/home/default.aspx>, and Endeavour Mining Annual Information Form https://s21.q4cdn.com/954147562/files/doc_downloads/financial_documents/aif/2017-AIF.pdf
- 9 Teranga Gold Corporation – website - <https://www.terangagold.com/sabodala/default.aspx>
- 10 Barrick Gold Corporation – website - <https://www.barrick.com/English/operations/exploration-and-projects/default.aspx>
- 11 Toro Gold – website - <https://www.torogold.com/projects/mako-gold-mine/>
- 12 Information on historical results, including JORC Code Table 1 information, is contained in the Independent Geologist’s Report within African Golds 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.

Competent Persons Statements

Information in this announcement 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 Code for Reporting of Exploration results, Mineral Resources and Ore Reserves”. Mr Edwards has provided his prior written consent as to the form and context in which the Exploration Results and the supporting information are presented in this announcement.

Appendix 1

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 30 September 2019.

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%
Bourdala¹	Mali	Permit de Recherche (Or) 2018/4485	100% (Subject to option agreement)
BouBou¹	Mali	Permit de Recherche (Or) 2017/0441	100% (Subject to option agreement)
Diokeba Sud¹	Mali	Permit de Recherche (Or) 2017/2591	100% (Subject to option agreement)
Tintinba Nord¹	Mali	Permit de Recherche (Or) 2018/4534	55% (Subject to option agreement) ²

¹ Mining Tenements acquired

Mining Tenements disposed: Nil

Beneficial percentage interests held in farm in or farm-out agreements: Nil

² Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed – Refer ASX announcement on 4 July 2019