

ASX Announcement

30 October 2020

30 September 2020 Quarterly Report

The Board of African Gold Ltd (“**A1G**” or the “**Company**”) (**ASX: A1G**) is pleased to provide an update on the quarter ended 30 September 2020.

Limited field work during the quarter has been focused on mapping and sampling in preparation of upcoming drill programs. Field work on our projects in west Africa are traditionally significantly impacted by the wet season and, this year, they have been also been impacted by travel restrictions both locally and internationally put in place due to the Covid-19 pandemic.

The August coup d'état in Mali has not affected activities. The political and security situation appears to be returning to normality with a transition government being appointed mid-September and ECOWAS restrictions on travel being lifted early October. Elections in Côte d'Ivoire at the end of October are also not expected to effect activities significantly.

A1G's assets in Côte d'Ivoire, namely the Agboville Project comprises 1,400km² in the South-Comoé domain. Work here during the past year has discovered a very large system. Drill intercepts indicated both width and grade potential. Scout AC drilling and trenching have demonstrated basement mineralization over the northern 15km of a +30km long gold-in-soil anomaly. Activities in Côte d'Ivoire during the quarter focused on further defining the gold anomaly to the south west and refine targets within the mineralised corridor.

A1G's currently has 10 well located exploration permits in Mali, nine of the permits (346km²) are located within the prolific gold producing Kedougou Kenieba Inlier (KKI) in West Mali. With all, except one, of the west Mali permits are located on, or close to the hanging wall of the Senegal Mali Shear Zone (SMSZ), the remaining permit in the KKI lies close to the Mali Transcurrent Fault Zone. In addition to this we have one permit on the mineralized Syama Shear Zone in south Mali. Activities during the quarter in Mali focused on the refining drill targets on the Faleme area where AC drilling late 2019 discovered mineralisation; on the Sitakili and Yatia Sud permits where exploration has returned a number of significant intercepts that require follow-up drilling and on the Walia/Kofi Quest permit, which lies immediately to the north of Barricks Loulo Mine Complex where quality high priority targets associated with the SMSZ require drill testing.

Work programs have been designed and will be implemented post the wet season.

Corporate Highlights

- As at 30 September 2020, A1G had \$255k in cash.
- The Company continues to actively review acquisitions in Africa which complement its existing assets.
- The Company continues to consider opportunities to raise capital in the coming months in order to fund post wet-season drill programs.

EXPLORATION ACTIVITIES

African Gold Limited has a significant and highly prospective portfolio of strategic exploration properties in Cote d'Ivoire and Mali (Figure 1). Permits are located close to known controlling mineralized structures in belts with multiple, multimillion-ounce gold deposits and mines.

AGBOVILLE PROJECT - CÔTE D'IVOIRE

The project (1,400km²) is located in the south east of the West African Craton, in an area referred to as the South-Comoé domain, part of what is referred to as the Birimian (Paleoproterozoic rocks of West Africa). This property 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.

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

KEDOUGOU-KENIEBA INLIER & SYAMA SHEAR ZONE PROJECTS - MALI

A1G controls 10 permits in Mali. Eight of the nine permits (346km²) are located within the prolific gold producing Kedougou Kenieba Inlier (**KKI**) in West Mali (Figures 2 and 3). All, except one, of the west Mali permits are located on, or within, the hanging wall of the Senegal Mali Shear Zone (**SMSZ**).

The tenth permit in Mali, Golonkasso, (100km²) is located along strike from the Syama Gold Mine in southern Mali. Golonkasso is broadly situated on the northern extension of the Syama Gold Belt and Syama Shear Zone, which controls a number of significant gold deposits.

PROPOSED WORK PROGRAM

A1G will commence field work as soon as weather allows with a view to commence drilling in late Q4, 2020 or early Q1, 2021.

Travel restrictions due to the Covid-19 pandemic should have minimal impact on A1G's field season as the Company has access to in-country skilled workforce.

A1G will initially focus on project in West Mali – including drill programs designed to test high quality targets at Faleme, Sitakili, Yatia Sud and Walia.



Figure 1: AIG Permits in west Africa on simplified geology with major deposits.

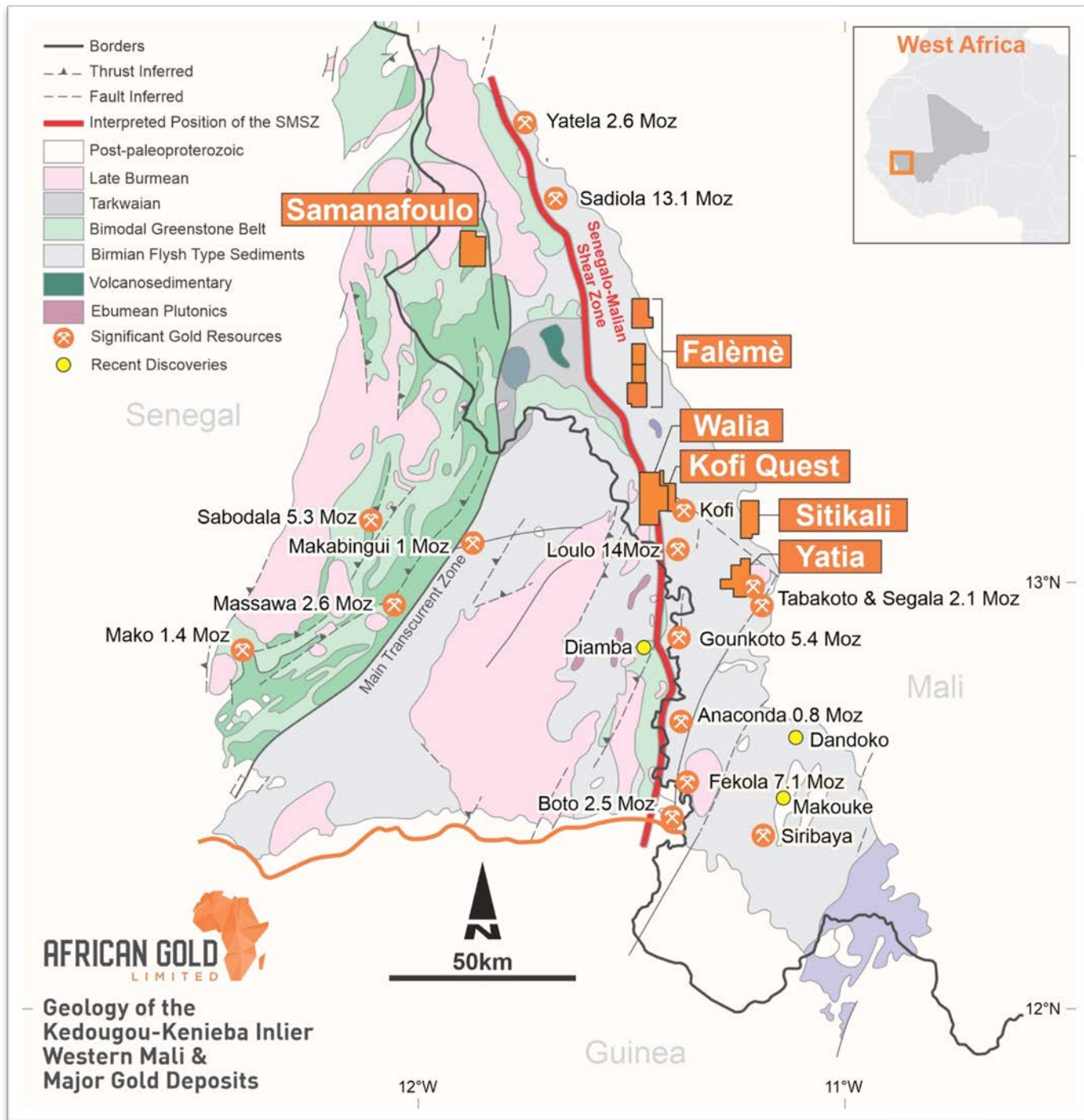


Figure 2: A1G's projects within the prolific Kedougou – Kenieba Inlier in western Mali. Majority of permits located in the immediate hanging wall to the Senegal Mali Shear Zone.



ASX : AIG

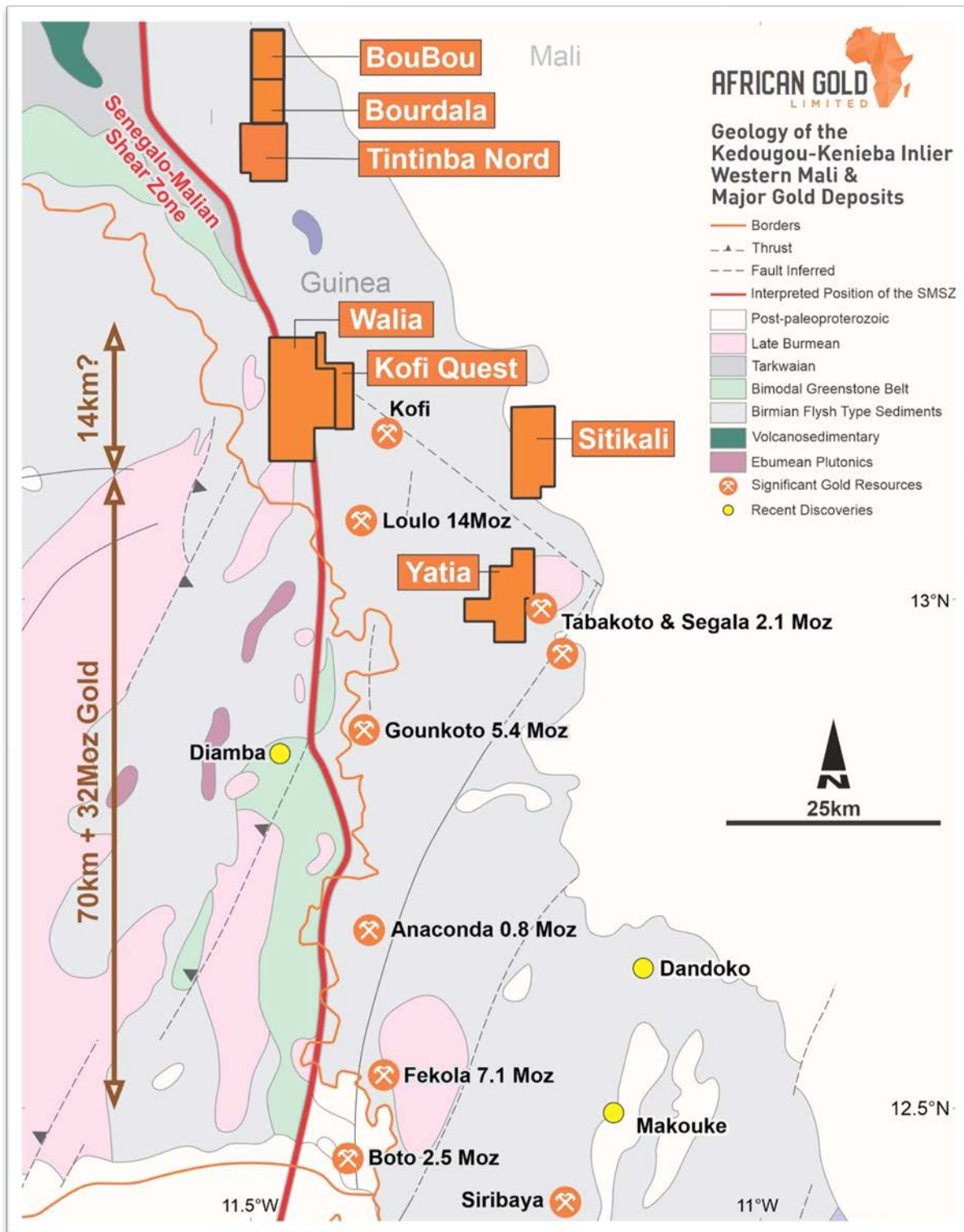


Figure 3: A1G's projects within the prolific Kedougou – Kenieba Inlier in western Mali. Majority of permits located in the immediate hanging wall to the Senegal Mali Shear Zone.

CORPORATE

As at 30 September 2020, the Company held \$255k in cash (30 June 2020: \$620k). Refer to the Appendix 5B for principal movements in cash for the quarter.

During the quarter, the Company exercised the options in relation to the following tenements:

- BouBou Permit: An amount of US\$30,000 was paid to the vendor during July 2020;
- Bourdala Permit: An amount of US\$50,000 was settled by the Company in July 2020 via the issue of 735,294 ordinary shares in the Company to the vendor; and
- Diokeba Sud Permit: An amount of US\$30,000 was paid to the vendor during July 2020.

In August 2020, 1 million performance rights held by Mr Glen Edwards, Chief Executive Officer, vested on completion of 18 months continuous employment with the Company, which resulted in 1 million ordinary shares being issued to Mr Edwards on 24 August 2020.

APPENDIX 5B DISCLOSURES

In line with obligations under ASX Listing Rule 5.3.5, A1G notes that the payments to related parties of the Company, as advised in the Appendix 5B (Quarterly Cashflow Report) for the period ended 30 September 2020, pertain to director fees, salaries and wages (including superannuation) and serviced office rent paid during the quarter ended 30 September 2020.

During the quarter ended 30 September 2020, the Company spent a total of \$152,000 on project and exploration activities. The majority of this expenditure related to mapping and sampling activities undertaken at the Company's permits, in both Mali and Côte d'Ivoire, in preparation of upcoming drill programs. The expenditure represents direct costs associated with these activities as well as capitalised wages which can be directly attributable to the exploration activities. The Company also made option payments in cash, totaling \$87,000, on the BouBou Permit and the Diokeba Sud Permit for which the Company is earning a 100% interest in to each permit.

This announcement has been authorised for release by the Board of A1G.

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Competent Persons Statements

The information in this report that relates to historical exploration results were initially reported by the Company to ASX on 4 July 2019, 15 August 2019, 5 September 2019, 30 January 2020, 3 February 2020 and 5 June 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.



Appendix 1

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 30 September 2020.

TENEMENT NAME	LOCATION	PERMIT TYPE AND NUMBER	% OF OWNERSHIP
Agboville	Côte d'Ivoire	Permis de recherche (Or) – no. 648	100%
Sikensi	Côte d'Ivoire	Permis de recherche (Or) – no. 649	100%
Azaguie	Côte d'Ivoire	Permis de recherche (Or)	Pending, 100%
Gomon	Côte d'Ivoire	Permis de recherche (Or)	Pending, 100%
Sitakili	Mali	Permie de recherche (Or) 2018/0395	100%
Walia	Mali	Permis de recherche (Or) 2018/4272	95%
Samanafoulou	Mali	Permis de recherche (Or) 2018/3824	100%
Golokasso	Mali	Convention	Pending 100%
Yatia Sud	Mali	Permis de recherche (Or) 2019/4872	100%
Bourdala	Mali	Permit de Recherche (Or) 2018/4485	100% (Subject to option agreement)
BouBou	Mali	Permit de Recherche (Or) 2017/0441	100% (subject to option agreement)
Diokeba Sud	Mali	Permit de Recherche (Or) 2017/2591	100% (subject to option agreement)
Tintinba Nord	Mali	Permit de Recherche (Or) 2018/4534	55%
Kofi Quest	Mali	Permit de Recherche (Or) 2018/1768	100%

Mining Tenements disposed: **Nil**

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

Appendix 2

The following information is provided pursuant to Listing Rule 5.3.4 with respect to its Use of Funds Statement set out in its Prospectus dated 6 December 2018 and its actual expenditure since ASX admission on 13 February 2019.

Expenditure Item	Use of Funds for 2 years To 13-Feb-21	Actual Expenditure (13-Feb-19 to 30-Sept-20)	Variance	Notes
Opening cash	\$200,000	\$91,009	(\$108,991)	
Proceeds from Public Offer	\$4,500,000	\$4,500,000	-	
Total	\$4,700,000	\$4,591,009	(\$108,991)	
Exploration expenditure	\$2,421,000	\$2,089,570	\$331,430	1
Director's fees	\$500,000	\$349,270	\$150,730	2
General and administration fees and working capital	\$1,232,000	\$1,149,236	\$82,764	3
Expenses of the Offer	\$547,000	\$241,964	\$305,036	
Security deposits	-	\$30,000	(\$30,000)	
Project acquisition costs	-	\$591,906	(\$591,906)	
Interest income	-	(\$115,730)	\$115,730	
Total	\$4,700,000	\$4,336,216	\$363,784	
Remaining cash		\$254,793	\$254,793	

Notes:

1. The Company notes that it is currently ahead of schedule with its exploration expenditure. This is predominantly due to an acceleration of exploration programs being undertaken and completed prior to the wet season.
2. The Company notes that it is currently on track to expend this amount on Director's fees.
3. The Company notes that it is currently on track to expend this amount on general and administration fees and working capital.