



**AMANI GOLD**  
LIMITED

AMANI GOLD LIMITED  
**PROSPECTUS**

For the Offer of 1000 Shares in the capital of the Company at an issue price of \$0.001 per Share, with 1.5 free attaching Options per Share (the Offer).

This Prospectus has been prepared primarily for the purpose of section 708A (11) of the Corporations Act to remove any trading restrictions on the sale of Options issued by the Company prior to the Closing Date.

ASX Code: ANL

**IMPORTANT NOTICE**

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents, or are in doubt as to the course you should follow, you should consult your stockbroker, accountant or professional adviser.

The Shares and free attaching Options offered by this Prospectus should be considered speculative.

# Corporate Directory

## DIRECTORS

Klaus Peter Eckhof	Executive Chairman
Antony Truelove	Non-Executive Director
Tsang Sun King	Non-Executive Director
Maohuai Cong	Non-Executive Director

## SECRETARY

Nicholas Harding      Company Secretary

## REGISTERED AND PRINCIPAL OFFICE

3/55 Gawler Place

Adelaide, SA, 5000

Telephone: +61 1300 258 985

## WEBSITE

[www.amanigold.com](http://www.amanigold.com)

## AUDITORS\*

BDO Audit (SA) Pty Ltd

Level 7, 420 King William Street

Adelaide SA 5000

## SHAREREGISTRY\*

Advanced Share Registry Services

110 Stirling Highway

Nedlands, WA, 6009

## ABN/ACN

14 113 517 203 / 113 517 203

## Telephone:

(08) 9389 8033

\* *These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.*

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# Important Information

This Prospectus is dated 13 January 2021 and was lodged with ASIC on that date. Neither ASIC or the ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares or Options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus (other than the issue of Shares arising from the exercise of Options).

New Shares and Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

The offer of New Shares is only available to those who are personally invited to accept the offer (the Offer). The free attaching Options offered under this Prospectus have the same terms and conditions as set out in Annexure A of the Company's Notice of General Meeting dated 13 July 2020.

Applications for New Shares and Options offered pursuant to this Prospectus can only be submitted on an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) with 1.5 free attaching Options per Share and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisors whom investors may consult.

The Company will apply to the ASX for Official Quotation of the New Shares and Options offered pursuant to this Prospectus as set out in Annexure A of the Notice of General Meeting.

Those who are personally invited to accept the Offer, should read this Prospectus in its entirety and seek professional advice where necessary. The New Shares and free attaching Options, the subject of this Prospectus, should be considered speculative.

An application for New Shares and free attaching Options will only be accepted by following the instructions on the Acceptance Form as described in Section 3 of this Prospectus. No person is authorised to give any information or make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus. You should rely only on the information in this Prospectus.

## Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at [www.amanigold.com/reports](http://www.amanigold.com/reports)

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## Website

No document or information included on our website is incorporated by reference into this Prospectus.

## Foreign Shareholders

The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or invitation.

## Risk Factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 5 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares and Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares with a free attaching Option pursuant to this Prospectus.

## Timetable of Important Dates

These dates are indicative only and subject to change without notice. The Company may extend the period of the Offer or bring forward the Closing Date at its discretion. This may have a consequential effect on the other dates.

Lodgement of Prospectus with ASIC	13 January 2021
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Opening Date of the Offer	13 January 2021
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Closing Date of the Offer	19 January 2021
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Issue Date of New Shares and Options	20 January 2021
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Holding Statements despatched in relation to Shares and Options	21 January 2021
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Dear Shareholders,

I am pleased to present to you on behalf of the Board of Amani Gold the opportunity to participate in the Company's issue of New Shares and free attaching Options under this Prospectus.

As this Prospectus further indicates below, the New Shares and free attaching Options available for issue are not offered for the purpose of raising capital in the Company. Instead, the primary purpose of this issue of New Shares with free attaching Options is to facilitate the trading of any Shares and Options that have been issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus). This Prospectus acts to remove any of these current restrictions.

At the Company's most recent General Meeting, which was adjourned to 15 October 2020, the Company received approval from Shareholders to issue Securities and Options on the terms set out in each of the relevant Resolutions under a Placement. Accordingly, this Prospectus is lodged to remove any trading restrictions on any Shares and Options issued by the Company without disclosure under Chapter 6D of the Corporations Act while the Offer remains open.

For the avoidance of doubt, any funds raised under the Offer of New Shares will be put towards covering the expenses of the Offer. The free attaching Option is issued for Nil value, on the terms and conditions set out as Annexure A of the Company's Notice of General Meeting. The Company will apply for the Options issued under this Prospectus and the Placement to be quoted on the ASX.

Overall, this will enable the Company to have greater flexibility with the trading of Shares and Options and provide a more agile base for any alterations or changes in capital for the Company. As indicated in the 2020 Annual Report for Amani Gold, released to the ASX on 2 October 2020 and available on the Company website, 2020 has seen a renewed focus on growing the resources at our flagship Giro Gold Project in the Democratic Republic of Congo.

I look forward to the Company continue to develop its exploration activities and thank all shareholders for their support during this year.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Klaus Eckhof', written in a cursive style.

Klaus Eckhof  
Chairman

# 1. Offer

Under this Prospectus, the Company invites the investors identified by the Directors to apply for 1000 New Shares at an issue price of \$0.001 per Share, with 1.5 free attaching Options also to be issued (for a maximum of up to 1,500 Options). The Shares offered under this Prospectus will rank equally with Shares on issue at the date of the Prospectus. The free attaching Options offered under this Prospectus have the same terms and conditions as set out in Annexure A of the Company's General Meeting Notice dated 13 July 2020 (see section 2.4 of this Prospectus for further detail).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

As at the date of this Prospectus, the Company has 9,386,996,747 ordinary fully paid shares on issue. The Company has zero listed options and 156,000,000 unlisted options on issue. There are also 1,066,999,998 unlisted performance rights on issue.

Please refer to Section 4 of this Prospectus for further information regarding the rights and liabilities attaching to the New Shares. The Company advises that the New Shares are to be issued on the same terms and provide the same rights as the current issued shares in the Company.

The Company will apply to the ASX for the Options issued under this Prospectus and those Options to be issued under the Placement (together, the New Options) (discussed below at section 2.1) to be granted Official quotation on the ASX. This is expected to occur on or about 20 January 2021. Participants (as defined in the ASX Settlement Operating Rules) cannot deal in the Options issued under this Prospectus or the Placement either as principal or agent until official quotation is granted.

## 2. Purpose and Effect of the Offer

### 2.1 Purpose of the Offer

The Company is seeking to raise only a nominal amount under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to the Shares and the free attaching Option issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus).

The Prospectus will also remove any trading restrictions to Options issued by the Company without disclosure under Chapter 6D of the Corporations Act while the Offer remains open.

All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 6.6(e) of this Prospectus for further details relating to the estimated expenses of the Offer.

As announced on 23 June 2020, the Company intends to issue Shares and Options in line with that announcement. Following Shareholder approval at the General Meeting on 15 October 2020, the Company now makes the Offer the subject of this Prospectus to facilitate the secondary trading of Shares and Options.

Since 15 October 2020, the Company issued a maximum of approximately 1,548,800,000 Shares at an issue price of \$0.001 per share to raise up to \$1,548,800, before costs, as Tranche 2 of the Placement, first announced on 23 June 2020 (Tranche 2 Placement Shares).

The Tranche 2 Placement Shares were issued without a prospectus to institutional, sophisticated and professional style investors under section 708 of the Corporations Act and who are not related parties of the Company, other than one

Company Director who participated in the Placement and has received Shareholder approval.

The Company also intends to issue Options to Placement participants during the period in which this offer is open. The Company intends to issue up to 3,828,750,000 Options to participants of the Placement or their nominees, and up to 1,500,000,000 Options to Hartleys Limited as partial payment for arranging the Placement, also announced to the ASX on 23 June 2020 (together, the Placement Options). The Placement Options will also be issued without a prospectus to Placement participants and Hartleys Limited.

Each of these proposed issues of Options has received shareholder approval under Resolutions 3 and 4 at the Company's most recent General Meeting.

As indicated above, this Prospectus will remove any secondary trading restrictions that may attach to the Tranche 2 Placement Shares and the Placement Options which have received shareholder approval, prior to the Offer Closing Date.

## 2.2 Effect of the Offer

The effect of the Offer on the Company's capital structure is set out below:

SHARES	NUMBER
Listed Shares currently on issue	9,386,996,747
Unlisted Shares currently on issue	Nil
Shares to be issued under the Offer	1,000
<b>Total Shares on issue on Completion of the Offer</b>	<b>9,386,997,747</b>

OPTIONS	NUMBER
Unlisted Options exercisable at \$0.0075 each on or before 27 May 2022	40,000,000
Unlisted Options exercisable at \$0.01 each on or before 27 May 2022	40,000,000
Unlisted Options exercisable at \$0.0125 each on or before 27 May 2022	40,000,000
Unlisted Options exercisable at \$0.0075 each on or before 15 January 2023	12,000,000
Unlisted Options exercisable at \$0.01 each on or before 15 January 2023	12,000,000
Unlisted Options exercisable at \$0.0125 each on or before 15 January 2023	12,000,000
Maximum number of New Options under this Prospectus	1,500
<b>Total Options on issue on Completion of the Offer</b>	<b>156,001,500</b>
<b>Total Shares on issue if all Options exercised</b>	<b>9,542,999,247</b>

## 2.3 Financial Effect of the Offer

After expenses of the Offer of approximately \$9,000.00 there will be no proceeds from the Offer. Accordingly, the Company

does not believe the Offer requires additional information describing the use to which money raised will be put, given the lack of proceeds from the Offer.

The expenses of the Offer will be met from the Company's existing cash reserves.

If fully subscribed, the Offer will further increase the number of Shares on issue by 1,000 Shares, the number of Options on issue by 1,500 Options, and decrease the cash reserves of the Company by approximately \$9,000, being the estimated expenses of the offer. Given the size of the Offer in relation to the total number of Shares and Options on issue for the Company, there will be no effect on the control of the Company as a result of the Offer.

## 2.4 Terms and Conditions of the free attaching Options

The following summary of the key terms and conditions of the free attaching Options is set out in this section, consistent with the Annexure A of the Notice of General Meeting.

1. Each Option entitles the holder to one ordinary share in the Company.
2. Each of the Options has an exercise price of \$0.0015.
3. Each option is exercisable in whole or in part at any time during the period commencing on the date of issue and expiring 3 years from the date of issue (Exercise Period). Options not exercised before the Exercise Period will lapse.
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per Option in cleared funds.
5. The Company will apply to ASX for official quotation of the Options,
6. The Company will make application for official quotation on ASX of New Shares allotted on exercise of the Options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular New Shares allotted on exercise of Options will qualify for dividends declared after the date of their allotment.
7. An Optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the Option has been exercised and shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give prior notice to the Optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
8. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the Option is exercisable will be increased by the number of ordinary shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
9. If the Company makes a rights issue (other than a bonus issue), the exercise price of Options on issue will be reduced according to the following formula:

$$A = O - \frac{E[P - (S + D)]}{(N + 1)}$$

Where:

A = the new exercise price of the Option;

O = the old exercise price of the Option;

E = the number of underlying ordinary shares into which one Option is exercisable;

P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stock market of the ASX during the five trading days immediately preceding the ex-rights date or ex-entitlements date (excluding special

crossings and overnight sales and exchange traded options);

S = the subscription price for a security under the pro rata issue;

D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

10. If, during the currency of the Options the issued capital of the Company is reorganised, those Options will be reorganised to the extent necessary to comply with ASX Listing Rules.

## 3. Details of the Offer

### 3.1 Application

Applications for New Shares and the free attaching Options can only be made by investors at the direction of the Company and must be made using the Application Form provided by the Company.

The New Shares are to be issued at the price of \$0.001 per Share and the free attaching Options have no issue price.

### 3.2 Minimum Subscription

There is no minimum subscription in respect of the Offer.

### 3.3 Opening and Closing Dates

The Offer will open for receipt of acceptances at 9.00 am 13 January 2021 and will close at 5.00pm ACDT on 19 January 2021, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine.

### 3.4 Allotment of Shares and Option

Issue of New Shares and the free attaching Options under the Offer will take place as soon as practicable after the Closing Date. The Directors will determine the recipients of all the New Shares and the free attaching Options. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for.

### 3.5 Application for Official Quotation

Application for Official Quotation of the New Options offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. The Company expects the Placement Options to be issued under the same terms as the free attaching Options under this Prospectus will receive ASX approval for quotation. If ASX does not grant Official Quotation of the New Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus (or such period as varied by the ASIC), the Company will not issue any New Options.

The fact that ASX may grant Official Quotation to the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options now offered for subscription.

### 3.6 Overseas Shareholders

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia.

The distribution of this Prospectus in places outside of Australia may be restricted by law and persons who come into



possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with those restrictions may violate applicable securities laws.

## 4. Rights and Liabilities Attaching to New Shares

The New Shares offered pursuant to this Prospectus will be issued on the following terms and conditions:

### 4.1 Rights Attaching to New Shares

Full details of the rights and liabilities attaching to the Share are detailed in the Company Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours, and in certain circumstances, regulated by the Corporations Act, the listing Rules and the general law. The following summarises some of the more significant rights and liabilities attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons may wish to seek independent legal advice.

### 4.2 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members, every member has one vote on a show of hands and one vote per share on a poll. The person who holds a share which is not fully paid shall be entitled to a fraction of a vote equal to that proportion of a vote that the amount paid (not credited) on the relevant share is of the total amounts paid and payable in respect of those shares (excluding amounts credited). Voting may be in person or by proxy, attorney or representative.

### 4.3 Dividends

Subject to the rights of holders of shares issued with any special rights to dividends (at present there are none) and the Corporations Act, the profits of the Company which the Board may from time to time determine to distribute by way of dividend are divisible to each share of a class on which the Board resolves to pay a dividend.

### 4.4 Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfer in Shares, or by an instrument in writing in a form approved by the Board.

### 4.5 Meetings and Notices

Each Shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

### 4.6 Reconstructions

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:

- the number of New Shares, Options (and their Exercise Price) or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reconstruction, but with the intention that such

reconstruction will not result in any benefits being conferred on the holders of New Options which are not conferred on shareholders; and

- subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the New Options will remain unchanged.

## 4.7 Future increase of capital

The issue of any new Shares is under control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of share) the Directors may issue Shares as they shall, in their absolute discretion, determine.

# 5. Risk Factors

## 5.1 Introduction

An overview of the key risks that may have a material adverse impact upon the future performance of the Company and the value of the New Shares and the free attaching Options described in this Prospectus and include those risks set out in this Section.

The Company gives no assurances or guarantees of future performance or profitability, or payment of dividends.

The list of risk factors in this section should not be taken as exhaustive of the risks faced by the Company or by investors in Amani Gold. There may be other material risks which are not disclosed in this document because they were not known by the Company or were not considered to be material at the date of this Prospectus.

Some of the risks may be mitigated by the use of safeguards and appropriate systems and controls. However, many risks that may affect the Company are outside the control of Amani Gold and its subsidiaries.

This section does not take into account the investment objectives, financial circumstances or particular needs of individual Shareholders. It is important that Shareholders carefully read this Prospectus in its entirety (particularly the risks set out in this section, consider their personal circumstances (including financial and taxation issues) and seek independent professional advice before deciding whether to subscribe for New Options.

Set out below are some of the key risks that have been identified as potentially affecting the performance and value of the Shares and Options and the ability of the Company to potentially pay dividends in the future. The past performance of the Company is not necessarily representative of the future performance of Amani Gold or the value of the Company's Shares.

## 5.2 Risks specific to Amani Gold

### 5.2.1 EXPLORATION AND PRODUCTION

Permits and tenements in which the Company has an interest are at various stages of exploration and potential investors should understand that mineral exploration is a high risk undertaking. There can be no assurance that exploration of the project areas described in this Prospectus, or any other permits that the Company may acquire an interest in, will result in the discovery of an economic mineral reserve. Even if an apparently viable reserve is identified, there is no guarantee that it can be commercially exploited.

Even if the Company recovers potentially commercial minerals, there is no guarantee that Amani Gold will be able to successfully transport the minerals to commercially viable markets or sell the minerals to customers to achieve a commercial return.

In addition, with respect to operations, the Company operates in some remote locations within the Democratic Republic of Congo

and faces challenging geographical conditions. Therefore some exploration and development costs may be higher in such jurisdictions due to a number of factors including limitations on the number of available suppliers of services required by Amani Gold, climatic and geographical conditions. The Company has an internal review process for all exploration and drilling programs. Amani Gold also has a transparent review and auditing process for all tenders received. However, no assurances can be given that the Company will be successful in mitigating all of these risks and there is a risk that exploration costs may escalate beyond budget anticipations.

### 5.2.2 ACCESS TO LAND

The Company may experience delays and cost overruns in the event it is unable to access the land required for its operations. This may be as a result of political or civil unrest, disease, outbreak of hostilities, the inability to obtain regulatory or landowner consents or approvals, or possible native title issues.

The Company's exploration activities are also dependent upon the grant, or as the case may be, the maintenance or renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintenance, renewal and granting of tenements often depends on the Company being successful in obtaining required statutory approvals. There is no assurance that the Company will be granted all the approvals or licences for which it has applied or that licences, concessions, leases, permits or consents will be renewed as and when required or that new conditions will not be imposed in connection therewith. To the extent such approvals, consents or renewals are not obtained, the Company may be curtailed or prohibited from continuing with its exploration activities or proceeding with any future exploration or development.

### 5.2.3 ENVIRONMENTAL

The Company's exploration activities in the Democratic Republic of Congo are continuously subject to the environmental laws, regulations and permit conditions in that jurisdiction. There have been no known breaches of environmental laws or permit conditions while conducting operations in the Democratic Republic of Congo for the Company.

There is a risk that environmental regulation may prevent or impede the Company's activities. It is possible that environmental approvals for Amani Gold may be withheld or delayed. If this occurred it may materially affect the Company's ability to explore and develop its projects and therefore its investment outlook.

Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by Amani Gold, or non-compliance with environmental laws or regulations. The Company proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage. There is also a risk that the environmental laws and regulations may become more onerous, making the Company's operations more expensive.

### 5.2.4 COVID-19 RISK

The global economic outlook is highly uncertain due to the current COVID-19 pandemic. The COVID-19 pandemic is having a significant impact on global capital markets and the movement of individuals in certain jurisdictions.

The COVID-19 pandemic may impact the Company's operations or cashflow and may affect the supply of materials and limit the availability of appropriate workers required for the Company to progress the development of the Giro and Gada Gold Projects in the Democratic Republic of Congo.

### 5.2.5 GOLD PRICES

International factors such as inflation, exchange rates, supply and demand and political and economic events, amongst other things, impact on metal prices, particularly in the current global economic market. As the Company is currently not in production, future

revenue that may come from the sale of any mineral products and the Company's future profits are related to and influenced by the market price of gold.

If the price of metals seriously declines in the future, this will materially impact on the Company's ability to continue with its projects and the Company may be forced to discontinue some or all of its operations.

The Company gives no assurance that the fluctuations in the commodity prices will not affect timing and viability of the projects.

#### 5.2.6 COMPETITION

Upon commencement of production, the Company would be subject to competition from other mineral producers. Competitors include current miners and future entrants into the market. Other companies may have competitive advantages such as superior resources, new technology, new production processes, or access to key infrastructure. The Company may be unable to successfully compete and may suffer material adverse consequences such as loss of market share and customers.

#### 5.2.7 FUTURE CAPITAL REQUIREMENTS

The available funds of the Company may not be sufficient to cover expenditure that may be required to execute the projects or planned operations of the Company or to expand its operations or projects or for other capital expenditure, further exploration or feasibility studies or otherwise in the Company's operations. The Company may need to raise additional equity or debt funds in the future to finance these activities and requirements.

There is no assurance that the Company will be able to obtain additional financing when required in the future, or that the terms and time frames associated with such funding will be acceptable to Amani Gold, particularly having regard to the current uncertain economic environment and the effect that metal prices may have on future production and earnings performance. This may have an adverse effect on the Company's ability to achieve its strategic goals and have a negative effect on its financial results.

## 5.3 General Risks

#### 5.3.1 IMPAIRMENT OF ASSETS

Exploration and evaluation assets are assessed for impairment when facts and circumstances (as defined in AASB 6 "Exploration for and Evaluation of Mineral Resources") suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount.

The recoverable amount of the exploration and evaluation assets (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment, reclassified to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

#### 5.3.2 COUNTERPARTY RISK

There is a risk, which is higher in the current uncertain economic environment, that contracts and other arrangements which the Company is party to and obtains a benefit from, will not be performed by the relevant counterparties if those counterparties become insolvent or are otherwise unable to perform their obligations.

The Company and its projects may suffer material adverse consequences such as increased costs, delayed projects, loss of market share, or loss of customers.

### 5.3.3 INSURANCE

Amani Gold has various insurances covering its business. However, certain risks are not covered by insurance due to limitations or exclusions in insurance policies or because the Company has decided not to insure against certain risks because of high premiums or for other reasons. Mining accidents, cave-ins, business interruption, compensation claims, environmental effects, fires, floods earthquakes and various other events may not be adequately covered by insurance. Uninsured events or limited insurance coverage could significantly increase the costs of the Company if such uninsured events were to occur.

### 5.3.4 LITIGATION

The Company may be subject to litigation and other claims. This could result in negative publicity and/or additional expenditure.

### 5.3.5 KEY PERSONNEL

Amani Gold's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including sub-contractors. Although the Company enters into employment and incentive arrangements with its personnel to secure their services, it cannot guarantee the retention of their services.

There can be no assurance given that there will be no detrimental impact on the Company if one or more of these people cease their engagement. The Company's inability to recruit additional appropriately skilled and qualified personnel to replace these key personnel could have an adverse effect on the Company. There can be no guarantee that personnel with the appropriate skills will be available within the Company's required timeframes.

### 5.3.6 HEALTH AND SAFETY

The businesses of the Company are subject to strict health and safety laws and regulations. The Company may become liable for past and current conduct which violates such laws and regulations. Penalties for breaching health and safety laws can be significant and include criminal penalties.

Victims of workplace accidents may also commence civil proceedings against the Company. These events might not be insured by the Company or may be uninsurable. In addition, any changes in health and safety laws and regulations may increase compliance costs for the Company. Such an event would negatively impact the financial results of the Company.

### 5.3.7 REGULATORY AND LEGISLATIVE

Any changes in the laws and regulations under which the Company operates may adversely impact the Company's activities, planned projects and financial results. These laws and regulations include mining and exploration-related laws, laws requiring permits and licences, environmental regulations and health and safety laws and regulations.

In the Company's experience changes in legislation have generally produced more regulatory requirements resulting in increased compliance costs for the Company.

### 5.3.8 PAST TRANSACTIONS

Previous transactions undertaken by the Company which involved the acquisition or disposal of assets may continue to bear risks associated with the possibility of warranty or other claims in connection with such transactions to which it was a party.

## 5.4 Risks associated with the Offer

### 5.4.1 SHARE AND OPTION PRICE

Post this Offer, there is no certainty that the Company will achieve an improvement of its Share and/or Option price. Due to the occurrence of adverse changes in the business or unforeseen circumstances, or general market conditions, the Company's Shares and Options may depreciate in value and Shareholder wealth may decline.

## 5.5 Speculative nature of investment

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

Whether or not future income will result from projects undergoing exploration, programs are dependent on the successful results of that exploration and on the subsequent establishment of development and production operations or sale of the projects. Factors including costs, equipment availability, and mineral prices affect successful project development as does the design and construction of efficient exploration facilities, competent operation and management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced consultants. In particular, changes in global economic conditions (including changes in interest rates, inflation, foreign exchange rates and labour costs) as well as general trends in the Australian and overseas equity markets may affect the Company's operations and particularly the trading price of the Shares and Options on the ASX.

## 6. Additional Information

### 6.1 Continuous Disclosure Obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its securities.

The Board of Directors have adopted a policy of compliance with the Listing Rules which sets out the obligations of the Directors, officers and employees to ensure the Company satisfies the continuous disclosure obligations imposed by the Listing Rules and the Corporations Act. The policy provides information as to what a person should do when they become aware of information which could have a material effect on the Company's securities and the consequences of non-compliance.

### 6.2 Legal framework of this Prospectus

As a disclosing entity, the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure (ED) securities and the Securities are in a class of securities that were quoted ED securities at all times in the 3 months before the date of this Prospectus.

This Prospectus is a 'transaction specific prospectus'. In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether to invest or not invest.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at the ASX and copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or

inspected at, any regional office of ASIC.

## 6.3 Information available to Investors

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- the annual audited financial report for the Company for the year ending 30 June 2020 and lodged with the ASX on 1 October 2020;
- any other financial statements or continuous disclosure notices given by the Company to the ASX in the period starting immediately after lodgement of the annual financial report of the Company for the period ended 30 June 2020 and ending on the date of lodgement of this Prospectus with ASIC.

Copies of ASX announcements made by the Company may be obtained on the ASX website or the Company's website at [www.amanigold.com](http://www.amanigold.com)

The highest and lowest recorded market sale prices of the Company's Shares quoted on the ASX during the period of 3 months to the date of the announcement of the Offer were:

	Price	Date
Highest	\$0.002	Various dates
Lowest	\$0.001	Various dates
Last	\$0.001	12 January 2021

As indicated, as at the date of this Prospectus, the Company does not have any listed Options quoted on the ASX and therefore has no relevant price information in relation to Options.

## 6.4 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company other than as previously disclosed.

## 6.5 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisors before investing in the New Shares.

Taxation consequences will depend on an individual's particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences connected with an investment in the New Shares referred to in this Prospectus.

## 6.6 Interests of Directors

### a) Directors' Holdings

As at the date of this Prospectus, the Amani Gold Directors had the following relevant interests in the Securities of the Company. Interest includes those securities held directly and indirectly.



Director	Position	Fully Paid Ordinary Shares	Performance Rights (exp 11/11/22)	Performance Rights (exp 27/5/22)
Klaus Eckhof	Executive Chairman	Nil	137,500,000	240,000,000
Tsang King Sun	Non-Executive Director	Nil	Nil	Nil
Antony Truelove	Non-Executive Director	10,000,000	Nil	15,000,000
Maohuai Cong	Non-Executive Director	Nil	Nil	Nil

\*Performance rights expiring 27/5/22 vest over three equal tranches and convert into shares on a one-for-one basis in the event that the Company's shares trade at minimum volume weighted average prices (tranche 1: \$0.0075; tranche 2: \$0.01; and tranche 3: \$0.0125) for 10 consecutive trading days.

\*Performance rights expiring 11/11/22 vest over three equal tranches and convert into shares on a one-for-one basis in the event that the Company's shares trade at minimum volume weighted average prices (tranche 1: \$0.0075; tranche 2: \$0.01; and tranche 3: \$0.0125) for 10 consecutive trading days.

## b) Remuneration of Directors

Details of remuneration provided to Directors and their associated entities for the current financial year and previous 2 financial years ended 30 June 2019 and 2020 are as follows: Mr Eckhof was appointed as a director on 30 January 2019. During the FY ended 2020, Mr Eckhof was issued 137.5 million performance rights valued at \$275,000. Mr Eckhof agreed to waive one month's salary during the financial year ended June 2020. The value of the performance rights is recognised over the vesting period and the charge to the profit or loss account for the reporting period ending 30 June 2020 was \$199,778 (2019: \$11,556).

Mr Truelove was appointed as a director on 27 March 2018. The value of performance rights is recognised over the vesting period and the charge to the profit and loss account for the reporting period ending 30 June 2020 was \$8,667 (2019: \$722).

Mr Tsang was appointed as an executive director on 29 January 2020. On 24 June 2020 Mr Tsang moved to the role of non-executive director. Mr Tsang agreed to waive one month's salary during the year ended 30 June 2020 and to change his Director's fee from \$20,000 per month to \$3,000 per month effective 16 May 2020.

Mr Cong was appointed as a non-Executive Director on 27 August 2020 following the departure of Mr Chan Sik Lap and Mr Grant Thomas from the board.

Director	Year ended	Cash Salary/fees \$	Non-cash Benefits \$	Post-Employment Superannuation \$	Equity Value of Incentive Securities \$	Total \$	Incentive Securities as Percentage of Remuneration %
Klaus Eckhof Executive Chairman	2020	110,000	Nil	Nil	199,788	309,778	64%
	2019	60,000	Nil	Nil	11,556	71,556	16%
Tsang King Sun Non- Executive Director	2020	59,833	Nil	Nil	Nil	59,833	N/a
	2019	Nil	Nil	Nil	Nil	Nil	N/a



Antony Truelove Non-Executive Director	2020	36,000	Nil	Nil	8,667	44,667	19%
	2019	36,000	Nil	Nil	722	36,722	2%
Maohuai Cong Non-Executive Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Mr Cong was appointed as a Non-Executive Director on 27 August 2020 following the departure of Mr Chan Sik Lap and Mr Grant Thomas from the board. His remuneration as a Non-Executive Director is \$36,000 per annum.

#### c) Directors' Interests

Except as disclosed in this Prospectus, no current Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- i) the formation or promotion of the Company; or
- ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- iii) the Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer.

The Company has paid insurance premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of a Director.

#### d) Advisors' Interests

As at the date of this Prospectus, other than as set out below or elsewhere in this Prospectus:

- no person named in the Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus or as a promoter of the Company has, or during the last 2 years prior to the date of the Prospectus has had, an interest in:
  - a) the formation or promotion of the Company;
  - b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer under this Prospectus; or
  - c) the Offer under this Prospectus; and
- no amounts, whether in cash or shares or otherwise, have been paid or agreed to be paid and no value or benefit has been given or agreed to be given to any person named in the Prospectus as performing a function in a

professional advisory or other capacity for services rendered in connection with the formation or promotion of the Company or the Offer under this Prospectus.

#### e) Expenses of the Offer

The total expenses of the New Shares and free attaching Option Issue are estimated to be

Expense	\$
ASIC Fees	3,200
ASX Fees	1,800
Legal Fees	2,000
Miscellaneous, printing and other expenses	2,000
Total	\$9,000

## 6.7 Subsequent Events

There has not arisen, at the date of this Prospectus, any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- the operations of the Company;
- the results of those operations; or
- the state of affairs of the Company.

## 6.8 Privacy

By submitting an Acceptance Form for the New Shares you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Computershare Investor Services Pty Limited (Computershare), an external service provider. The Company requires Computershare to comply with the National Privacy Principles when performing these services. The Company's register is required under the Corporations Act to contain personal information about you such as your name and address and number of Shares and Options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletter and notifications to the Australian Tax Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- i) when you agree to the disclosure;
- ii) when used for the purposes for which it was collected;
- iii) when disclosure is required or authorised by law;
- iv) to other members in the Amani Gold group of companies;
- v) to your broker;

vi) to external service providers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Computershare, except in limited circumstances. If you wish to access, update or correct your personal information held by Computershare or by the Company, please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

## 6.9 Consents

Each of the parties referred to in this section:

- i) does not make, or purport to make, any statement in this Prospectus or on which a statement made in this Prospectus is based, other than as specified in this section; and
- ii) has had no involvement in the preparation of this Prospectus, (unless expressly stated to the contrary in this section); and
- iii) has not authorised or caused the issue of this Prospectus; and
- iv) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

## 7. Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC

A handwritten signature in black ink, appearing to read 'Klaus Eckhof', written in a cursive style.

**Klaus Eckhof**

Executive Chairman

Dated: 13 January 2021

## 8. Definitions and Glossary

Terms and abbreviations used in this Prospectus have the following meaning:

**A\$** and **\$** means Australian dollars, unless otherwise stated.

**Acceptance** means an acceptance of Entitlements.

**ACDT** means Australian Central Daylight Time.

**Applicant** means a person who submits an Acceptance Form.

**Application** means a valid application by an individual to subscribe for New Options.

**ASIC** means the Australian Securities and Investments Commission.

**ASX Settlement** means **ASX Settlement Pty Ltd (ABN 49 008 504 532)**.

**ASX Settlement Operating Rules** means the operating rules of the settlement facility provided by ASX Settlement as amended from time to time.

**ASX** means ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires.

**Audited statement of financial position as at 30 June 2020** means the consolidated statement of financial position contained in the 30 June 2020 full year report audited by BDO dated 2 October 2020 and announced to ASX on the same date.

**Auditors** means BDO.

**Board** means the Board of Directors of Amani Gold.

**Business Day** means a day other than a Saturday or Sunday on which banks are open for business in Adelaide, South Australia or as specified by ASX.

**Closing Date** means 19 January 2021 (unless extended).

**Company** means Amani Gold Limited (ABN 14 113 517 203).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the Directors of the Company as at the date of this Prospectus.

**Group** means the Company and each of its wholly owned subsidiaries.

**JORC Code** means the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves drawn up by the Joint Ore Reserves Committee (JORC) of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia. It is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations.

**Law** means the Corporations Act or any relevant and applicable law in Australia.

**Listing Rules** means the Listing Rules of ASX.

**Mineral Resource** has the meaning given to it in the JORC Code.

**New Options** means the Options offered under this Prospectus

**Offer** means the entitlement offer of New Options pursuant to this Prospectus.

**Official List** means the Official List of the ASX.

**Official Quotation** means quotation on the Official List.

**Opening Date** means 13 January 2021

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Prospectus** means this prospectus dated 13 January 2021 as modified or varied by any supplementary prospectus made by the Company and lodged with ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus.

**Register** means the register of the Company's Shareholders.

**Securities** has the same meaning as in Section 92 of the Corporations Act.

**Share** means an ordinary fully paid share in the capital of the Company.

**Shareholder** means the registered holder of a Share in the Company.