



ASX: A1G



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12 December 2022

Update regarding Shortfall Applications

African Gold Ltd (ASX: A1G) (“**African Gold**” or the “**Company**”) provides the following update with regard to the shortfall arising from the 2 for 5 pro rata non-renounceable entitlement offer as originally announced on 20 October 2022 (**Entitlement Offer**).

As advised on 28 November 2022, the Entitlement Offer was strongly supported by eligible shareholders, who applied for approximately 74% of eligible entitlements, raising approximately \$1.7 million (before costs). Shortfall arising under the Entitlement Offer amounts to 13,696,763 shares, approximately \$685k (before costs) (**Shortfall Shares**).

The Board has decided to not allocate the Shortfall Shares at this time and has therefore asked the Company’s share registry, Automic, to refund the \$1.04m that has been subscribed for by shareholders in addition to their entitlement.

As disclosed in section 2.6 of the Company’s Prospectus dated 27 October 2022, the Company continues to reserve its right to allocate Shortfall Shares to selected new investors who are not related to the Company in their discretion. As set out in the Prospectus, the Company has until 23 February 2023 to allocate any Shortfall Shares and the Company reserves the right to do so. In the event the Company does allocate the Shortfall Shares, the Board, in exercising its discretion, may take into account a number of factors including the Company’s best interests, the applicant’s existing shareholdings, the extent to which an applicant has sold or bought shares in the Company before and after both the announcement of the rights issue and the record date, the financial needs of the Company and the optimal composition of the Company’s register.

The Board believes that it is in the best interests of the Company at this time to not allocate any Shortfall Shares and to return applicant funds.

This announcement was authorised for release by the Board of African Gold Ltd.

For further information, please contact:

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