AFRICAN GOLD LTD

ANNUAL REPORT 2022

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CORPORATE DIRECTORY

Directors

Evan Cranston	Non-Executive Chairman
Phillip Gallagher	Managing Director
Simon Bolster	Non-Executive Director
Tolga Kumova	Non-Executive Director
Mathew O'Hara	Non-Executive Director
Peter Williams	Non-Executive Director

Company Secretary

Oonagh Malone

Contact Information

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Stock Exchange Listing

Australian Securities Exchange (ASX)
ASX Code: A1G

Australian Business Number

ABN 29 624 164 852

Share Registry

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Sydney NSW 2000
Phone (within Australia): 1300 288 664
Phone (International): +61 (0)2 9698 5414

Auditor

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
PERTH, WA 6000

DIRECTORS' REPORT

The Directors of African Gold Ltd (African Gold or the Company) present their report on the consolidated entity consisting of the Company and its subsidiaries (the Group), together with the financial statements for the year ended 31 December 2022.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Non-Executive Chairman

Evan Cranston

Evan Cranston is an experienced mining executive with a background in corporate and mining law. He is the principal of corporate advisory and administration firm Konkera Corporate and has extensive experience in the areas of equity capital markets, corporate finance, structuring, asset acquisition, corporate governance and external stakeholder relations. He holds both a Bachelor of Commerce and Bachelor of Laws from the University of Western Australia.

Other current Directorships:
Benz Mining Corp (appointed 17 September 2020)
Carbine Resources Limited (appointed 23 March 2010)
Firebird Metals Limited (appointed 16 March 2021)

Previous Directorships (last 3 years):
Boss Energy Limited (appointed 2 May 2012; resigned 5 June 2020)
New Century Resources Limited (appointed 10 October 2012; resigned 9 July 2020)
Vital Metals Limited (appointed 22 October 2019; resigned 15 February 2023)

Managing Director

Phillip Gallagher appointed 15 August 2022

Phillip Gallagher has extensive experience in mineral exploration in West Africa having been the co-founder and managing director of ASX-listed Canyon Resources Ltd for 12 years. During his tenure, Canyon Resources completed a successful IPO, undertook numerous gold exploration programs in Burkina Faso and subsequently secured the world class Minim Martap Bauxite Project in Cameroon. Mr Gallagher led and successfully finalised negotiations with the Government of Cameroon to secure the Minim Martap Bauxite Project for Canyon Resources. He has previously held senior commercial and operational roles in both private and public companies.

Other current Directorships: Nil

Previous Directorships (last 3 years):
Canyon Resources Ltd (appointed 19 October 2009; resigned 11 July 2022)

Non-Executive Director

Simon Bolster

Mr Bolster is a geoscientist specialising in regolith, geochemistry and remote sensing. He has over 30 years of experience in the gold industry, and has worked in over 30 countries across 5 continents including 15 countries in Africa. Mr Bolster has worked for major mining companies including Normandy, Anglo American and Newmont where he held the roles of Consulting Geochemist and Global Manager of Remote Sensing and Spectral Geology. During his tenure with Newmont, he received an innovation award for new practical ways of mapping landscapes using 3D remote sensing techniques. He was also head of exploration for the successful Gryphon Resources in West Africa, managing teams that that resulted in new economic discoveries at a number of projects.

Mr Bolster co-founded and is Managing Director of Portable PPB Pty Ltd which is researching and developing techniques to enable gold explorers to discover gold faster and explore smarter.

Other current Directorships: Nil

Previous Directorships (last 3 years):
Riversgold Ltd (appointed 24 June 2020; resigned 10 March 2022)

Non-Executive Director

Tolga Kumova

Tolga Kumova has 16 years' experience in stockbroking, corporate finance and corporate restructuring, and has specialised in initial public offerings and capital requirements of mining focused companies. He has raised in excess of $500 million for mining ventures, varying from inception stage through to construction and development.

Mr Kumova was a founding shareholder of Syrah Resources in 2010 and served as an Executive Director from May 2013 to October 2016, and as Managing Director from October 2014 to October 2016. During his tenure at Syrah Resources, Mr Kumova led the business from resource stage through to full funding through to development, gaining experience negotiating offtake agreements with numerous globally recognised counterparties.

Other current Directorships:
Aston Minerals Ltd (appointed 29 May 2017)

Previous Directorships (last 3 years):
Copper Strike Limited (appointed 2 January 2020; resigned 25 November 2020)
New Century Resources Limited (appointed 13 July 2017; resigned 17 July 2019)

Non-Executive Director

Mathew O'Hara

Mathew O'Hara is a Chartered Accountant with extensive experience in corporate finance, accounting and governance and has been employed by, and acted as, non-executive director, company secretary and CFO of several companies in the resources sector. Prior to these roles, Mr O'Hara spent 12 years at an international public practice firm in the Corporate Finance, Advisory and Audit divisions in Melbourne and Perth gaining significant experience with ASX, TSX and AIM listed clients across a diverse range of industries. Mathew is currently Company Secretary for ASX-listed companies Patriot Battery Metals Inc, Boss Energy Limited, Peak Minerals Limited and Alderan Resources Limited.

Other current Directorships:
Benz Mining Corp (appointed 27 April 2020)
Huntsman Exploration Inc (appointed 20 May 2021)
Peak Minerals Ltd (appointed 21 June 2021)

Previous Directorships (last 3 years):
Carbine Resources Limited (appointed 22 September 2018; resigned 15 July 2021)

Non-Executive Director

Peter Williams

Peter Williams was formerly Chief Geophysicist and Manager of Geoscience Technology for WMC Resources. He was one of the founding members of Independence Group Limited and developed high powered 3 component 3D TEM applications that led to the discovery of over 75,000t of nickel at the Victor Long Nickel Mine in Kambalda. Mr Williams has extensive experience in West Africa where he was the vendor of Gryphon Minerals' Banfora Gold Project, was involved in the project generation of Papillion's Mali projects and was a founding director of Ampella Mining Ltd. Mr Williams was a co-founder of the International Resource Sector Intelligence company, Intierra, and was a co-founder of the first dedicated hard rock mineral seismic company in the world, HiSeis.

Other current Directorships:
Alderan Resources Limited (appointed 13 May 2019)
Benz Mining Corp (appointed 17 September 2020)

Previous Directorships (last 3 years):
Superior Lake Resources Limited (appointed 27 February 2018; resigned 1 July 2020)

Interests in the shares and options of the Company

As at the date of this report, the interests of the directors in the shares and options of African Gold Ltd were:

Name	Number of ordinary shares	Number of options over ordinary shares
Evan Cranston	3,904	2,500,000
Phillip Gallagher	112,000	4,000,000
Simon Bolster	900,002	2,000,000
Tolga Kumova	16,091,450	12,500,000
Mathew O'Hara	322,504	2,000,000
Peter Williams	1,620,001	2,000,000

Company Secretary

Oonagh Malone was appointed company secretary on 1 April 2020. Ms Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has over 10 years' experience in administrative and company secretarial roles for listed companies and is a member of the Governance Institute of Australia. She currently acts as company secretary for ASX-listed companies Aston Minerals Limited, Benz Mining Corp, Caprice Resources Ltd, Carbine Resources Ltd, RareX Ltd, and Riversgold Ltd and is a non-executive director of Peak Resources Ltd and Carbine Resources Ltd.

Dividends paid or recommended

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Principal activities

The principal activities of the Company consist of exploration and evaluation of mineral resources.

OPERATING AND FINANCIAL REVIEW

EXPLORATION ACTIVITIES

The focus for the year was to advance African Gold's flagship Didievi Gold Project in Côte d'Ivoire while completing exploration and testing the potential of the Company's other projects in Mali and Cote d'Ivoire.

African Gold holds a portfolio of highly prospective gold and multi element projects in key locations in both Mali and Cote d'Ivoire located alongside or near too multimillion ounce operating gold mines.

Didievi Gold Project, Côte d'Ivoire

During August 2022, African Gold Ltd (**African Gold** or the **Company**) released the results from its 2022 drill program at the Blaffo Gueto prospect at the Didievi Gold Project in Central Côte d'Ivoire. The drilling delivered some spectacular broad, shallow and high-grade gold intercepts from surface that highlight the strong potential of the Didievi Gold Project. The results confirmed and extended the known areas of mineralisation at the Blaffo Gueto prospect as well as making new shallow high-grade discoveries.

Highlight results from the 2022 drilling program included the following from the Blaffo Gueto prospect:

- **38.0m at 4.13g/t gold** from 165m which is within:
- **79.0m at 2.18g/t gold** from 152m which is also within:
- A broad mineralised halo extending from surface of **231.0m at 1.02g/t gold** (DDD044)

Blaffo Gueto also returns:

- **8.0m at 1.18g/t gold** from 19m (DDD044)
- **9.0m at 1.03g/t gold** from 140m (DDD038)
- **13.0m at 1.51g/t gold** from 222m (DDD039) including:
    - **3.0m at 5.29g/t gold** from 222m
- **17.0m at 1.28g/t gold** from 255m (DDD043) including:
    - **10.0m at 2.0g/t gold** from 260m

The 2022 drilling program results complement historical and more recent intercepts completed by the Company which include a number of shallow broad high-grade intercepts:

- **10m at 123g/t gold** from 66m including **2m at 613g/t gold** (DRC334);
- **17.4m at 17g/t gold** from 244m including **1m at 216g/t gold** (DDD0029);
- **83.3m at 3.3g/t gold** including **18m at 12.0g/t gold** (DDD01);
- **80m at 3.0g/t gold** including **23m at 9.5g/t gold** (DDD013);
- **37m at 7.70g/t gold** including **24m at 11.0g/t gold** (DRC208); and
- **27m at 4.61g/t gold** including **11m at 11.09g/t gold** (DRC337) ended in mineralisation and is open at depth and to the north and south.

The 2022 drilling program generated a plethora of new drill targets within the Blaffo Gueto area, all of which show the potential to add significant gold ounces to the project. These include the down plunge potential of the new high-grade results as well as the untested previously announced significant wide and high-grade intercepts at the Blaffo Gueto North, South, South-West, Central and East zones. In addition, the Company is planning additional exploration to test some of the many other identified targets on the project area.

Following the release of the 2022 drilling results, an independent review of exploration results was completed that enabled the Company to release an Exploration Target based on the Blaffo Gueto and Pranoi Prospects within the Didievi Gold Project. The Exploration Target is listed in Table 1 below. Please refer to the ASX announcement dated 18 October 2022 for full details.

Table 1: *Exploration Target Minimum and Maximum Range of the Didievi Gold Project (Blaffo Gueto and Pranoi Prospects)*

Cut-off Grade (Au, g/t)	Tonnage (Mt)	Grade Au (g/t)	Metal (Au, oz)
0.5	16.0 – 34.8	1.5 – 1.7	778,000 – 1,889,000
1.0	6.8 – 15.0	2.7 – 3.0	596,000 – 1,450,000

Cautionary Statement

The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The reader is advised that an Exploration Target is based on existing drill results and geological observations from drilling as well as interpretation of multiple available datasets. The exploration target is based on both historical and Company drilling information.

African Gold intends to commence additional exploration at the Blaffo Gueto and Pranoi Prospects on the Didievi Gold Project in 2023 to test the validity of the Exploration Target and to assess potential extensions of the multiple mineralised target zones.

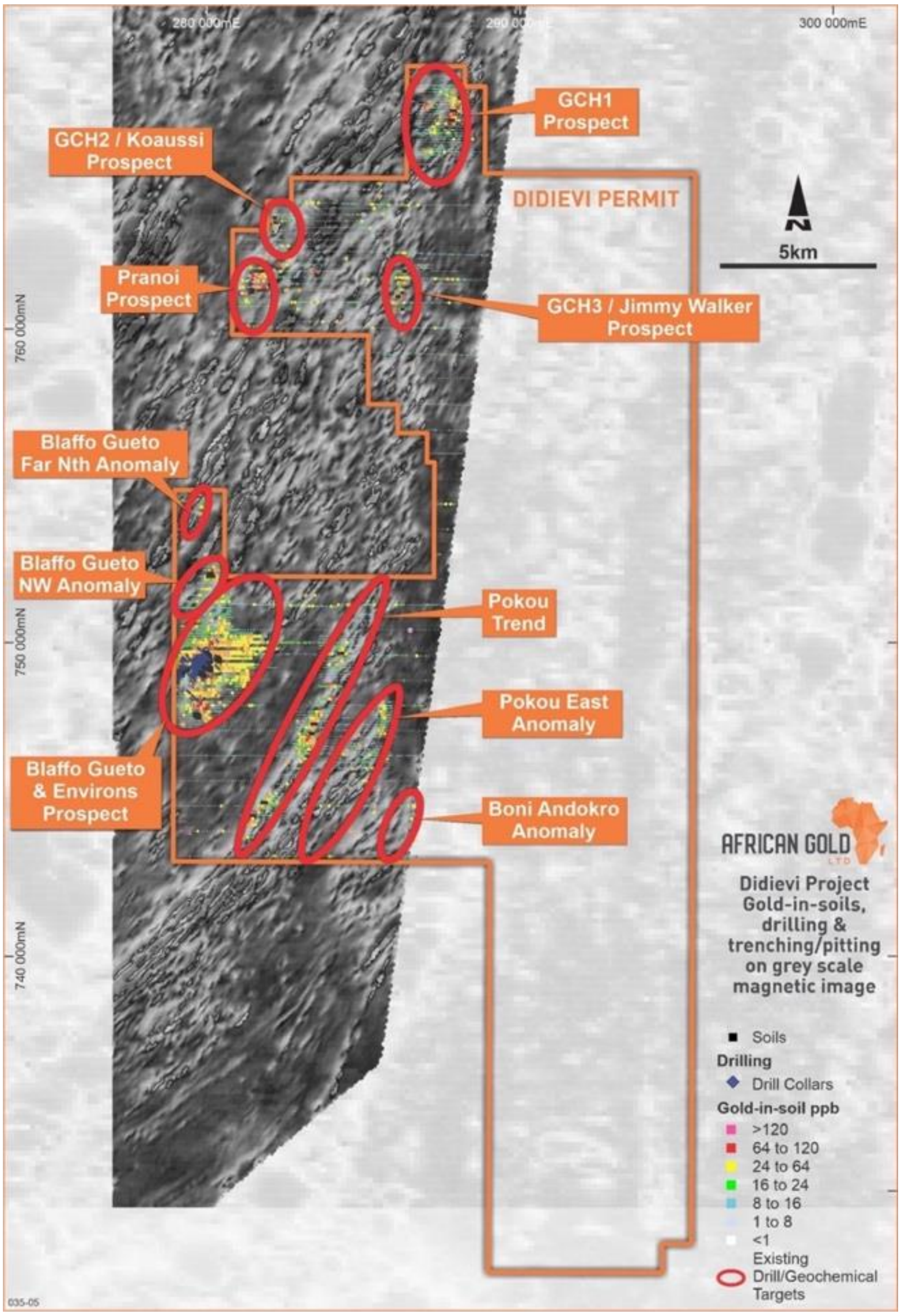

Figure 1: *Didievi Gold Project showing thematically mapped gold in soils, location of drilling and first pass targets on analytical signal magnetic image with major deposits, prospects and anomalies.*

Walia Project, Northwestern Mali

During July 2022, the Company announced the results of auger drilling soil sampling on the Walia Project in north western Mali. The program defined first order gold geochemical anomalies have been defined over 15km of strike extent of the prolific Senegal Mali Shear Zone, with peak values up to **2g/t gold** in the soils/auger program.

The program identified six high priority drill targets within anomalies based on gold and associated multielement geochemistry.

All of the anomalies and targets are supported by prospective lithology and structure sites interpreted from mapping and airborne magnetic and electromagnetic data. The targets range from approximately 1km to 5km in length with the majority untested by historical drilling.

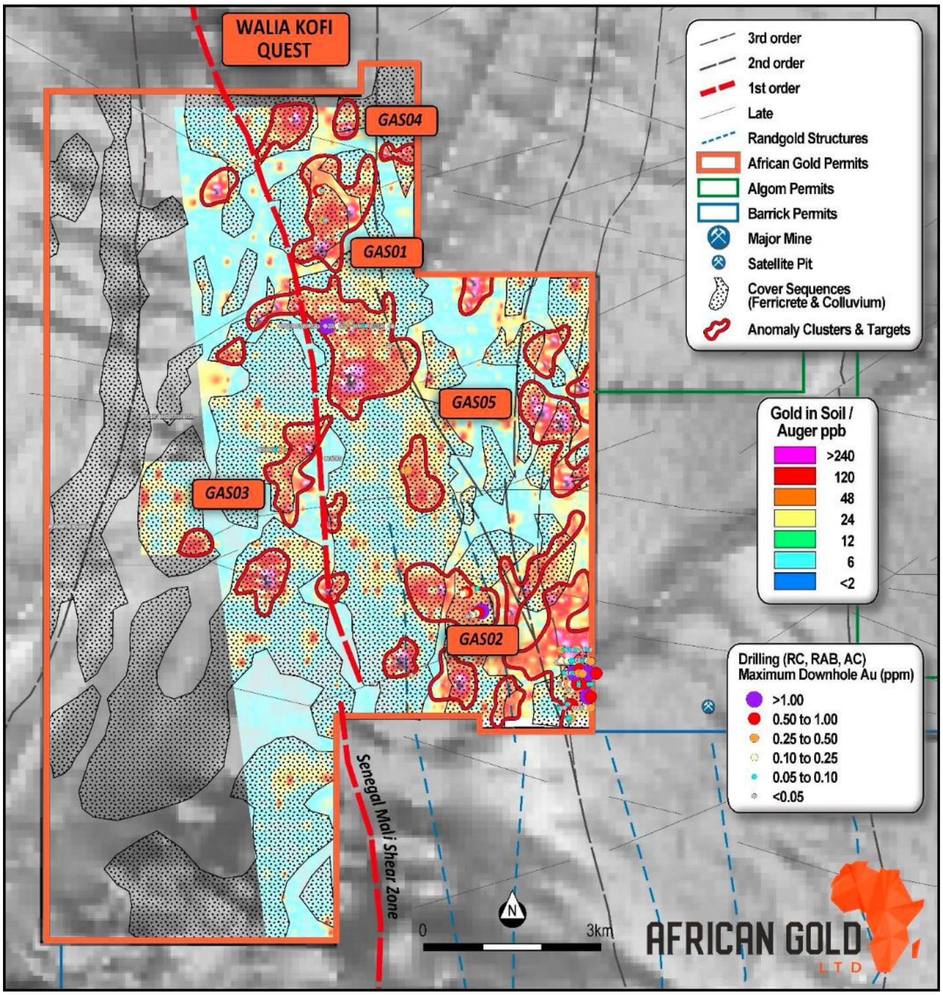

Figure 2: *The Walia Gold Project showing priority targets for RC drill testing. Also shown is the interpreted position of the SMSZ and higher order structures, areas of ferricrete/colluvium cover, imaged gold in soil & auger, targets, all historical RC/RAB/AC drilling (maximum down hole gold) on a grey scale magnetic image.*

Agboville Project, Côte d'Ivoire

Subsequent to year end, the Company announced a discovery of large zones of outcropping pegmatite mineralisation on the Agboville Project, Cote d'Ivoire. The discovery was made as part of detailed mapping and sampling campaign across the project area, focusing on the identified contact zones between the greenstone belt and granite contacts occurring on the Project. The Company had also received results from the 2022 stream sediment sampling campaign on the project which confirmed coincident lithium, caesium, tantalum (**LCT**) anomalies on the Project.

The results from the stream sediment sampling has identified two high priority zones of over 150km^2. Rock chip samples from the recent mapping and sampling have been submitted for assay.

Figures 3, 4 & 5: *Various outcropping pegmatites on the Agboville Project*

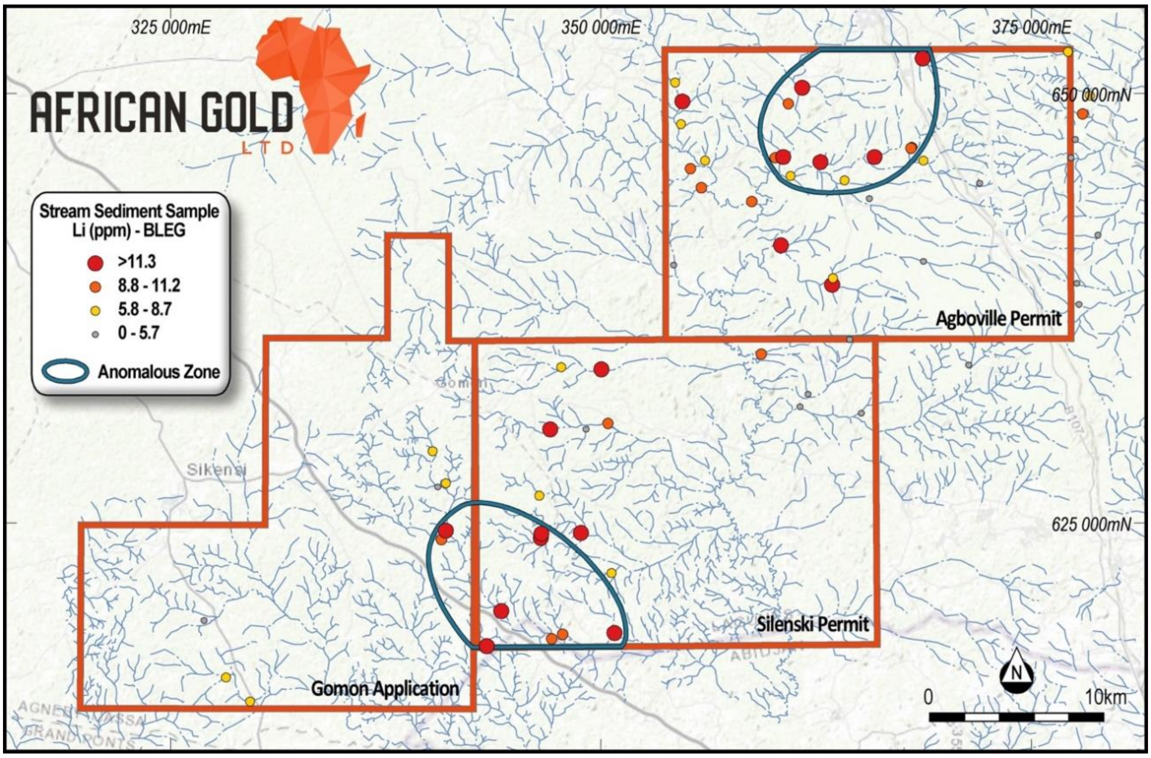

Figure 6: *Stream sediment sampling Lithium results on the Agboville Project highlighting anomalous lithium zones*.

Earn-in Agreement with Resolute Mining Limited

During October 2022, The Company announced that it had executed an earn-in agreement with Resolute Mining Limited (**Resolute**) (ASX: RSG) over the Syama Shear Zone Project located in south-western Mali. Resolute own and operate the neighbouring Syama Gold Mine. Resolute can earn up to 80% of the Syama Project by:

- spending US$500,000 on an agreed exploration program in 24 months following the execution of the agreement;
- commencing a Feasibility Study within 5 years and completing the study within 8 years of the execution of the agreement; and
- during the earn-in period, maintaining the permit in good standing.

Resolute are transferred the 80% ownership of the Syama Project following a positive Decision to Mine, which must be made within 90 days following the completion of the Feasibility Study. Following a positive Decision to Mine from Resolute, African Gold can elect to contribute to the project development to maintain its equity or dilute to a 1.5% Net Smelter Royalty.

In February 2023, Resolute commenced aircore (**AC**) drilling to test for mineralisation within the saprolite on the project area. Bottom of the hole multielement geochemistry will also be completed and allowing for further refining of the geological map of the area and assisting in defining potentially prospective lithological contacts.

Anomalies identified from the AC drilling campaign will be followed up with reverse circulation (**RC**) drilling and further exploration targets tested with AC drilling. 2,500m of RC drilling is proposed to allow for an initial assessment to be made on potential for an oxide/sulphide mineral resource.

Figure 7: *African Gold Project Locations in Côte d'Ivoire and Mali.*

CORPORATE ACTIVITIES

Appointment of Managing Director

In August 2022, the Company appointed Mr Phillip Gallagher as Managing Director. Mr Gallagher has extensive experience in mineral exploration in West Africa having been the co-founder and managing director of ASX-listed Canyon Resources Ltd (ASX: CAY) for the past 12 years. During Mr Gallagher's tenure, Canyon Resources completed a successful IPO, undertook numerous gold exploration programs in Burkina Faso and subsequently secured the world class Minim Martap Bauxite Project in Cameroon. Mr Gallagher led and successfully finalised negotiations with the Government of Cameroon to secure the Minim Martap Bauxite Project for Canyon Resources. Mr Gallagher's experience in West Africa will prove invaluable to the Company as it continues its exploration and development programs in Cote D'Ivoire and Mali.

Completion of Entitlement Offer

In October 2022, the Company announced a non-renounceable pro-rata offer of ordinary fully paid Shares at an issue price of $0.05 each on the basis of 2 new Shares for every 5 Shares held on the Record Date (**Entitlement Offer**) and any shortfall under the Entitlement Offer (**Shortfall Offer**) (together, **the Offers**).

In November 2022, the Company advised that the Entitlement Offer was strongly supported by eligible shareholders, with an 74% take up rate. A total of 34,067,368 new fully paid ordinary shares were applied for, raising approximately $1.7 million (before costs). The shortfall under the Entitlement Offer was also successfully placed and settlement of 13,696,763 new fully paid ordinary shares to raise an additional $0.68 million (before costs) occurred during February 2023.

Kouroufaba Gold Project acquisition payment

Post year end, the Company issued 2,136,752 shares in connection with the acquisition of the Kouroufaba Gold Project in Cote d'Ivoire. As approved by shareholders at a meeting held on 3 February 2023, the issue of the shares forms the annual payment for the acquisition first announced on 27 November 2020.

COMPETENT PERSON'S STATEMENT

The information contained in this announcement that relates to the Exploration Target is based on and fairly reflects, information compiled by Dr Marat Abzalov, who is a fellow of the Australasian Institute of Mining and Metallurgy. Dr Abzalov acted as a consultant to African Gold Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Abzalov consents to the inclusion in this announcement of the matters based on his information on the form and context in which it appears. Full details are set out in the Company's announcement of 18 October 2022 and there have been no material changes.

The information in this report that relates to historical exploration results were initially reported by the Company in accordance with Listing Rule 5.7 on 27 November 2020, 11 August 2021, 8 September 2021, 4 July 2022, 25 July 2022, 23 August 2022, 18 October 2022 and 25 January 2023. 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.

FORWARD LOOKING STATEMENT

This report may contain certain forward-looking statements and projections regarding estimated, resources and reserves; planned production and operating costs profiles; planned capital requirements; and planned strategies and corporate objectives. Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of African Gold Ltd. The forward-looking statements/projections are inherently uncertain and may, therefore, differ materially from results ultimately achieved.

African Gold Ltd does not make any representations and provides no warranties concerning the accuracy of the projections and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws. While the information contained in this report has been prepared in good faith, neither African Gold or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. Accordingly, to the maximum extent permitted by law, none of African Gold Ltd, its directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortuous, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this presentation or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this presentation.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no changes in the state of affairs of the Company during the year ended 31 December 2022, other than those outlined in the Review of Operations and mentioned below:

- Phillip Gallagher was appointed Managing Director of the Company on 15 August 2022;
- Glen Edwards resigned as Chief Executive Officer and Exploration Manager on 3 October 2022;
- The Company executed an earn-in agreement with Resolute Mining Limited (Resolute) (ASX: RSG) over the Syama Shear Zone Project located in south western Mali;
- The Company issued 34,067,368 shares under its 2 for 5 pro rata non-renounceable entitlement offer to raise approximately $1.7 million (before costs).

REVIEW OF FINANCIAL PERFORMANCE

Operating results

The loss of the Company for the year ended 31 December 2022 after providing for income tax amounted to $2,008,009 (2021: $2,532,015).

Review of financial position

The net assets are $11,077,905 as at 31 December 2022 (2021: $11,130,099). Cash and cash equivalents at balance date amounted to $1,444,986 (2021: $3,471,375).

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have not been any events that have arisen between 31 December 2022 and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years, other than:

- The Company issued 4,000,000 options to Phillip Gallagher, Managing Director, as approved at the general meeting on 3 February 2023. These options were deemed to be granted on 15 August 2022 at commencement of Mr Gallagher's employment and have been brought to account in the Statement of Profit or Loss and Other Comprehensive Income for 31 December 2022 as a share-based payment (refer Note 9);
- The Company issued 13,696,763 shortfall shares arising from the Company's 2 for 5 pro rata non-renounceable entitlement offer to raise approximately $685,000 (before costs;
- The Company issued 2,136,752 to the vendors of the Kouroufaba Gold Project in relation to its second annual payment obligation of $200,000.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company is committed to realising value from the exploration assets acquired.

Running in parallel with the proposed evaluation and exploration of the tenements the Company's ongoing strategy will also include the identification and acquisition of projects that the Board believes will provide fundamental value to shareholders.

CORPORATE GOVERNANCE

The directors of African Gold believe that effective corporate governance improves company performance, enhances corporate social responsibility and benefits all stakeholders. Changes and improvements are made in a substance over form manner, which appropriately reflects the changing circumstances of the company as it grows and evolves. Accordingly, the Board has established a number of practices and policies to ensure that these intentions are met and that all shareholders are fully informed about the affairs of the Company.

The Company reviews all of its corporate governance practices and policies on an annual basis to ensure they are appropriate for the Company's current stage of development.

The Company's Corporate Governance Statement is available on its website at www.african-gold.com.

The Company has a corporate governance section on the website which includes details on the Company's governance arrangements and copies of relevant policies and charters.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. The directors have considered the National Greenhouse and Energy Reporting Act 2007 ('the NGER Act') and at the current stage of development and based on the locations of the Company's operations, the directors have determined that the NGER Act will have no effect on the Entity for the current or subsequent financial year.

The directors will reassess this position as and when the need arises. No environmental breaches have occurred or have been notified by any Government agencies during the year ended 31 December 2022.

SHARE OPTIONS AND PERFORMANCE RIGHTS

The Company issued 4,000,000 options (2021: 15,000,000) and no performance rights (2021: nil) during the year ended 31 December 2022. The 4,000,000 options were deemed to be granted on 15 August 2022 although they were not formally issued until shareholder approval was obtained at the general meeting held on 3 February 2023.

Shares issued during or since the end of the year as a result of exercise

During or since the end of the reporting period, the Company issued ordinary shares as a result of the exercise of options as follows:

Issue date of shares	Number of options exercised	Exercise price per option	Total proceeds received
9 February 2022	500,000	$0.20	$100,000

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are:

Grant date	Expiry date	Exercise price	Number of options
20/03/18	17/04/23	$0.20	34,150,000
22/02/21	22/02/24	$0.20	5,000,000
31/08/21	31/08/24	$0.30	6,000,000
31/08/21	31/08/24	$0.30	2,000,000
15/08/22	03/02/26	$0.15	2,000,000[1]
15/08/22	03/02/26	$0.20	2,000,000[1]

[1] Options deemed to be granted on 15 August 2022 at commencement of Mr Gallagher's employment although not formally issued until shareholder approval obtained at the general meeting held on 3 February 2023.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Indemnification and insurance of directors and officers

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. The terms of the policy prevent disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

Directors' meetings

During the financial year, the following meetings of directors were held.

DIRECTOR'S NAMES	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND
Evan Cranston	3	3
Phillip Gallagher (appointed 15/8/22)	1	1
Simon Bolster	3	3
Tolga Kumova	3	3
Mathew O'Hara	3	3
Peter Williams	3	3

The Board has decided there are no efficiencies to be gained from forming separate committees and hence the current board members carry out the roles that would otherwise be undertaken by a separate committee with each director excluding themselves from matters in which they have a personal interest.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit services

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors ensure that:

- Non-audit services are reviewed and approved by the directors to ensure that the provision of such services does not adversely affect the integrity and objectivity of the auditor; and
- Audit services do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The total remuneration for audit and non-audit services provided during the current financial year is set out in the notes to the consolidated financial statements.

REMUNERATION REPORT (AUDITED)

INTRODUCTION

The Directors of African Gold Ltd present the Remuneration Report (the Report) for the Company and its controlled entities for the year ended 31 December 2022. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001*. The Report details the remuneration arrangements for African Gold Ltd's key management personnel (KMP):

- Non-executive directors (NEDs)
- Executive directors and senior executives (collectively the executives).

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company.

The table below outlines the KMP of the Company during the financial year ended 31 December 2022. Unless otherwise indicated, the individuals were KMP for the entire financial year.

NAME	POSITION	
Evan Cranston	Non-Executive Chairman	Appointed on 22 March 2018
Phillip Gallagher	Managing Director	Appointed on 15 August 2022
Simon Bolster	Non-Executive Director	Appointed on 23 February 2021
Tolga Kumova	Non-Executive Director	Appointed on 1 February 2018
Mathew O'Hara	Non-Executive Director	Appointed on 1 April 2020
Peter Williams	Non-Executive Director	Appointed on 23 February 2021
Glen Edwards	Chief Executive Officer and Exploration Manager	Appointed on 1 November 2018; Resigned on 3 October 2022
Oonagh Malone	Company Secretary	Appointed on 1 April 2020

Remuneration Governance

The Board has decided there are no efficiencies to be gained from forming a separate remuneration committee and hence the current board members carry out the roles that would otherwise be undertaken by a remuneration committee with each director excluding themselves from matters in which they have a personal interest.

The Board considers and recommends compensation arrangements for the executive chairman, directors and senior executives; remuneration policies and practices; retirement and termination policies and practices; Company share schemes and other incentive schemes; Company superannuation arrangements and remuneration arrangements for members of the Board.

The Board obtains professional advice where necessary to ensure that the Company attracts and retains talented and motivated directors, executives and employees who can enhance Company performance through their contributions and leadership.

Remuneration Framework

The Board recognises that the Company's performance and ultimate success in project delivery depend very much on its ability to attract and retain highly skilled, qualified and motivated people in an increasingly competitive remuneration market. At the same time, remuneration practices must be transparent to shareholders and be fair and competitive, taking into account the nature and size of the organisation and its current stage of development.

The approach to remuneration has been structured with the following objectives:

- To attract and retain a highly skilled executive team at the current stage in the Company's project development and who are motivated and rewarded for successfully delivering the short and long-term objectives of the Company, including successful project delivery;

- To link remuneration with performance, based on long-term objectives and shareholder return, as well as critical short-term objectives which are aligned with the Company's business strategy;
- To set clear goals and reward performance for successful project development in a way which is sustainable, including in respect of health and safety, environment and community-based objectives;
- To be fair and competitive against the market;
- To preserve cash where necessary for exploration, by having the flexibility to attract, reward or remunerate executives with an appropriate mix of equity-based incentives;
- To reward individual performance and Company performance thus promoting a balance of individual performance and teamwork across the executive management team and the organisation; and
- To have flexibility in the mix of remuneration, including offering a balance of conservative long-term incentive instruments such as options to ensure executives are rewarded for their efforts, but also share in the upside of the Company's growth and are not adversely affected by tax consequences.

The remuneration framework provides a mix of fixed and variable "at risk" remuneration and a blend of short and long-term incentives.

The remuneration for executives has three components:

- Fixed remuneration, inclusive of superannuation and allowances;
- Short Term Incentives ("STI") under a performance-based cash bonus incentive plan; and
- Long Term Incentives ("LTI") through participation in the Company's shareholder approved equity incentive plans.

These three components comprise each executive's total annual remuneration.

EXECUTIVE DIRECTOR REMUNERATION

Fixed Remuneration

All executives receive a fixed base cash salary and other associated benefits. All executives also receive a superannuation guarantee contribution required by Australian legislation which was 10.5% at 31 December 2022. No executives receive any other retirement benefits.

Fixed remuneration of executives will be set by the Board each year and is based on market relativity and individual performance. In setting fixed remuneration for executives, individual performance, skills, expertise and experience are also taken into account to determine where the executive's remuneration should sit within the market range. Where appropriate, external remuneration consultants will be engaged to assist the Board to ensure that fixed remuneration is set to be consistent with market practices for similar roles.

Fixed remuneration for executives will be reviewed annually to ensure each executive's remuneration remains fair and competitive. However, there is no guarantee that fixed remuneration will be increased in any service contracts for executives.

Short Term Incentives

The executive directors and other executives are eligible to earn short-term cash bonuses upon achievement of significant performance-based outcomes aligned with the Company's strategic objectives at that time. These performance-based outcomes are considered to be an appropriate link between executive remuneration and the potential for the creation of shareholder wealth. No short-term incentives were paid during the year.

Long Term Incentives

The objective of the LTI plan is to reward executives and directors in a manner which aligns this element of remuneration with the creation of shareholder wealth. As such LTIs are made to executives and directors who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance.

The Company prohibits directors or executives from entering into arrangements to protect the value of any African Gold shares, options or performance rights that the director or executive has become entitled to as part of his/her remuneration package. This includes entering into contracts to hedge their exposure.

The following table sets out the number of share options granted to Directors and the executive management team during the current and previous years:

	Options		Performance Rights	
	2022	2021	2022	2021
Evan Cranston	-	2,500,000[5]	-	-
Phillip Gallagher[1]	4,000,000[4]	-	-	-
Simon Bolster[3]	-	2,000,000	-	-
Tolga Kumova	-	2,500,000[5]	-	-
Mathew O'Hara	-	2,000,000	-	-
Peter Williams[3]	-	2,000,000	-	-
Oonagh Malone	-	2,000,000	-	-
Glen Edwards[2]	-	2,000,000	-	1,000,000

[1] Appointed 15 August 2022.
[2] Resigned 3 October 2022.
[3] Appointed 23 February 2021.
[4] Options deemed to be granted on 15 August 2022 at commencement of Mr Gallagher's employment although not formally issued until shareholder approval obtained at the general meeting held on 3 February 2023.
[5] Options issued to Mr Cranston and Mr Kumova for underwriting an entitlement issue by the Company are included in this table and are disclosed as related party transactions.

Non-Executive Remuneration

Non-executive directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. Retirement payments, if any, are determined in accordance with the rules set out in the Company's Constitution and the Corporations Act at the time of the director's retirement or termination. Non-executive directors' remuneration may include an incentive portion consisting of bonuses and/or options, as considered appropriate by the Board, which is subject to shareholder approval in accordance with the ASX Listing Rules.

The aggregate remuneration, and the manner in which it is apportioned amongst non-executive directors, is reviewed annually. The Board considers the amount of director fees being paid by comparable companies with similar responsibilities and levels of experience of the non-executive directors when undertaking the annual review process.

The current maximum amount of non-executive directors' fees payable is fixed at $300,000 in total, for each 12-month period commencing 1 January each year, until varied by ordinary resolution of shareholders.

Use of remuneration advisors

During the year ended 31 December 2022, the Board did not engage the services of remuneration consultants.

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

African Gold received a 100% "yes" votes on its Remuneration Report for the year ended 31 December 2021. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

Consequences of Performance on Shareholder Wealth

In considering the Company's performance and benefits for shareholder wealth, the Board has regard to the following indices in respect of the current and previous financial years:

	2022 $	2021 $	2020 $	2019 $	2018 $
Revenue	2,072	194	86,754	39,812	94
Net loss	2,008,009	2,532,015	715,139	983,494	1,368,575
Share price at end of year	$0.083	$0.185	$0.23	$0.17	N/a
Basic loss per share	1.64 cents	2.69 cents	1.20 cents	1.90 cents	8.09 cents
Diluted loss per share	1.64 cents	2.69 cents	1.20 cents	1.90 cents	8.09 cents

The Company commenced trading on the ASX on 14 February 2019 with an initial public offering price of $0.20.

Executive Director employment agreements

The Company currently has no active Executive Director employment agreements, other than noted below. There was no change to Mr Cranston's remuneration following his transition to an executive role in 2020 or on his transition back to non-executive in February 2021.

Agreement with Managing Director

The Company has entered into an executive services agreement (MD Agreement) with Mr Phillip Gallagher pursuant to which he is engaged as a full-time employee of the Company and serves the Company as Managing Director responsible for planning, co-ordinating and implementing the Company's exploration programs in Africa with planning input from other senior exploration and executive staff, and subject to the overall control and direction of the Board.

The remuneration payable to Mr Gallagher for the services is $220,000 per annum exclusive of statutory superannuation.

The MD Agreement commenced on 15 August 2022 and is for an indefinite term, continuing until terminated in accordance with the MD Agreement. Mr Gallagher has a notice period of 3 months.

Agreement with Chief Executive Officer and Exploration Manager

The Company entered into an executive services agreement (CEO Agreement) with Mr Glen Edwards pursuant to which he was engaged as a full-time employee of the Company and served the Company as a Chief Executive Officer and Exploration Manager

The remuneration payable to Mr Edwards for the services was $180,000 per annum exclusive of statutory superannuation.

The CEO Agreement commenced on 1 November 2018 and Mr Edwards resigned from his role on 3 October 2022.

Company secretarial agreement

The Company has an agreement with Malone Corporate Pty Ltd for the provision of company secretarial services to the Company. The Malone Corporate Agreement commenced on 1 April 2020 and will continue until terminated by mutual agreement or either party on 90 days' written notice. The Company will pay Malone Corporate fees of $4,000 per month (plus GST) which commenced on 1 April 2020. The Malone Corporate Agreement contains additional provisions considered standard for agreements of this nature.

STATUTORY AND SHARE-BASED REPORTING

Director and KMP Remuneration

Details of the nature and amount of each major element of remuneration of each Director and KMP of African Gold during the year are:

		Short term benefits	Post employment benefits	Other long-term benefits	Share-based payment (non-cash)		
Directors and executive officers	Year	Salary, fees and annual leave $	Superannuation benefits $	Long service leave provision movement $	Options and rights $	Total $	Performance based % of remuneration
Evan Cranston *Non-Executive Chairman*	**2022**	**65,700**	**-**	**-**	**-**	**65,700**	**0%**
	2021	65,700	-	-	-	65,700	0%
Phillip Gallagher[1] Managing Director	**2022**	**86,826**	**8,855**	**-**	**157,186[4]**	**252,867**	**62%**
	2021	-	-	-	-	-	0%
Simon Bolster[3] *Non-Executive Director*	**2022**	**43,996**	**-**	**-**	**-**	**43,996**	**0%**
	2021	37,269	-	-	237,400	274,669	86%
Tolga Kumova *Non-Executive Director*	**2022**	**52,560**	**-**	**-**	**-**	**52,560**	**0%**
	2021	52,560	-	-	-	52,560	0%
Mathew O'Hara *Non-Executive Director*	**2022**	**43,538**	**4,462**	**-**	**-**	**48,000**	**0%**
	2021	43,736	4,264	-	237,400	285,400	83%
Peter Williams[3] *Non-Executive Director*	**2022**	**44,000**	**-**	**-**	**-**	**44,000**	**0%**
	2021	37,269	-	-	237,400	274,669	86%
Oonagh Malone *Company Secretary*	**2022**	**48,000**	**-**	**-**	**-**	**48,000**	**0%**
	2021	48,000	-	-	196,200	244,200	80%
Glen Edwards[2] *Chief Executive Officer*	**2022**	**114,749**	**13,725**	**(5,646)**	**-**	**122,828**	**0%**
	2021	190,723	17,550	5,646	226,000	439,919	51%
Total directors and executive officers	**2022**	**499,369**	**27,042**	**(5,646)**	**157,186**	**677,951**	**23%**
	2021	475,257	21,814	5,646	1,134,400	1,637,117	69%

[1] Appointed 15 August 2022.
[2] Resigned 3 October 2022.
[3] Appointed 23 February 2021.
[4] Options deemed to be granted on 15 August 2022 at commencement of Mr Gallagher's employment although not formally issued until shareholder approval obtained at the general meeting held on 3 February 2023.

Director and KMP Remuneration Movements in Options

The movement during the reporting period in the number of options in African Gold held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1 January 2022	Granted as Compensation	Options exercised	Lapsed/ forfeited	Resulting from any other change	Held at 31 December 2022 or date of resignation	Vested and exercisable at 31 December 2022
Evan Cranston	2,500,000	-	-	-	-	2,500,000	2,500,000
Phillip Gallagher[2]	-	4,000,000[4]	-	-		4,000,000	-
Simon Bolster	2,000,000	-	-	-	-	2,000,000	2,000,000
Tolga Kumova	12,500,000	-	-	-	-	12,500,000	12,500,000
Mathew O'Hara	2,000,000	-	-	-	-	2,000,000	2,000,000
Peter Williams	2,000,000	-	-	-	-	2,000,000	2,000,000
Oonagh Malone	2,000,000	-	-	-	-	2,000,000	2,000,000
Glen Edwards[3]	2,000,000	-	-	(2,000,000)	-	-	-
Total	**25,000,000**	**4,000,000**	**-**	**(2,000,000)**	**-**	**27,000,000**	**23,000,000**

[1] Each option entitles the holder to subscribe for one share upon exercise of the option. The options have an exercise price of $0.20 per option and expire on 17 April 2023. These options are escrowed for a period of 24 months from listing, in accordance with ASX listing rules.

[2] Appointed 15 August 2022.

[3] Resigned 3 October 2022.

[4] Options deemed to be granted on 15 August 2022 at commencement of Mr Gallagher's employment although not formally issued until shareholder approval obtained at the general meeting held on 3 February 2023. Refer Note 9.2 for valuation assumptions.

Director and KMP Remuneration Movements in Performance Rights

The movement during the reporting period in the number of performance rights in African Gold held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1 January 2022	Granted as Compensation[1]	Converted	Lapsed/ forfeited	Held at 31 December 2022	Vested and exercisable at 31 December 2022
Glen Edwards[2]	1,000,000[1(b)]	-	-	(1,000,000)	-	-
Total	**1,000,000**	-	**-**	**(1,000,000)**	**-**	**-**

[1] Each performance right converts to one ordinary share in the Company upon satisfaction of the performance conditions linked to the rights. The rights do not carry any other privileges. The fair value of the performance rights granted is determined based on the number of rights awarded multiplied by the share price of the Company on the date awarded. The following performance conditions are applicable to the rights awarded in the year:

(a) The CEO completing 18 months of continuous employment with the Company from the date the Company is admitted to the official list of ASX.

(b) An announcement by the Company of a JORC Code compliant resource of a minimum of 500,000 ounces of gold (or equivalent value if another commodity) of at least 1 gram per tonne on any of the Company's mineral exploration licences in Côte D'Ivoire within 3 years of the date the Company is admitted to the official list of ASX.

[2] Resigned 3 October 2022.

Shareholdings of KMP

Shares held in African Gold Ltd (number):

	Held at 1 January 2022 or date of appointment	Acquired	Disposal	Held at 31 December 2022 or date of resignation
Evan Cranston	2,788	1,116	-	3,904
Phillip Gallagher[1]	-	112,000	-	112,000
Simon Bolster	642,858	257,144	-	900,002
Tolga Kumova	11,954,821	4,136,629	-	16,091,450
Mathew O'Hara	230,359	92,145	-	322,504
Peter Williams	1,157,143	462,858	-	1,620,001
Oonagh Malone	257,143	102,858	-	360,001
Glen Edwards[2]	2,014,287	-	-	2,014,287
Total	**16,259,399**	**5,164,750**	**-**	**21,424,149**

[1] Appointed 15 August 2022.
[2] Resigned 3 October 2022.

Share-based compensation (non-cash)

Options

The following options were granted during the year ended 31 December 2022:

	Director Options #1	Director Options #2
Underlying value of the security	$0.08	$0.08
Exercise price	$0.15	$0.20
Deemed grant date	15/08/2022	15/08/2022
Valuation date	31/12/2022	31/12/2022
Issue date	03/02/2023	03/02/2023
Expiry date	03/02/2026	03/02/2026
Life of Options in years	3.0	3.0
Volatility	102.28%	102.28%
Risk free rate	3.14%	3.14%
Number of Options	2,000,000	2,000,000
Valuation per Option	$0.0416	$0.0370
Valuation	$83,225	$73,961
Total consideration paid by option holders	-	-
Valuation less consideration paid	**$83,225**	**$73,961**

The Director Options were issued to the following Director for nil consideration. The Director Options were deemed to be granted on 15 August 2022 at commencement of Mr Gallagher's employment although not formally issued, and therefore did not vest, until shareholder approval was obtained at the general meeting held on 3 February 2023. There were no performance conditions for these options as the Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and this option issue seeks to align the efforts of the Director in seeking to achieve growth of the share price and in the creation of shareholder value. In addition, the Board also believes that incentivising with Director Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Directors Options to continue to attract and maintain highly experienced and qualified Directors in a competitive market.

Director	Option series	Grant date	No. of options	Value per option	Total fair value of options issued	No. of options vested
Phillip Gallagher	Director Options #1	15/08/2022	2,000,000	$0.0416	$83,225	-
Phillip Gallagher	Director Options #1	15/08/2022	2,000,000	$0.0370	$73,961	-
Total			**4,000,000**		**$157,186**	**-**

The following options were granted during the year ended 31 December 2021:

	Underwriting Options	KMP Options #1	KMP Options #2	KMP Options #3
Underlying value of the security	$0.21	$0.205	$0.18	$0.20
Exercise price	$0.20	$0.30	$0.30	$0.30
Valuation date	23/02/2021	30/07/2021	30/08/2021	28/08/2021
Expiry date	22/02/2024	31/08/2024	31/08/2024	31/08/2024
Life of Options in years	3.0	3.1	3.0	3.0
Volatility	111.42%	105.87%	105.57%	105.45%
Risk free rate	0.13%	0.13%	0.15%	0.17%
Number of Options	5,000,000	6,000,000	2,000,000	2,000,000
Valuation per Option	$0.1415	$0.1187	$0.0981	$0.1130
Valuation	$707,500	$712,200	$196,200	$226,000
Total consideration paid by option holders	-	-	-	-
Valuation less consideration paid	**$707,500**	**$712,200**	**$196,200**	**$226,000**

The KMP Options were issued to the following Key Management Personnel for nil consideration and vested immediately. There were no performance conditions for these options as the Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and this option issue seeks to align the efforts of the KMP in seeking to achieve growth of the share price and in the creation of shareholder value. In addition, the Board also believes that incentivising with KMP Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these KMP Options to continue to attract and maintain highly experienced and qualified KMP in a competitive market.

Key management personnel	Option series	Grant date	No. of options	Value per option	Total fair value of options issued	No. of options vested
Simon Bolster	KMP Options #1	30/07/2021	2,000,000	$0.1187	$237,400	2,000,000
Mathew O'Hara	KMP Options #1	30/07/2021	2,000,000	$0.1187	$237,400	2,000,000
Peter Williams	KMP Options #1	30/07/2021	2,000,000	$0.1187	$237,400	2,000,000
Oonagh Malone	KMP Options #2	30/08/2021	2,000,000	$0.0981	$196,200	2,000,000
Glen Edwards	KMP Options #3	28/08/2021	2,000,000	$0.1130	$226,000	2,000,000
Total			**10,000,000**		**$1,134,400**	**10,000,000**

Performance rights

The following table discloses the number of performance rights granted, vested or lapsed during the year ended 31 December 2022. Performance rights do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met, until their expiry date.

Name	Financial year	Awarded during the year	Award date	Vesting date	Expiry date	Fair value of performance right at award date ($)	Exercise price	No. vested during year	No. lapsed during year	Balance at end of year	Value of performance rights granted during the year[1] ($)	Value of performance rights on held on date of resignation ($)
Glen Edwards	2022	-	1-Nov-18	N/A	14-Feb-22	0.10	Nil	-	1,000,000	-	-	-

[1] Determined at the time of grant per AASB 2 *Share-based payments*.

The following table discloses the number of performance rights granted, vested or lapsed during the year ended 31 December 2021. Performance rights do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met, until their expiry date.

Name	Financial year	Awarded during the year	Award date	Vesting date	Expiry date	Fair value of performance right at award date ($)	Exercise price	No. vested during year	No. lapsed during year	Balance at end of year	Value of performance rights granted during the year[1] ($)	Value of performance rights on held on date of resignation ($)
Glen Edwards	2021	-	1-Nov-18	N/A	14-Feb-22	0.10	Nil	-	-	1,000,000	-	-

[1] Determined at the time of grant per AASB 2 *Share-based payments*.

Loans to key management personnel

There were no loans to key management personnel of the Company, including their personally related parties, as at 31 December 2022.

Other transactions and balances with KMP and their related parties

The following transactions were undertaken with key management personnel during the year ended 31 December 2022. Only amounts paid to a KMP or their related entities in addition to remuneration disclosed in the Director and KMP Remuneration table in the remuneration report is shown below.

Entity	Services provided	2022 $	2021 $
Konkera Corporate (related party of Evan Cranston)	Accounting, drafting and administrative services	122,909	122,023
Konkera Exploration (related party of Evan Cranston)	Geological services	5,127	-
Kingslane Pty Ltd (related party of Evan Cranston)	Serviced office lease	48,000	48,000
Konkera Pty Ltd (related party of Evan Cranston)	Underwriting fee (2,500,000 options)	-	353,750[1]
Kitara Investments Pty Ltd (related party of Tolga Kumova)	Underwriting fee (2,500,000 options)	-	353,750[1]

[1] Refer Note 9.2

There were no other transactions and balances with key management personnel of the Company, including their personally related parties, as at 31 December 2022.

END OF REMUNERATION REPORT

Auditor's independence declaration

The lead auditor's independence declaration for the year ended to 31 December 2022 has been received and is attached to this Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

Mr Phillip Gallagher
Managing Director
Perth, WA - dated 30 March 2023

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of African Gold Ltd for the year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**D I Buckley**
30 March 2023	**Partner**

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	31 December 2022 $	31 December 2021 $
Accounting and audit		(229,815)	(221,227)
Consultants and contractors		(33,244)	(68,355)
Depreciation and amortisation		-	(385)
Employee benefits expense		(337,576)	(365,935)
Exploration and evaluation costs		(991,131)	(91,084)
Exploration expenditure written off		-	(337,765)
Listing and compliance		(61,629)	(96,042)
Net foreign exchange losses		(6,378)	(2,009)
Office rental and outgoings		(48,000)	(48,000)
Share-based payments	9.1	(157,186)	(1,186,900)
Travel and accommodation		(57,422)	(30,264)
Other expenses		(87,700)	(84,243)
Loss from operating activities		**(2,010,081)**	**(2,532,209)**
Finance income		2,072	194
Other income		-	-
Loss before income tax		**(2,008,009)**	**(2,532,015)**
Income tax expense	19	-	-
Loss for the year after tax from continuing operations		**(2,008,009)**	**(2,532,015)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations		45,758	(72,761)
Other comprehensive income/(loss) for the year, net of tax		**45,758**	**(72,761)**
Total comprehensive loss for the year		**(1,962,251)**	**(2,604,776)**

Loss per share attributable to equity holders of the Company:	Notes		
Loss per share:			
Basic and Diluted loss per share (cents per share)	16	(1.64)	(2.69)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	31 December 2022 $	31 December 2021 $
Assets			
Current			
Cash and cash equivalents	4	1,444,986	3,471,375
Trade and other receivables	6	42,690	15,619
Prepayments	6	4,364	154,289
Other current assets	6	30,000	30,000
Total current assets		**1,522,040**	**3,671,283**
Non-current			
Exploration and evaluation	12	10,133,556	8,263,327
Property, plant and equipment	13	-	-
Total non-current assets		**10,133,556**	**8,263,327**
Total assets		**11,655,596**	**11,934,610**
Liabilities			
Current			
Trade and other payables	7	545,939	760,240
Provisions		31,752	44,271
Total current liabilities		**577,691**	**804,511**
Total liabilities		**577,691**	**804,511**
Net assets		**11,077,905**	**11,130,099**
Equity			
Share capital	8	10,200,149	8,447,278
Reserves	9	8,419,126	8,216,182
Accumulated losses		(7,541,370)	(5,533,361)
Total equity		**11,077,905**	**11,130,099**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Notes	Share capital	Share-based payments reserve	Foreign currency translation reserve	Accumulated losses	Total equity
		$	$	$	$	$
At 1 January 2021		**2,973,524**	**6,552,545**	**(39,640)**	**(3,067,208)**	**6,419,221**
Loss for the year		-	-	-	(2,532,015)	(2,532,015)
Other comprehensive loss	9	-	-	(72,761)	-	(72,761)
Total comprehensive loss		**-**	**-**	**(72,761)**	**(2,532,015)**	**(2,604,776)**
Issue of share capital	8	5,006,732	-	-	-	5,006,732
Share capital issued for the acquisition of tenements	8	880,000	-	-	-	880,000
Share capital issued on exercise of options	8	290,000	-	-	-	290,000
Share issue transaction costs – options issued	8	(707,500)	707,500	-	-	-
Share issue transaction costs	8	(47,978)	-	-	-	(47,978)
Share-based payments expense	9	52,500	1,134,400	-	-	1,186,900
Expired performance rights transferred to accumulated losses		-	(65,862)	-	65,862	-
Balance at 31 December 2021		**8,447,278**	**8,328,583**	**(112,401)**	**(5,533,361)**	**11,130,099**
At 1 January 2022		**8,447,278**	**8,328,583**	**(112,401)**	**(5,533,361)**	**11,130,099**
Loss for the year		-	-	-	(2,008,009)	(2,008,009)
Other comprehensive income	9	-	-	45,758	-	45,758
Total comprehensive loss		**-**	**-**	**45,758**	**(2,008,009)**	**(1,962,251)**
Issue of share capital	8	1,703,368	-	-	-	1,703,368
Share capital issued on exercise of options	8	100,000	-	-	-	100,000
Share issue transaction costs	8	(50,497)	-	-	-	(50,497)
Share-based payments expense	9	-	157,186	-	-	157,186
Balance at 31 December 2022		**10,200,149**	**8,485,769**	**(66,643)**	**(7,541,370)**	**11,077,905**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Notes	31 December 2022 $	31 December 2021 $
Operating activities			
Payment to suppliers and employees		(767,768)	(911,905)
Interest received		2,072	394
Net cash used in operating activities	5	**(765,696)**	**(911,511)**
Investing activities			
Payment for the acquisition of mining tenements		(272,365)	(200,000)
Payment for exploration expenditure		(2,764,698)	(2,117,289)
Net cash used in investing activities		**(3,037,063)**	**(2,317,289)**
Financing activities			
Proceeds from share issues	8	1,803,368	5,296,732
Share issue transaction costs		(26,650)	(62,702)
Net cash provided by financing activities		**1,776,718**	**5,234,030**
Net increase/(decrease) in cash and cash equivalents		**(2,026,041)**	**2,005,230**
Effect of movements in exchange rates on cash held		(348)	(1,272)
Cash and cash equivalents, at 1 January		**3,471,375**	**1,467,417**
Cash and cash equivalents, at 31 December	4	**1,444,986**	**3,471,375**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

African Gold Ltd (African Gold or the Company) and its subsidiaries (collectively, the Group) is a for-profit entity for the purpose of preparing the financial statements. Principal activities include exploration and evaluation of mineral resources and pursuing various investment opportunities in the resources sector designed to add shareholder value by acquiring, exploring, evaluating and exploiting mineral resource project opportunities in Africa.

African Gold is incorporated and domiciled in Australia whose shares are publicly traded and listed on the 14 February 2019 on Australian Securities Exchange (ASX: A1G). The address of its registered office and its principal place of business Suite 23, 513 Hay Street, Subiaco WA 6008.

The financial statements were approved and authorised for issue by the Board of Directors on 30 March 2023.

2 Basis of presentation and statement of compliance

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Board (IASB).

The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian Dollars, being the functional currency of the Company.

3 Going Concern

At 31 December 2022, the Group had cash and cash equivalents of $1,444,986 (2021: $3,471,375). The Group incurred a net loss of $2,008,009 (2021: $2,532,015) and had cash outflows from operating and investing activities of $3,802,759 (2021: $3,228,800) during the year ended 31 December 2022.

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The ability of the Group to continue as a going concern is dependent upon the future successful raising of the necessary funding through equity and/or debt and the successful exploitation of the Group's tenements. In the event that further funding is not available, the Group may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

The Directors are, however, confident that further funding will be obtained to meet the Group's objectives. In addition, the Directors have considered the minimum expenditure requirements necessary in order to maintain tenements in good standing and to meet the committed expenditures for the 12 month period from the date of this report and consider the going concern basis of preparation as appropriate.

4 Cash and cash equivalents

Cash and cash equivalents	2022 $	2021 $
Cash in hand and at bank	1,444,986	3,471,375

5 Reconciliation of net loss after tax to net cash flows from operations

	2022	2021
Cash flows from operating activities		
Loss for the year	(2,008,009)	(2,532,015)
Non-cash items		
Share-based payments	157,186	1,186,900
Depreciation and amortisation	-	385
Exploration expenditure written off	-	337,765
Exploration expenditure expensed (investing for cash flow purposes)	991,131	91,084
Foreign exchange gain/(loss)	-	6,327
Net changes in working capital:		
Change in trade and other receivables	118,546	(137,272)
Change in prepayments	(125)	306
Change in employee benefits provisions	(18,292)	16,369
Change in trade and other payables	(6,133)	118,640
Net cash used in operating activities	**(765,696)**	**(911,511)**

6 Trade, other receivables, prepayments and other current assets

Trade and other receivables	2022 $	2021 $
Other receivables	42,690	15,619
Total	**42,690**	**15,619**

Prepayments	2022 $	2021 $
Other prepayments	4,364	154,289
Total	**4,364**	**154,289**

Other current assets	2022 $	2021 $
Security deposit	30,000	30,000
Total	**30,000**	**30,000**

7 Trade and other payables

	2022 $	2021 $
Trade payables	134,411	420,618
Other payables and accruals	411,528[1]	339,622
Total	**545,939**	**760,240**

[1]Includes $88,356 acquisition costs for the Falémé Gold Project and $58,904 acquisition costs for the Kofi Ouest Permit.

8 Share capital

Ordinary Shares	No. of Shares	$
Share capital at 1 January 2021	**76,344,253**	**2,973,524**
Shortfall shares issued from non-renounceable rights issue at $0.10 per share	2,438,885	243,889
Shares issued as part consideration for Kouroufaba Gold Project(1)	4,000,000	880,000
Employee incentive shares issued(2)	250,000	52,500
Shares issued via entitlement offer at $0.10 per share	8,024,706	802,471
Shares issued on exercise of options at $0.20 per share	100,000	20,000
Shares issued on exercise of options at $0.20 per share	250,000	50,000
Shares issued on exercise of options at $0.20 per share	1,000,000	200,000
Shares issued via entitlement offer at $0.15 per share	19,565,773	2,934,866
Shortfall shares issued from non-renounceable rights issue at $0.15 per share	6,836,711	1,025,506
Shares issued on exercise of options at $0.20 per share	100,000	20,000
Less cost of share issues(3)	-	(755,478)
At 31 December 2021	**118,910,328**	**8,447,278**
Shares issued on exercise of options at $0.20 per share	500,000	100,000
Shares issued from non-renounceable rights issue at $0.05 per share	34,067,368	1,703,368
Less cost of share issues	-	(50,497)
At 31 December 2022	**153,477,696**	**10,200,149**

The share capital of the Company consists only of fully paid ordinary shares. The shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting.

(1) 4,000,000 shares in the Company issued to the vendors of the Kouroufaba Gold Project on a pro-rata basis with a fair value of $880,000 based on a closing price of $0.22 on 5 February 2021 being the date of shareholder approval of the acquisition.

(2) 250,000 employee incentive shares at a fair value of $0.21 per shares being the closing price on the issue date of 22 February 2021.

(3) The cost of share issues includes $707,500 being the fair value of 5,000,000 unlisted options issued to Mr Evan Cranston (2,500,000 options) and Mr Tolga Kumova (2,500,000 options), or their nominees, for underwriting the non-renounceable entitlement issue undertaken in December 2020.

9 Reserves

The following table shows the movements in reserves during the year:

	Share-based payments reserve $	Foreign currency translation reserve $	Total reserves $
Balance at 1 January 2021	**6,552,545**	**(39,640)**	**6,512,905**
Foreign currency translation differences	-	(72,761)	(72,761)
Total comprehensive loss	-	**(72,761)**	**(72,761)**
Transactions with owners in their capacity as owners:			
Share-based payment transactions	1,134,400	-	1,134,400
Expired performance rights	(65,862)	-	(65,862)
Options issued to underwriters	707,500	-	707,500
Balance at 31 December 2021	**8,328,583**	**(112,401)**	**8,216,182**
Balance at 1 January 2022	**8,328,583**	**(112,401)**	**8,216,182**
Foreign currency translation differences	-	45,758	45,758
Total comprehensive loss	-	**45,758**	**45,758**
Transactions with owners in their capacity as owners:			
Share-based payment transactions	157,186	-	157,186
Balance at 31 December 2022	**8,485,769**	**(66,643)**	**8,419,126**

Share-based payments reserve
The share-based payment reserve arises on the recognition of share-based payments through the issue or proposed issue of options or performance shares. These share-based payments may be expensed as a share-based payment expense, recognised as a capital raising cost, or capitalised.

Foreign currency translation reserve
Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the full disposal of the foreign operation.

9.1 Share-based payments

Year ended 31 December 2022:

During the year ended 31 December 2022, the Company made the following share-based payments:

1. Issued 4,000,000 unlisted options to Phillip Gallagher, Managing Director, with a total fair value of $157,186 (refer Note 9.2).

Year ended 31 December 2021:

During the year ended 31 December 2021, the Company made the following share-based payments:

1. Issuing 250,000 employee incentive shares at a fair value of $0.21 per shares being the closing price on the issue date of 22 February 2021, for a total fair value of $52,500.
2. Issuing 5,000,000 unlisted options were issued to Mr Evan Cranston (2,500,000 options) and Mr Tolga Kumova (2,500,000 options), or their nominees, for underwriting the non-renounceable entitlement issue undertaken in December 2020. The fair value of these options was $707,500 (refer Note 9.2) and the amount was treated as a capital raising cost and accounted for against Share Capital in the Statement of Financial Position.
3. Issued 10,000,000 unlisted options to Key Management Personnel with a total fair value of $1,134,400 (refer Note 9.2).

Set out below is a summary of unlisted options and performance rights outstanding at 31 December 2022:

	Vested	Unvested	Grant Date	Expiry date	Exercise price $	Fair value per unit $	Total fair value $
Unlisted options	34,150,000	-	20/03/18	17/04/23	0.20	0.1503 (1)	5,132,745
Unlisted options	5,000,000	-	22/02/21	22/02/24	0.20	0.1415 (1)	707,500
Unlisted options	6,000,000	-	31/08/21	31/08/24	0.30	0.1187 (1)	712,200
Unlisted options	2,000,000	-	31/08/21	31/08/24	0.30	0.0981 (1)	196,200
Unlisted options	-	2,000,000 (3)	15/08/22	03/02/26	0.15	0.0416 (1)	83,225
Unlisted options	-	2,000,000 (3)	15/08/22	03/02/26	0.20	0.0370 (1)	73,961

Set out below is a summary of unlisted options and performance rights outstanding at 31 December 2021:

	Vested	Unvested	Grant Date	Expiry date	Exercise price $	Fair value per unit $	Total fair value $
Unlisted options	9,150,000	-	07/02/19	07/02/22	0.20	0.1257 (1)	1,150,155
Unlisted options	34,150,000	-	20/03/18	17/04/23	0.20	0.1503 (1)	5,132,745
Unlisted options	5,000,000	-	22/02/21	22/02/24	0.20	0.1415 (1)	707,500
Unlisted options	6,000,000	-	31/08/21	31/08/24	0.30	0.1187 (1)	712,200
Unlisted options	2,000,000	-	31/08/21	31/08/24	0.30	0.0981 (1)	196,200
Unlisted options	2,000,000	-	31/08/21	31/08/24	0.30	0.1130 (1)	226,000
Performance Rights	-	1,000,000	01/11/18	2-4 years	N/A	0.10 (2)	100,000

(1) Valuation was determined using a Black Sholes pricing model.
(2) The performance rights have non-market vesting conditions only. Management estimates the number of units that are expected to vest, and the total fair value of the issuance is recognised over the vesting period (which is the period to expiry).
(3) Options deemed to be granted on 15 August 2022 at commencement of Mr Gallagher's employment although not formally issued until shareholder approval obtained at the general meeting held on 3 February 2023.

9.2 Share options and performance rights issued

Share options

The Company has determined the fair value of its options awarded using the Black Scholes pricing model.

The following share options were granted during the year ended 31 December 2022 to Phillip Gallagher, Managing Director, alongside the key inputs utilised in the pricing model, including the Company's risk-free borrowing rate and volatility of the Company's shares.

	Director Options #1	Director Options #2
Underlying value of the security	$0.08	$0.08
Exercise price	$0.15	$0.20
Deemed grant date	15/08/2022	15/08/2022
Valuation date	31/12/2022	31/12/2022
Issue date	03/02/2023	03/02/2023
Expiry date	03/02/2026	03/02/2026
Life of Options in years	3.0	3.0
Volatility	102.28%	102.28%
Risk free rate	3.14%	3.14%
Number of Options	2,000,000	2,000,000
Valuation per Option	$0.0416	$0.0370
Valuation	$83,225	$73,961
Total consideration paid by option holders	-	-
Valuation less consideration paid	**$83,225**	**$73,961**

The Director Options were issued to the following Director for nil consideration:

Director	Option series	Grant date	No. of options	Value per option	Total fair value of options issued	No. of options vested
Phillip Gallagher	Director Options #1	15/08/2022	2,000,000	$0.0416	$83,225	-
Phillip Gallagher	Director Options #1	15/08/2022	2,000,000	$0.0370	$73,961	-
Total			**4,000,000**		**$157,186**	**-**

The Director Options were deemed to be granted on 15 August 2022 at commencement of Mr Gallagher's employment although not formally issued, and therefore did not vest, until shareholder approval obtained at the general meeting held on 3 February 2023.

9.2 Share options and performance rights issued (continued)

The following share options were issued during the year ended 31 December 2021, alongside the key inputs utilised in the pricing model, including the Company's risk-free borrowing rate and volatility of the Company's shares.

	Underwriting Options	KMP Options #1	KMP Options #2	KMP Options #3
Underlying value of the security	$0.21	$0.205	$0.18	$0.20
Exercise price	$.20	$0.30	$0.30	$0.30
Valuation date	23/02/2021	30/07/2021	30/08/2021	28/08/2021
Expiry date	22/02/2024	31/08/2024	31/08/2024	31/08/2024
Life of Options in years	3.0	3.1	3.0	3.0
Volatility	111.42%	105.87%	105.57%	105.45%
Risk free rate	0.13%	0.13%	0.15%	0.17%
Number of Options	5,000,000	6,000,000	2,000,000	2,000,000
Valuation per Option	$0.1415	$0.1187	$0.0981	$0.1130
Valuation	$707,500	$712,200	$196,200	$226,000
Total consideration paid by option holders	-	-	-	-
Valuation less consideration paid	**$707,500**	**$712,200**	**$196,200**	**$226,000**

The KMP Options were issued during the year ended 31 December 2021 to the following Key Management Personnel for nil consideration:

Key management personnel	Option series	Grant date	No. of options	Value per option	Total fair value of options issued	No. of options vested
Simon Bolster	KMP Options	30/07/2021	2,000,000	$0.1187	$237,400	2,000,000
Mathew O'Hara	KMP Options	30/07/2021	2,000,000	$0.1187	$237,400	2,000,000
Peter Williams	KMP Options	30/07/2021	2,000,000	$0.1187	$237,400	2,000,000
Oonagh Malone	KMP Options	30/08/2021	2,000,000	$0.0981	$196,200	2,000,000
Glen Edwards	KMP Options	28/08/2021	2,000,000	$0.1130	$226,000	2,000,000
Total			**10,000,000**		**$1,134,400**	**10,000,000**

9.3 Share options and performance rights issued (continued)

Movement in options during the year:

Expiry date	Exercise price	On issue at 1 January 2022	Granted	Exercised	Lapsed/ forfeited	On issue at 31 December 2022	Vested and exercisable at 31 December 2022
7/02/2022	$0.20	9,150,000	-	(500,000)	(8,650,000)	-	-
17/04/2023	$0.20	34,150,000	-	-	-	34,150,000	34,150,000
22/02/2024	$0.20	5,000,000	-	-	-	5,000,000	5,000,000
31/08/2024	$0.30	10,000,000	-	-	(2,000,000)	8,000,000	8,000,000
03/02/2026	$0.15	-	2,000,000[1]	-	-	2,000,000	-
03/02/2026	$0.20	-	2,000,000[1]	-	-	2,000,000	-
Total		**58,300,000**	**4,000,000**	**(500,000)**	**(10,650,000)**	**51,150,000**	**47,150,000**

[1] Options deemed to be granted on 15 August 2022 at commencement of Mr Gallagher's employment although not formally issued until shareholder approval obtained at the general meeting held on 3 February 2023.

The weighted average remaining contractual life of the options on issue is 0.81 years (2021: 1.42 years).

The range of the exercise prices of the options on issue is $0.15 - $0.30 (2021: $0.20 - $0.30). The weighted average exercise price of options on issue is $0.2137 (2021: $0.2172).

The fair value of the options issued as share-based payments during the year was $0.0393 per option (2021: $0.1228 per option).

Performance rights

There were no performance rights issued during the year ended 31 December 2022 (2021: nil).

No. held at beginning of year	Award date	Vesting date	Expiry date	Fair value of performance right at award date ($)	Service period date	No. vested during year	No. lapsed during year	Amount of expense recognised during the prior year ($)	Amount of expense recognised during the year ($)
1,000,000	1/11/18	N/A	14/2/22	0.10	14/2/22	-	(1,000,000)	-	-

The table above discloses the number of performance rights granted, vested or lapsed during the year. Each performance right converts to one ordinary share in the Company upon satisfaction of the performance conditions linked to the rights. The rights do not carry any other privileges. The fair value of the performance rights granted is determined based on the number of rights awarded multiplied by the share price of the Company on the date awarded.

Movement in performance rights during the year:

Grant date	Expiry date	On issue at 1 January 2022	Granted	Lapsed/ forfeited	Converted	On issue at 31 December 2022
1/11/2018	14/02/2022	1,000,000	-	(1,000,000)	-	-
Total		**1,000,000**	**-**	**(1,000,000)**	**-**	**-**

10. Asset acquisition - Kouroufaba Gold

In February 2021, the Company entered into an option agreement to acquire 80% of the Kouroufaba Gold Project which gives access to a strategic land holding consisting of the Didievi granted permit and 3 permit applications totalling 1,534km^2 of prospective tenure over proven Birimian greenstone belts in Central Côte d'Ivoire.

Terms of the Agreement

1) Payment of $200,000 (settled with the vendors during February and March 2021); and
2) 4,000,000 shares in the Company issued to the vendors on a pro-rata basis on 23rd February 2021 (together, the Initial Payment).
3) The Company has been granted an exclusive option to acquire 80% of the issued capital of Kouroufaba Gold from the vendors (Earn-in Option). To exercise the Earn-in Option, the Company must:
    a. Expend not less than $5,000,000 of exploration expenditure in the five year period commencing upon satisfaction of the Initial Payment (Expenditure Requirement);
    b. Either:
        i. subject to future shareholder approvals, issue shares with the value of $200,000 to the vendor (or its nominee) on each 12 month anniversary of the Initial Payment date, based on a deemed issue price per share equal to the 30 Day VWAP prior to the shareholder meeting (Annual Acquisition Shares).The maximum number of Annual Acquisition Share tranches that must be made under the terms sheet is five, however, the number may be lower if the Company satisfies the Expenditure Requirement prior to the end of the fifth anniversary of the Initial Payment; or
        ii. pay $150,000 cash (on a pro-rata basis) in lieu of the issue of Annual Acquisition Shares; and
    c. Execute a royalty deed pursuant to which the Company agrees to pay a net smelter return royalty of up to 2% of the production from the Kouroufaba Project to the relevant royalty holder in respect of the relevant tenement.
4) Upon completion of the acquisition, the Company will continue in an 80 / 20 joint venture with the vendors and will free carry the vendors. Subject to the joint venture making a decision to mine on the Kouroufaba Project, the Company will have the right, but not the obligation, to acquire the remaining 20% of the Kouroufaba Project, on commercial terms agreed between the parties acting reasonably. In the event an agreement on pricing cannot be reached, the pricing will be determined by an independent expert.

11 Operating segment

The Group reports two segments for the year ended 31 December 2022 (2021: 2):

- Exploration and evaluation of Minerals in Cote d'Ivoire
- Exploration and evaluation of Minerals in Mali

These are the geographical areas, the results are which reported to the chief operating decision maker, being the Managing Director for the purposes of assessing performance and determining the allocation of resources. The geographical non-current assets below are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

	Mali $	Cote d'Ivoire $	Total $
Year ended 31 December 2022			
Segment results - Loss after income tax	(596,924)	(474,344)	(1,071,268)
Unallocated losses after income tax			(936,741)
Loss after income tax			**(2,008,009)**
Other Information:			
Additions to non-current assets	263,915	1,606,314	1,870,229
Unallocated			-
Total additions to non-current assets			**1,870,229**
As at 31 December 2022			
Segment assets	3,447,140	6,714,159	10,161,299
Unallocated assets			1,494,297
Total assets			**11,655,596**
Segment liabilities	(105,845)	(117,283)	(223,128)
Unallocated liabilities			(354,563)
Total liabilities			**(577,691)**

	Mali $	Cote d'Ivoire $	Total $
Year ended 31 December 2021			
Segment results - Loss after income tax	(286,062)	(102,327)	(388,389)
Unallocated losses after income tax			(2,143,626)
Loss after income tax			**(2,532,015)**
Other Information:			
Additions to non-current assets	847,725	2,464,111	3,311,836
Unallocated			-
Total additions to non-current assets			**3,311,836**
As at 31 December 2021			
Segment assets	3,172,686	5,285,398	8,458,084
Unallocated assets			3,476,526
Total assets			**11,934,610**
Segment liabilities	(14,510)	-	(14,510)
Unallocated liabilities			(790,001)
Total liabilities			**(804,511)**

12 Exploration and evaluation

		2022 $	2021 $
Opening balance as at 1 January		8,263,327	4,951,106
Acquisition of Falémé Gold Project		-	165,382(1)
Acquisition of Kofi Ouest Permit		-	92,064(1)
Acquisition of Kouroufaba Gold Project		150,000[(3)]	1,080,000[(2)]
Amount capitalised during the year		1,683,871	2,357,294
Exploration expenditure written off		-	(337,765)[(4)]
Foreign exchange movement		36,358	(44,754)
Closing balance as at 31 December		**10,133,556**	**8,263,327**

(1) The Group has accrued the remaining payment obligations for Faleme Gold Project (BouBou and Bourdala Permits) and the Kofi Ouest Permit as at 31 December 2021.

(2) During the year ended 31 December 2021, the Company entered into an option agreement to acquire 80% of the Kouroufaba Gold Project for the following consideration:
  i) Payment of $200,000; and
  ii) 4,000,000 shares in the Company issued to the vendors on a pro-rata basis with a fair value of $880,000 based on a closing price of $0.22 on 5 February 2021 being the date of shareholder approval of the acquisition.

(3) During the year ended 31 December 2022, the Company paid its first annual payment of $150,000 for the Kouroufaba Gold Project.

(4) On 3 July 2021, the Group relinquished the Diokeba Sud and Tintinba Nord Permits in Mali and, accordingly, capitalised exploration costs for these permits was written off as at 31 December 2021.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

13 Property, plant and equipment

	2022 $	2021 $
Opening carrying amount	-	385
Additions	-	-
Less: Depreciation	-	(385)
Closing carrying amount	**-**	**-**

14 Controlled entities

Entities forming part of African Gold Ltd consolidated group are as follows:

	Country of incorporation	Percentage Owned %	
		2022	2021
Abra Resources Pty Ltd	Australia	100	100
Tanzanian Nickel Pty Ltd	Australia	100	100
Golden Ivoire SARL	Cote d'Ivoire	100	100
African Gold Mali SARL	Mali	100	100
Eureka Gold SARL	Mali	100	100
Catalyst Resources SARL	Mali	100	100
Millerite Tanzania Limited	Tanzania	100	100

15 Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's principal financial instruments comprise cash. The Company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

15.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables.

The Company holds the majority of its cash and cash equivalents with banks and financial institution counterparties with acceptable credit ratings. As part of managing its credit risk on cash and cash equivalents, the majority of funds are held in Australian banks, which have a higher credit rating amongst the banks and financial institution counterparties.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the end of the reporting period was as follows:

Financial assets	Note	Carrying amount 2022 $	Carrying amount 2021 $
Cash and cash equivalents	4	1,444,986	**3,471,375**
Trade and other receivables	6	42,690	**45,619**

None of the Company's trade and other receivables are past due as at 31 December 2022 (2021: Nil).

15.2 Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Company manages liquidity risk by monitoring forecast cash flows, only investing surplus cash with major financial institutions; and comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Company in managing its cash flows. Financial liabilities are expected to be settled within 12 months.

2022	Note	Carrying amount $	Contractual Cash Flows $	6 Months or less $
Trade payables	7	134,411	134,411	**134,411**
2021				
Trade payables	7	420,618	420,618	**420,618**

Risks associated with market risk, credit risk and liquidity risk are not considered material with respect to the above items.

15 Risk Management Framework (continued)

15.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Currency Risk

The Group is exposed to currency risk on purchases that are denominated in a currency other than the respective functional currencies of the Group entities, being AUD and CFA. The currencies in which these transactions are primarily denominated are AUD, CFA, EUR and USD.

The Group's investments in its Mali and Ivory Coast subsidiaries are denominated in CFA and are not hedged as those currency positions are considered to be long term in nature.

There is no material currency risk at balance date.

(b) Interest Rate Risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's cash. Cash includes funds held in cheque accounts during the year, which earned variable interest at rates ranging between 0.01% and 0.95% (2021: 0.05% and 1.25%) depending on the bank account type and account balances these amounts are not considered material.

The Company has no loans or borrowings.

15.4 Fair Value

The carrying amount of financial assets and financial liabilities not valued at fair value on a recurring basis approximates their fair value at balance date.

16 Loss per share

	2022 $	2021 $
Net loss attributable to ordinary equity holders of the Company	(2,008,009)	(2,532,015)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share	122,248,926	94,240,577
Loss per share (cents per share)	(1.64)	(2.69)

Both the basic and diluted loss per share is calculated using the loss attributable to shareholders of the Company as the numerator (i.e. no adjustments to losses were necessary in 2022).

51,150,000 (2021: 58,300,000) potential ordinary shares (options & rights) have not been included in determining the diluted loss per share as they are not considered to be dilutive due to the loss position of the Company for year ended 31 December 2022.

17 Auditor remuneration

	2022 $	2021 $
Audit and review of financial statements		
Auditors – HLB Mann Judd (WA Partnership)	40,525	-
Auditor - Grant Thornton Australia (resigned February 2022)	6,464	39,770
Non-audit services		
Taxation services - Grant Thornton Australia	4,500	8,650
Total auditor's remuneration	**51,489**	**48,420**

18 Contingent liabilities

Kouroufaba Gold Project

To exercise the Earn-in Option in relation to the Kouroufaba Gold Project, the Company must either:

a. Subject to future Shareholder approvals, issue Shares with the value of $200,000 to the Seller (or its nominee) on each 12 month anniversary of the Initial Payment Date, based on a deemed issue price per Share equal to the 30 Day VWAP prior to the Shareholder meeting (Annual Acquisition Shares). The maximum number of Annual Acquisition Share tranches that must be made under the Terms Sheet is five, however, the number may be lower if the Company satisfies the Expenditure Requirement prior to the end of the fifth anniversary of the Initial Payment; or

b. Pay $150,000 cash (on a pro-rata basis) in lieu of the issue of Annual Acquisition Shares.

The decision to issue the Annual Acquisition Shares or make the cash payment is contingent on the results from exploration activities to be undertaken on the project area. The Group made its first annual payment of $150,000 (cash) on 22nd February 2022 and its second annual payment of $200,000 (shares) on 23rd February 2023.

The Company has also agreed to pay a net smelter return royalty of up to 2% of the production from the Kouroufaba Project to the relevant royalty holder in respect of the relevant Tenement.

19 Income tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of African Gold Ltd at 30% (2021: 26%) and the reported tax expense in profit or loss are as follows:

	2022 $	2021 $
Accounting profit before tax	(2,008,009)	(2,532,015)
Income Tax Expense to Accounting Profit		
Domestic tax rate for African Gold Ltd	(602,403)	(658,324)
Difference of effective foreign income tax rates	(33,177)	(1,821)
Expenditure not allowed for income tax purposes		
Share-based payments	47,156	308,594
Other non-deductible items - foreign expenditure	75,836	159,726
Deferred Tax Asset not brought to account	335	1,854
Deferred Tax Asset losses not brought to account	512,253	189,971
Income tax expense (benefit)	-	-
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Unrecognised deferred tax asset losses - Australia	691,355	447,414
Unrecognised deferred tax asset losses - Foreign	450,260	161,018
Unrecognised deferred tax asset temporary differences	14,751	26,501
Unrecognised deferred tax liability	(1,309)	(1,102)
	1,155,057	633,831

20 Related parties

Names and positions of key management personnel in office at any time during the financial year:

Name	Position
Evan Cranston	Non-Executive Chairman
Phillip Gallagher	Managing Director (appointed 15 August 2022)
Simon Bolster	Non-Executive Director
Tolga Kumova	Non-Executive Director
Mathew O'Hara	Non-Executive Director
Peter Williams	Non-Executive Director
Oonagh Malone	Company Secretary
Glen Edwards	Chief Executive Officer and Exploration Manager (resigned 3 October 2022)

The following table provides a summary of the nature and amount of the elements of key management personnel remuneration for the year.

	2022 $	2021 $
Short term benefits	499,369	475,257
Long-term employee benefits (movement in long service leave entitlements)	(5,646)	5,646
Post-employment benefits	27,042	21,814
Share-based payments (non-cash)	157,186	1,134,400
Total	**677,951**	**1,637,117**

Transactions with related parties

The following transactions were undertaken with key management personnel during the year ended 31 December 2022.

Entity	Services provided	2022 $	2021 $
Konkera Corporate (related party of Evan Cranston)	Accounting, drafting and administrative services	121,909	122,023
Konkera Exploration Pty Ltd (related party of Evan Cranston)	Geological consulting services	5,127	-
Kingslane Pty Ltd (related party of Evan Cranston)	Serviced office lease	48,000	48,000
Konkera Pty Ltd (related party of Evan Cranston)	Underwriting fee (2,500,000 options)	-	353,750[1]
Kitara Investments Pty Ltd (related party of Tolga Kumova)	Underwriting fee (2,500,000 options)	-	353,750[1]

[1] Refer Note 9.2

There were no other transactions and balances with key management personnel of the Company, including their personally related parties, as at 31 December 2022.

The serviced office agreement does not create a lease under *AASB 16 Leases* because it does not specify or effectively enable fixed office locations.

21 Abra Resources acquisition - contingent consideration shares

On 15th November 2019, African Gold completed the acquisition of Abra Resources Pty Ltd (Abra). The terms of the purchase were released on 5 September 2019. As at 31 December 2022, no contingent consideration shares had been issued and the remaining contingent consideration shares and milestones are as shown below. No contingent consideration has been recognised as a liability or included in the cost of the asset.

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. an announcement by the Company of the commercial production of gold from any of the projects, within 3 years of completion – number of Contingent 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. an announcement by the Company of the commercial production of gold from any of the projects, within 4 years of completion – number of Contingent 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. an announcement by the Company of the commercial production of gold from any of the projects, within 5 years of completion – number of Contingent Consideration shares 5,000,000.

22 Parent entity disclosure

The following information relates to the parent entity, African Gold Ltd, as at and for the year ended 31 December 2022.

	2022 $	2021 $
Loss for the year	(1,962,251)	(2,714,676)
Other comprehensive expenses	-	-
Total Comprehensive loss for the year	**(1,962,251)**	**(2,714,676)**
Financial Position of parent entity at year end:		
Current assets	1,494,296	3,476,525
Non-current assets	9,938,172	8,443,574
Total assets	**11,432,468**	**11,920,099**
Current liabilities	354,563	790,000
Total liabilities	**354,563**	**790,000**
Total equity of the parent entity comprising of:		
Contributed equity	10,200,149	8,447,278
Share-based payment reserve	8,485,769	8,328,583
Accumulated losses	(7,608,013)	(5,645,762)
Total equity	**11,077,905**	**11,130,099**

23 Post-reporting date events

There have not been any events that have arisen between 31 December 2022 and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years, other than:

- The Company issued 4,000,000 options to Phillip Gallagher, Managing Director, as approved at the general meeting on 3 February 2023. These options were deemed to be granted on 15 August 2022 at commencement of Mr Gallagher's employment and have been brought to account in the Statement of Profit or Loss and Other Comprehensive Income for 31 December 2022 as a share-based payment (refer Note 9);
- The Company issued 13,696,763 shortfall shares arising from the Company's 2 for 5 pro rata non-renounceable entitlement offer to raise approximately $685,000 (before costs;
- The Company issued 2,136,752 to the vendors of the Kouroufaba Gold Project in relation to its second annual payment obligation of $200,000.

24 Commitments

The Group is required to meet minimum expenditure commitments in relation to its tenements and keep them in good standing. The exploration commitments shown below are the Group's estimated exploration expenditure on its tenements based on proposed work programs submitted to the government mining departments in Mali and Ivory Coast as at the date of this report. The commitments below exceed the minimum expenditure to keep the tenements in good standing and assume any currently pending tenement renewals are granted.

A total expense of $48,000 (2021: $48,000) was recognised during the period under a serviced office agreement. The serviced office agreement does not lead to the recognition of any right-of-use asset or associated lease liability because the serviced office agreement does not specify or effectively require an identified asset.

	2022 $	2021 $
Exploration commitments		
Due within 1 year	4,023,809	3,937,369
Due greater than 1 year and less than 5	3,319,318	8,014,886
Serviced office commitment		
Due within 1 year	48,000	48,000
Due greater than 1 year and less than 5	-	-
Total	**7,391,127**	**12,000,255**

25 Summary of significant accounting policies

25.1 Parent entity information

In accordance with *the Corporations Act 2001*, these financial statements present the results of the Group only, and information about the parent entity is disclosed in Note 22.

25.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2022. Subsidiaries are entities that are controlled by the Company. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with its subsidiaries and has the ability to affect those returns through its capacity to direct the activities of its subsidiaries.

Specifically, the Group controls a subsidiary if, and only if, the Group has:

- power over the subsidiary (i.e., existing rights that give it the current ability to direct the relevant activities of the subsidiary)

- exposure, or rights, to variable returns from its involvement with the subsidiary
- the ability to use its power over the subsidiary to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of a subsidiary, the Group considers all relevant facts and circumstances in assessing whether it has power over a subsidiary, including:

- the contractual arrangement(s) with the other vote holders of the subsidiary
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights

The consolidated entity re-assesses whether or not it controls an entity if facts and circumstances indicate that there is a change to the elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date the consolidated entity gains control until the date the consolidated entity ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries align to their accounting policies with the Group. All consolidated entity assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

25.3 Interest Income

Interest revenue is brought to account on an accruals basis using the effective interest rate method and, if not received at the end of the reporting period, is reflected in the statement of financial position as a receivable.

25.4 Trade and Other Payables

These amounts represent liabilities for amounts owing at the end of the reporting period. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade and other payables are initially recognised at fair value less transaction costs and subsequently carried at amortised cost.

25.5 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (‘ATO’) and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company’s forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full. Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

25.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

25.7 Equity

Share capital is recognised at the fair value of the consideration received. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

25.8 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

25.9 Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is either capitalised and accumulated in respect of each identifiable area of interest or expensed. The capitalised costs are only carried forward to the extent that they are valid exploration and evaluation expenditure in area of interests that have current tenement licenses belonging to the company and expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable resources and further work is intended to be performed. Accumulated costs in relation to an abandoned area will be written off in full against the profit and loss in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward capitalised costs in relation to that area of interest.

25.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

25.11 Share-based payment transactions

The Company may provide benefits to individuals acting as, and providing services similar to employees (including Directors) of the Company in the form of share-based payment transactions, whereby individuals render services in exchange for shares, options or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the value of the shares of the Company ('market conditions').

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at the balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at the grant date.

25.12 Employee entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. Liabilities arising in respect of wages and salaries, annual leave and other benefits due to be settled within twelve months of the reporting date are measured at rates which are expected to be paid when the liability is settled.

All other employee entitlement liabilities are measured at the present value of estimated payments to be made in respect of services rendered up to reporting date.

Contributions for other post-employment benefits to defined contribution plans are recognised in comprehensive income as incurred during the period in which employees render the related service.

25.13 Operating expenses

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

25.14 Financial instruments

i) Financial assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Other receivables

Other receivables, which generally have 30 day terms, are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method, less an allowance for any estimated shortfall in receipt. An estimate of any shortfall in receipt is made when there is an expectation of a loss. Bad debts are written off when identified.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss will be recognised through an allowance. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For other debt financial assets (i.e. cash on deposit at bank). The ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However. When there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Trade and other payables

Liabilities for creditors and other amounts are carried at amortised cost, which is the present value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity. The carrying period is dictated by market conditions but is generally less than 45 days.

Initial recognition and measurement

The Group's financial liabilities are classified, at initial recognition, as subsequently measured at amortised cost, at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value.

The Group's financial liabilities include trade and other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

The Group's financial liabilities are subsequently measured at amortised cost.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

25.15 Foreign currency transactions and balances

Transactions and balances

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the date of the transaction and foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction and non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss component of the statement of profit or loss and other comprehensive income, except where they are deferred in equity as a qualifying cash flow or net investment hedge.

Subsidiaries

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the exchange rate prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. Exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

25.16 Significant Estimates and Judgments

The Group has applied the following estimates and judgments pertaining to the financial report:

Share options

(i) Volatility of share price and risk-free rate

For the purposes of the Black Scholes models used in Note 9, the Company has estimated the volatility of its share price based on other companies considered to be comparable, being junior exploration companies listed on the ASX and with African gold assets.

Performance rights

For performance rights, the Group makes a judgment around whether performance conditions, linked to exploration and evaluation activities, are more than probable to be met at which point the value of the rights are recognised either in full or over any service period. This judgment is made based on management's knowledge of the performance condition and how the Group is tracking based on exploration and evaluation activities as at the report date and with reference to subsequent events.

Exploration and evaluation

The application of the Group's accounting policy requires judgement in determining whether it is likely that future economic benefits are likely either from future exploitation or where activities have not yet reached a stage which permits a reasonable assessment of the existence of reserves.

25.17 Loss per share

Earnings per share

(i) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

25.18 Capital management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group. Management is constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management considers that the total equity of the Group (contributed equity, reserves and retained earnings) is what it manages as capital.

25.19 New and amended accounting standards

The Directors have reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to the Group's operations and effective for annual reporting periods commencing on or after 1 January 2022.

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to accounting policies.

Future effects of the implementation of these standards will depend on future details.

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

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these financial statements. The Group has not elected to adopt any new Accounting Standards or Interpretations prior to their applicable date of implementation.

There are no standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of African Gold Ltd, I state that:

In the opinion of the Directors:

(a) the consolidated financial statements and accompanying notes for the year ended 31 December 2022 and are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of their performance for the period ended on that date; and

  (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and

(b) the financial statements and notes also comply with the International Financial Reporting Standards as disclosed in Note 2 and;

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial period ended 31 December 2022.

On behalf of the Board:

Mr Phillip Gallagher
Managing Director
Dated the 30 March 2023

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the members of African Gold Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of African Gold Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Carrying value of exploration and evaluation expenditure Refer to Note 12	
The Company has capitalised exploration and evaluation expenditure of $10,133,556 as at 31 December 2022. Our audit procedures determined that the carrying value of exploration and evaluation expenditure was a key audit matter as it was an area which required the most communication with those charged with governance and was determined to be of key importance to the users of the financial statements.	Our procedures included but were not limited to the following: - We obtained an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation expenditure; - We obtained evidence that the Company has current rights to tenure of its areas of interest; - We substantiated a sample of additions to exploration expenditure during the year; - We enquired with management and reviewed ASX announcements and minutes of Directors' meetings to ensure that the Company had not decided to discontinue exploration and evaluation at its areas of interest; and - We examined the disclosure made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's Annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of African Gold Ltd for the year ended 31 December 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
30 March 2023

D I Buckley
Partner

ADDITIONAL SHAREHOLDER INFORMATION

In accordance with ASX Listing Rule 4.10, the following information is provided as at 20 March 2023.

TOP 20 HOLDERS OF ORDINARY SHARES

RANK	NAME	UNITS	% OF ISSUED CAPITAL
1	Kingslane Pty Ltd <Cranston Super Pension A/C>	11,550,002	6.82
2	Kitara Investments Pty Ltd <Kumova Family A/C>	11,550,002	6.82
3	BNP Paribas Nominees Pty Ltd ACF Clearstream	11,088,837	6.55
4	BNP Paribas Noms Pty Ltd <DRP>	11,046,335	6.52
5	HSBC Custody Nominees (Australia) Limited	7,595,017	4.49
6	Mr Mohamed Niare	5,567,446	3.29
7	Mr Stanislas De Stabenrath	5,088,247	3.01
8	BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	4,834,203	2.86
9	Redstar Resources Limited	4,455,000	2.63
10	Kitara Investments Pty Ltd <Kumova Family A/C>	3,629,819	2.14
11	Mr Eric Kondo	2,580,769	1.52
12	Kobia Holdings Pty Ltd	2,520,000	1.49
13	Hunter Capital Advisors P/L	2,500,000	1.48
14	Citicorp Nominees Pty Limited	2,229,673	1.32
15	Mr Mark John Bahen & Mrs Margaret Patricia Bahen <MJ Bahen Super Fund A/C>	2,109,623	1.25
16	Inkese Pty Ltd	2,100,000	1.24
17	Mr Glen Warren Edwards	2,014,287	1.19
18	Symorgh Investments Pty Ltd <Symorgh A/C>	2,000,000	1.18
19	Evolution Capital Pty Ltd	2,000,000	1.18
20	Ms Caroline Davis	2,000,000	1.18
Total: Top 20 Holders of Ordinary Fully Paid Shares		**98,459,260**	**58.15**
Total Remaining Holders Balance		70,851,951	**41.85**

UNMARKETABLE PARCELS

There were 180 shareholders with less than a marketable parcel of shares, based on the closing price of $0.07.

ADDITIONAL SHAREHOLDER INFORMATION

RANGE OF SHARES

RANGE	TOTAL HOLDERS	UNITS	% OF ISSUED CAPITAL
1 - 1,000	36	6,859	0.00
1,001 - 5,000	107	332,229	0.20
5,001 - 10,000	87	684,344	0.40
10,001 - 100,000	215	8,645,402	5.11
100,001 Over	148	159,642,377	94.29
Total	**593**	**169,311,211**	**100**

SUBSTANTIAL HOLDERS

NAME	UNITS	% OF ISSUED CAPITAL
Kingslane Pty Ltd <Cranston Super Pension A/C>	11,550,002	6.82
Kitara Investments Pty Ltd <Kumova Family A/C>	11,550,002	6.82
BNP Paribas Nominees Pty Ltd ACF Clearstream	11,088,837	6.55
BNP Paribas Noms Pty Ltd <DRP>	11,046,335	6.52

UNQUOTED SECURITIES

CLASS	NUMBER
Unquoted Options exercisable at $0.20 each on or before 17 April 2023	34,150,000
Unquoted Options exercisable at $0.20 each on or before 22 April 2024	5,000,000
Unquoted Options exercisable at $0.30 each on or before 31 August 2024	8,000,000
Unquoted Options exercisable at $0.15 each on or before 3 February 2026	2,000,000
Unquoted Options exercisable at $0.20 each on or before 3 February 2026	2,000,000

The only entity that holds > 20% of the unquoted securities on issue is Kitara Investments Pty Ltd, which holds a total of 12,500,000 unquoted securities representing 24.44% of the total unquoted securities on issue.

VOTING RIGHTS / RESTRICTED SECURITIES / ON-MARKET BUY BACK

In accordance with the Company's constitution, on a show of hands every member presenting person or by proxy or attorney or duly appointed representative has one vote. On a poll every member present or by proxy or attorney or duly authorised representative has one vote for every fully paid share held.

The Company has no restricted securities.

There is currently no on-market buy back taking place.

ADDITIONAL SHAREHOLDER INFORMATION

COMPANY SECRETARY

Ms Oonagh Malone

REGISTERED OFFICE

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SHARE REGISTRY

Automic Registry Services

Level 5, 126 Phillip Street

Sydney NSW 2000

Phone (within Australia): 1300 288 664

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ADDITIONAL SHAREHOLDER INFORMATION

MINERAL TENEMENTS

TENEMENT NAME	LOCATION	% OF OWNERSHIP
Agboville	Côte d'Ivoire	100%
Sikensi	Côte d'Ivoire	100%
Azaguie	Côte d'Ivoire	Pending, 100%
Gomon	Côte d'Ivoire	Pending, 100%
Sitakili	Mali	100%
Walia	Mali	95%
Samanafoulou	Mali	100%
N'Golokasso	Mali	100%
Yatia Sud	Mali	100%
Bourdala	Mali	Up to 90% (subject to earn in agreement); ability for 100%
BouBou	Mali	Up to 90% (subject to earn in agreement); ability for 100%
Kofi Ouest	Mali	100%
Didievi	Côte d'Ivoire	Up to 80% (subject to earn in agreement)
Konahiri North	Côte d'Ivoire	Up to 80% (subject to earn in agreement)
Konahiri South	Côte d'Ivoire	Pending; up to 80% (subject to earn in agreement)
Koyekro	Côte d'Ivoire	Pending; up to 80% (subject to earn in agreement)

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