



# Financial Report

For half year ended 30 June 2020



# CONTENTS

Corporate directory	2
Directors' report	3
Auditor's independence declaration	6
Financial statements	7
Directors' declaration	18
Independent auditor's report	19

# CORPORATE DIRECTORY

---

## Directors

<b>Evan Cranston</b>	Executive Chairman
<b>Tolga Kumova</b>	Non-Executive Director
<b>Mathew O'Hara</b>	Non-Executive Director

## Company Secretary

**Oonagh Malone**

## Chief Executive Officer & Exploration Manager

**Glen Edwards**

## Contact Information

### Registered Office & Principal Place of Business

Suite 23, 513 Hay Street  
SUBIACO, WA 6008  
T: +61 8 6143 6749  
E: admin@african-gold.com  
W: www.african-gold.com

## Stock Exchange Listing

### Australian Securities Exchange (ASX)

ASX Code: A1G

## Australian Business Number

ABN 29 624 164 852

## Share Registry

### Computershare Investor Services Pty Limited

Level 11, 172 St Georges Terrace  
PERTH WA 6000  
Phone (within Australia): 1300 850 505  
Phone (International): +61 (0)3 9415 4000

## Auditor

### Grant Thornton Audit Pty Ltd

Level 43, Central Park  
152-158 St Georges Terrace  
PERTH, WA 6000

## Solicitor

### HWL Ebsworth Lawyers

Level 20, 240 St Georges Terrace  
PERTH, WA 6000

# DIRECTORS' REPORT

---

For the half year ended 30 June 2020

The Directors of African Gold Ltd ("African Gold" or "the Company") and its consolidated entities (collectively, the "Group") present their report together with the financial statements of the Group for the half year ended 30 June 2020.

## BOARD OF DIRECTORS

The Directors of the Company throughout the half year and to the date of this report are as follows:

### Executive Chairman

Evan Cranston

### Non-Executive Director

Tolga Kumova

### Non-Executive Director

Mathew O'Hara (appointed 1 April 2020)

### Executive Director

Stephen Parsons (resigned 1 April 2020)

## PRINCIPAL ACTIVITIES

African Gold is an exploration company focused on exploration and evaluation of mineral resources in West Africa. The principal activities of the Company are mining and mineral exploration. The nature of activities has been affected by local and international movement/travel restrictions related to the Covid-19 pandemic.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no changes in the state of affairs of the Company other than those outlined in the Review of Operations.

## OPERATING RESULTS

The loss after income tax incurred by the group for the six months ended 30 June 2020 was \$417,912 (30 June 2019: \$511,950).

Cash and cash equivalents at 30 June 2020 totalled \$620,371 (31 December 2019: \$1,627,845).

No dividends were declared or paid during the six months ended 30 June 2020 (2019: nil).

## REVIEW OF OPERATIONS

During the half year the Company:

- Conducted field work comprising mapping and sampling on its properties in Mali and Cote d'Ivoire. During May and June crews were confined to Abidjan and Bamako due to curfews/travel restrictions related to Covid-19.
- The Company announced on 30 January 2020 the grant of the highly prospective Yatia Sud Permit in the Kedougou-Kenieba Inlier (KKI) in west Mali. The permit abuts Algom Resources Tabakoto and Segala Mining Licences.

# DIRECTORS' REPORT

---

For the half year ended 30 June 2020

- The Company announced on 3 February 2020 results from a 1,980m RC drilling program conducted in late 2019 on the Sitakili Permit in the KKI in west Mali. The program returned a number of high-grade intercepts that are considered highly encouraging and will be follow-up when circumstances permit.
- The Company announced on 5 June 2020 results from the 1,554m RC and 3,050m AC drilling programs conducted in late 2019 on the Faleme Project area in the KKI area in west Mali. RC drilling returned a number of high-grade intercepts that will require follow-up. AC drilling resulted in the discovery of at least 3 new mineralized systems beneath thin laterite cover. Again these will be followed up when circumstances permit. At the same time the Company also announced positive infill gold-in-soil results from sampling program conducted on its Samanafoulou Permit in the KKI. The basement source of the 6km x 2km soil anomaly is presently unknown.
- The Company acquired an option on The Kofi Quest Permit. The permit lies immediately adjacent to A1G's Walia Permit and Barrick's Loulou Mining Licence in the KKI in west Mali. These permits straddle the regionally significant Senegal Mali Shear Zone. Mapping, sampling and drilling will commence as soon as circumstances permit.

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

In July 2020, the Group exercised the options in relation to the following tenements:

- BouBou Permit: US\$30,000 was paid to the vendor on 2 July 2020, following which the Group has 51% equity in the permit;
- Bourdala Permit: US\$50,000 was settled by the Company on 3 July 2020 via the issue of 735,294 ordinary shares in the Company to the vendor, following which the Group has 51% equity in the permit; and
- Diokeba Sud Permit: US\$30,000 was paid to the vendor on 2 July 2020, following which the Group has 51% equity in the permit.

In August 2020, 1,000,000 performance rights held by Mr Glen Edwards, Chief Executive Officer, vested on completion of 18 months of continuous employment with the Company, which resulted in 1,000,000 ordinary shares in the Company being issued to Mr Edwards on 24 August 2020.

Other than the above there have not been any events that have arisen between 30 June 2020 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.

## AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached to this Directors' Report.

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



Evan Cranston

Executive Chairman

Perth, WA - dated 7 September 2020

# DIRECTORS' REPORT

---

For the half year ended 30 June 2020

## COMPETENT PERSONS STATEMENT

Information in this report that relates to commencement of drilling is based on and fairly represents information and supporting documentation prepared by Mr Glen Edwards. Mr Edwards is a full-time employee of African Gold Ltd and is a member of the Australian Institute of Geoscientists (AIG) and Society of Economic Geologists (SEG). Mr Edwards has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activity which they are undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves". Mr Edwards has provided his prior written consent as to the form and context in which the Exploration Results and the supporting information are presented in this report.

## FORWARD LOOKING STATEMENT

Certain statements in this half year report constitute statements relating to intentions, future acts and events. Such statements are generally classified as "forward-looking statements" and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed herein. The Company gives no assurances that the anticipated results, performance or achievements expressed or implied in these forward-looking statements will be achieved.

## NOTES

1. Refer ASX announcement on the said date for full details of these exploration results. African Gold is not aware of any new information or data that materially affects the information included in the said announcement.

## Auditor's Independence Declaration

### To the Directors of African Gold Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of African Gold Limited for the half-year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



L A Stella  
Partner – Audit & Assurance

Perth, 7 September 2020

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2020

	Note	30 June 2020 \$	30 June 2019 \$
Accounting and audit		(76,859)	(59,963)
Consultants and contractors		(28,898)	(108,773)
Depreciation and amortisation		(920)	(532)
Employee benefits expense		(135,407)	(212,651)
Exploration expenditure		-	(26,641)
Listing and compliance		(12,765)	(1,462)
Net foreign exchange losses		(15,453)	(11,272)
Office rental & outgoings		(21,095)	(14,393)
Share based payments		(43,068)	(42,832)
Travel and accommodation		(25,715)	(24,102)
Other expenses		(95,903)	(36,871)
<b>Loss before income tax and finance income</b>		<b>(456,083)</b>	<b>(539,492)</b>
Other income		38,171	27,542
<b>Loss before income tax</b>		<b>(417,912)</b>	<b>(511,950)</b>
Income tax expense		-	-
<b>Loss for the period after tax</b>		<b>(417,912)</b>	<b>(511,950)</b>
<b>Other Comprehensive Loss for The Period</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
<b>Foreign currency translation reserve</b>			
Foreign currency translation differences – foreign operations	5.2	20,725	(6,545)
<b>Other comprehensive loss for the period, net of tax</b>		<b>20,725</b>	<b>(6,545)</b>
<b>Total comprehensive loss for the period</b>		<b>(397,187)</b>	<b>(518,495)</b>
<b>Loss per share attributable to equity holders of the Parent Company:</b>			
<b>Loss per share:</b>			
Basic and Diluted loss per share (cents per share)		(0.72)	(1.09)

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



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	30 June 2020 \$	31 December 2019 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash & cash equivalents		620,371	1,627,845
Trade and other receivables		59,934	54,682
Prepayments		27,824	79,499
<b>Total current assets</b>		<b>708,129</b>	<b>1,762,026</b>
<b>Non-current</b>			
Property, plant and equipment		1,316	2,236
Exploration and evaluation assets	4	4,717,373	4,390,255
<b>Total non-current assets</b>		<b>4,718,689</b>	<b>4,392,491</b>
<b>Total assets</b>		<b>5,426,818</b>	<b>6,154,517</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables		384,078	757,375
Provisions		22,490	22,773
<b>Total current liabilities</b>		<b>406,568</b>	<b>780,148</b>
<b>Total liabilities</b>		<b>406,568</b>	<b>780,148</b>
<b>Net assets</b>		<b>5,020,250</b>	<b>5,374,369</b>
<b>EQUITY</b>			
Share capital	5.1	1,138,992	1,138,992
Reserves	5.2	6,651,239	6,587,446
Accumulated losses		(2,769,981)	(2,352,069)
<b>Total equity</b>		<b>5,020,250</b>	<b>5,374,369</b>

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

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2020

	Note	Share capital	Other contributed equity	Reserves	Accumulated losses	Total equity
		\$	\$	\$	\$	\$
Balance at 1 January 2019		496,251	3,923,500	765,850	(1,368,575)	3,817,026
Loss for the period		-	-	-	(511,950)	(511,950)
Other comprehensive loss		-	-	(6,545)	-	(6,545)
Total comprehensive loss for the period		-	-	(6,545)	(511,950)	(518,495)
Issue of share capital	5.1	4,500,000	(3,923,500)	-	-	576,500
Share issue transaction costs		(1,477,346)	-	-	-	(1,477,346)
Options issue transaction costs		(4,509,913)	-	4,509,913	-	-
Issue of share capital for the acquisition of evaluation and exploration asset		1,680,000	-	-	-	1,680,000
Share-based payments expensed		-	-	1,267,950	-	1,267,950
Balance at 30 June 2019		688,992	-	6,537,168	(1,880,525)	5,345,635
Balance at 1 January 2020		1,138,992	-	6,587,446	(2,352,069)	5,374,369
Loss for the period		-	-	-	(417,912)	(417,912)
Other comprehensive loss		-	-	20,725	-	20,725
Total comprehensive loss for the period		-	-	20,725	(417,912)	(397,187)
Share-based payments expensed		-	-	43,068	-	43,068
Balance at 30 June 2020		1,138,992	-	6,651,239	(2,769,981)	5,020,250

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

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 30 June 2020

	Notes	30 June 2020 \$	30 June 2019 \$
<b>OPERATING ACTIVITIES</b>			
Payment to suppliers and employees		(349,270)	(450,199)
Payment for exploration and evaluation		-	(21,064)
Interest received		1,616	27,542
Other income		36,555	-
Net cash used in operating activities		<b>(311,099)</b>	<b>(443,721)</b>
<b>INVESTING ACTIVITIES</b>			
Payments for exploration and evaluation assets		(680,351)	(484,075)
Payments for property, plant and equipment		-	(3,701)
Payments for acquisition of mining tenement		(25,388)	-
Other deposit		-	(30,000)
Net cash used in investing activities		<b>(705,739)</b>	<b>(517,776)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from share and option issuances		-	4,500,975
Share issue transaction costs		-	(241,965)
Net cash inflow from financing activities		-	<b>4,259,010</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(1,016,838)</b>	<b>3,297,513</b>
Cash and cash equivalents at the beginning of the period		1,627,846	112,285
Effect of foreign exchange rate changes		9,363	(6,265)
<b>Cash and cash equivalents at the end of the period</b>		<b>620,371</b>	<b>3,403,533</b>

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2020

## 1 Corporate information

African Gold Ltd ('the Company' or 'African Gold') is a for-profit for the purpose of preparing the financial statements. The Company is incorporated and domiciled in Australia and listed on the Australian Securities Exchange on 14 February 2019. The condensed consolidated financial statements of the Company for the half year ended 30 June 2020 ("Half Year") comprise the Company and the entities it controlled ("Group").

The nature of the operations and principal activities of the Group is to conduct exploration and evaluation activities in Cote D'Ivoire and Mali.

The address of its registered office and its principal place of business Suite 23, 513 Hay Street, Subiaco WA 6008.

The condensed financial statements for the period six months ended 30 June 2020 were approved and authorised for issue by the Board of Directors on 7 September 2020.

## 2 Basis of presentation and statement of compliance

The interim financial statements for the Half Year have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim condensed consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2019 and any public announcements made by the Company during the Half Year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements.

### *Going concern*

At 30 June 2020, Group had cash and cash equivalents of \$620,371 (31 December 2019: \$1,627,845). The Group incurred a net loss of \$417,912 (30 June 2019: \$511,950) and had cash outflows from operating and investing activities of \$1,016,838 during the half year ended 30 June 2020 (30 June 2019: \$961,497). The ability of the Group to continue as a going concern is dependent upon the future successful raising of the necessary funding through disposal of assets, equity and/or debt and the successful exploitation of the Group's tenements.

The Directors believe it is appropriate to prepare the financial statements on a going concern basis because the Directors have appropriate plans to raise additional funds if required.

These financial statements have been prepared on the basis that the Group can meet its commitments as and when they fall due and can therefore continue normal business activities and the realisation of its assets and settlement of its liabilities can occur in the ordinary course of business.

In the event the Group is not able to achieve the above requirements, there is uncertainty whether the Group will continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in its financial report.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2020

## 3 New and amended accounting standards

The accounting policies adopted in the preparation of the interim financial statements are consistent with those applied in the preparation of the Company's annual financial statements for the year ended 31 December 2019.

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2020 affected any of the amounts recognised in the current period or any prior period.

The Company has adopted the new Conceptual Framework for Financial Reporting, which is applicable to annual reporting periods beginning on or after 1 January 2020. The adoption of this Conceptual Framework from 1 January 2020 has not led to any changes in accounting or disclosure for the Company, but the new Conceptual Framework may be referred to if accounting matters arise that are not addressed by accounting standards.

The Company has adopted the new definition of Material included in AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material, which is applicable to annual reporting periods beginning on or after 1 January 2020. The amendments provide a new definition of material which now extends materiality consideration to obscurity and clarify that materiality now depends on the nature or magnitude of information.

The Company has adopted the new definitions of Business and associated guidance in AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business, which is applicable to annual reporting periods beginning on or after 1 January 2020. The amendments clarify the minimum requirements for a business, narrowing the definition of business and of outputs, and also provide guidance to help entities assess whether an acquired process is substantive.

The Company has not elected to adopt any new Accounting Standards or Interpretations prior to their applicable date of implementation.

## 4 Exploration and evaluation asset

	Note	30 June 2020 \$	31 December 2019 \$
<b>Carrying amount at the beginning of the period</b>		<b>4,390,255</b>	-
Acquisition costs in purchase of Golden Ivoire SARL		-	1,803,354
Acquisition of Falémé Gold Project		-	325,874
Acquisition of Abra Resources Pty Ltd		-	736,167
Acquisition of Kofi Quest Permit		25,388	-
Amount capitalised during the period		263,860	1,524,860
Foreign exchange movement for the period		37,870	-
<b>Carrying amount at the end of the period</b>		<b>4,717,373</b>	<b>4,390,255</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2020

## 5 EQUITY

### 5.1 SHARE CAPITAL

	Number of Shares	\$
<b>At 31 December 2018</b>	<b>24,200,001</b>	<b>496,251</b>
Shares issued at initial Public Offering \$0.20 per share	22,500,000	4,500,000
Shares issued as part of the acquisition of Abra Resources Pty Ltd <sup>(1)</sup>	3,000,000	450,000
Shares issued as part of the acquisition of Golden Ivoire SARL <sup>(2)</sup>	8,400,000	1,680,000
Less cost of share issues <sup>(3,4,5)</sup>	-	(5,987,259)
<b>At 31 December 2019</b>	<b>58,100,001</b>	<b>1,138,992</b>
Movement for the period	-	-
<b>At 30 June 2020</b>	<b>58,100,001</b>	<b>1,138,992</b>

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) Represents the value of the Consideration Shares at the date of issue and are restricted for 6-12 months from the date of quotation.
- (2) 150,000 ordinary shares to the value of \$30,000 are restricted for 24 months from date of quotation, plus 8,250,000 Consideration Shares to the Vendors at a deemed issue price of \$0.20 per share amounting to \$1,650,000.
- (3) The Group has treated the value of the options issued to Directors \$4,509,913 as consideration for capital raising activities. A reconciliation of the total option issuance is as follows: \$5,261,565 total issuance less amounts issued to management and employees of \$751,652 which was not directly linked to capital raising activities of the Company and therefore expensed.
- (4) The Group has treated the value of the options issued to Advisors of \$1,224,143 in consideration for capital raising services provided during the Initial Public Offering as share issue transaction costs.
- (5) The total includes the above consideration in points 2 and 3 plus \$253,203 for costs associated with the Initial Public Offer which included brokerage fees, legal, accounting and administrative fees as well as printing, advertising and other expenses.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2020

## 5.2 RESERVES

The following table shows the movements in reserves during the year. The following table shows the movements in reserves during the period.

	Share based payments reserve \$	Foreign currency translation reserve \$	Total reserves \$
<b>Balance at 1 January 2019</b>	765,850	-	765,850
Foreign currency translation differences	-	192	192
<b>Total comprehensive gain</b>	-	<b>192</b>	<b>192</b>
<b>Transactions with owners in their capacity as owners:</b>			
Options issue transaction costs	4,509,913	-	4,509,913
Share Options	1,225,118	-	1,225,118
Performance Rights	86,373	-	86,373
<b>Balance at 31 December 2019</b>	<b>6,587,254</b>	<b>192</b>	<b>6,587,446</b>
Foreign currency translation differences	-	20,725	20,725
<b>Total comprehensive gain</b>	-	<b>20,725</b>	<b>20,725</b>
<b>Transactions with owners in their capacity as owners:</b>			
Performance Rights	43,068	-	43,068
<b>Balance at 30 June 2020</b>	<b>6,630,322</b>	<b>20,917</b>	<b>6,651,239</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2020

## 5.3 SHARE BASED PAYMENTS

During the half year ended 30 June 2020, the share based payment expense consisted of expensing a proportion of performance rights which were originally issued on 1 November 2018 and are being recognised as an expense on a straight-line basis over the vesting period. There were no other share based payments during the period.

During the half year ended 30 June 2019:

- 9,750,000 unlisted options were issued;
- 1,800,000 Shares issued on acquisition of subsidiary Golden Ivoire SARL.

Set out below is a summary of unlisted options and performance rights outstanding at 30 June 2020:

	Vested	Unvested	Issue Date	Expiry date	Exercise price (cents)	Fair value per unit at issue date (cents)	Total fair value at issue date \$
Unlisted Options	9,750,000	-	07/02/19	07/02/22	0.20	0.1257 <sup>(1)</sup>	1,225,118
Unlisted Options	35,000,000	-	20/03/18	31/3/23	0.20	0.1503 <sup>(1)</sup>	5,261,565
Performance Rights	-	2,000,000	01/11/18	2-4 years	N/A	0.10 <sup>(2)</sup>	200,000

(1) Valuation was determined using a Black Scholes 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). 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).

### Share Options on Issue

The Company has determined the fair value of its options awarded using the Black Scholes pricing model. There were no share options issued during the half year ended 30 June 2020. The following share options were issued during the six months ended 30 June 2019, alongside the key inputs utilised in the pricing model, including the Company's risk-free borrowing rate and volatility of the Company's shares.

9,750,000 unlisted options were issued to Advisors in consideration for capital raising services in connection with the Initial Public Offering:

Granted during the year	Grant date and Vesting date	Expiry date	Fair value of option at Grant date (\$)	Exercise price (Cents)	Risk free rate	Expected volatility	Value of options granted during the year (\$)
9,750,000	20/03/2018	07/02/22	0.12565	0.20	2.10%	100%	1,225,118
Less: option cash consideration received							(975)
Total:							1,224,143



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2020

## 6 Segment information

The Group reports two segment at the end of the Half Year:

- 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 Chief Executive Officer and Exploration Manager for the purposes of assessing performance and determining the allocation of resources.

	Mali \$	Cote d'Ivoire \$	Total \$
<b>Six months ended 30 June 2020</b>			
Segment results - Loss after income tax	(12,037)	(2,160)	<b>(14,197)</b>
Unallocated losses after income tax			<b>(403,715)</b>
Loss after income tax			<b>(417,912)</b>
<b>30 June 2020</b>			
Segment assets	2,197,155	2,595,684	<b>4,792,839</b>
Unallocated assets			633,979
Total assets			<b>5,426,818</b>
Segment liabilities	(62,497)	-	<b>(62,497)</b>
Unallocated liabilities			<b>(344,071)</b>
Total liabilities			<b>(406,568)</b>
<b>Six months ended 30 June 2019</b>			
Segment results - Loss after income tax	-	(26,335)	<b>(26,335)</b>
Unallocated losses after income tax			<b>(485,615)</b>
Loss after income tax			<b>(511,950)</b>
<b>30 June 2019</b>			
Segment assets	17,350	2,205,729	<b>2,223,079</b>
Unallocated assets			3,406,374
Total assets			<b>5,629,453</b>
Segment liabilities	-	-	<b>-</b>
Unallocated liabilities			<b>(283,818)</b>
Total liabilities			<b>(283,818)</b>

## 7 Contingent liabilities

### Falémé Gold Project

The Group has the option on or before 3 July 2021 to make additional cash payments totalling US\$170,000 to obtain a total 90% equity in the Falémé Gold Project. The decision to exercise the option and make the cash payments is contingent on the results from exploration activities to be undertaken on the project area.

### Kofi Quest Permit

The Group has the option on or before 12 June 2021 to make an additional cash payment of US\$30,000 after which it may elect to have the permit transferred to the Group for a further cash payment of US\$40,000. The decision to exercise these options and make the cash payments is contingent on the results from exploration activities to be undertaken on the project area.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2020

## 8 Commitments

The Group is required to complete exploration activities to the value of US\$250,000 (approx. A\$363,600 at 30 June 2020) to earn 55% equity in the Tintinba Nord permit. Due to COVID-19, exploration activities in relation to Tintinba Nord have been delayed and an agreement has been entered into to extend the earn-in period by a year. Therefore, the Group now has until 3 July 2021 to complete exploration activities to the value of US\$250,000 on the Tintinba Nord permit.

The Group is required to meet minimum expenditure commitments in relation to its tenements and keep them in good standing.

A total expense of \$12,000 (2019: nil) 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.

	30 June 2020 \$	31 December 2019 \$
<b>Exploration commitments</b>		
Due within 1 year	363,600	356,400
Due greater than 1 year and less than 5	-	-
<b>Serviced office commitment</b>		
Due within 1 year	48,000	-
Due greater than 1 year and less than 5	-	-
<b>Total</b>	<b>411,600</b>	<b>356,400</b>

## 9 Post-reporting date events

In July 2020, the Group exercised the options in relation to the following tenements:

- BouBou Permit: US\$30,000 was paid to the vendor on 2 July 2020, following which the Group has 51% equity in the permit;
- Bourdala Permit: US\$50,000 was settled by the Company on 3 July 2020 via the issue of 735,294 ordinary shares in the Company to the vendor, following which the Group has 51% equity in the permit; and
- Diokeba Sud Permit: US\$30,000 was paid to the vendor on 2 July 2020, following which the Group has 51% equity in the permit.

In August 2020, 1,000,000 performance rights held by Mr Glen Edwards, Chief Executive Officer, vested on completion of 18 months of continuous employment with the Company, which resulted in 1,000,000 ordinary shares in the Company being issued to Mr Edwards on 24 August 2020.

Other than the above there have not been any events that have arisen between 30 June 2020 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.

# DIRECTORS' DECLARATION

---

In the opinion of the Directors:

1. In the opinion of the Directors of African Gold Ltd:

- a The half year financial statements and notes of African Gold Ltd are in accordance with the *Corporations Act 2001*, including:
  - i Giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the half year ended on that date; and
  - ii Complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
- b There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board:



Evan Cranston  
Executive Chairman  
Dated 7 September 2020

# Independent Auditor's Report

## To the Members of African Gold Limited

### Report on the review of the half year financial report

#### Conclusion

We have reviewed the accompanying half year financial report of African Gold Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 30 June 2020, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of African Gold Limited does not give a true and fair view of the financial position of the Group as at 30 June 2020, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performance by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 (including Independence Standards) (the Code) that are relevant to audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of \$417,912 during the half year ended 30 June 2020, and as of that date, the Group's operating cash outflows from operating and investing activities amount to \$1,016,838. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

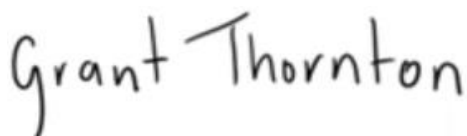
### Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year 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 half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of African Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



L A Stella  
Partner – Audit & Assurance

Perth, 7 September 2020

