



ACN 624 164 852

PROSPECTUS

This Prospectus is being issued for a non-renounceable pro-rata offer to Eligible Shareholders on the basis of 1 new Share for every 6 Shares held on the Record Date at an issue price of \$0.10 each to raise up to approximately \$997,254 (before costs) (the **Offer**).

The Offer closes at 5.00pm (AWST) on 21 December 2020.*

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

THE SHARES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

*The Company reserves the right, subject to the Corporations Act and Listing Rules to extend or shorten the Closing Date for the Offer.

Important information

This Prospectus is dated 27 November 2020 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 23, 513 Hay Street, Subiaco WA 6008 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.6).

The Shares offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Applications for Shares under the Offer can only be submitted on an Application Form sent with a copy of this Prospectus by the Company. The Application Form sets out an Eligible Shareholder's entitlement to participate in the Offer. If acceptance is by Electronic Funds Transfer (**EFT**) there is no need to return the original Application Form.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia and New Zealand. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4.

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements.

Definitions of certain terms used in this Prospectus are contained in Section 8. All references to currency are to Australian dollars and all references to time are to WST unless otherwise indicated. Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

Corporate directory

Directors

Evan Cranston	Executive Chairman
Tolga Kumova	Non-Executive Director
Mathew O'Hara	Non-Executive Director

Chief Executive Officer and Exploration Manager

Glen Edwards

Company Secretary

Oonagh Malone

Registered Office

Suite 23, 513 Hay Street
Subiaco, WA 6008

Telephone: +61 8 6143 6749
Email: admin@african-gold.com
Website: www.african-gold.com

ASX Code: A1G

Share Registry*

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth WA 6000

Tel (within Aus): 1300 850 505

Tel (outside Aus): +61 (03) 9415 4000

Lawyers

HWL Ebsworth Lawyers
Level 20, 240 St Georges Terrace
Perth, WA 6000

Underwriters

Kitara Investments Pty Ltd (being an entity controlled by Tolga Kumova) C/- DKP & Co Level 7, Suite 2 520 Collins Street Melbourne, VIC 3000	Konkera Holdings Pty Ltd (being an entity controlled by Evan Cranston) Suite 23 513 Hay Street Subiaco, WA 6008
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Auditors*

Grant Thornton Audit Pty Ltd
Level 43, Central Park
152-158 St Georges Terrace
Perth, WA 6000

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

Proposed timetable for the Offer

Event	Date
Lodgement of Appendix 3B with ASX	27 November 2020
Lodgement of Prospectus with ASIC Lodgement of Prospectus and announcement of Offer	27 November 2020
Shares quoted on an "EX" basis	2 December 2020
Record Date for determining Entitlements	3 December 2020
Prospectus and Application Form despatched to Eligible Shareholders and Company announces that this has occurred	8 December 2020
Despatch Notice of Meeting	16 December 2020
Last day to extend Closing Date for the Offer	16 December 2020
Closing Date of Offer (5pm AWST)*	21 December 2020
Shares quoted on a deferred settlement basis	22 December 2020
Announcement of results of Offer	23 December 2020
Anticipated date for issue of the new Shares under the Offer	30 December 2020
Anticipated date for commencement of new Shares trading on a normal settlement basis	31 December 2020
Anticipated date for the Company general meeting	18 January 2021
Anticipated date for issue of the Placement Shares and Consideration Shares Company lodges an Appendix 2A with ASX applying for quotation of the Placement Shares and Consideration Shares	19 January 2021
Anticipated date for commencement of Placement Shares and Consideration Shares trading on a normal settlement basis	20 January 2021

* All dates (other than the date of the Prospectus and the date of lodgement of the Prospectus with ASIC and ASX) are indicative only. The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares issued under the Offer are expected to commence trading on ASX may vary.

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Letter from the Chairperson

Dear Shareholder

On behalf of your Directors, I am pleased to invite you to participate in this non-renounceable pro-rata 1-for-6 entitlement offer at an issue price of \$0.10 per share to raise up to approximately \$997,254 (before costs) (**Offer**). Kitara Investments and Konkera Holdings, being entities controlled by Directors, Mr Tolga Kumova and Mr Evan Cranston respectively, have committed to separately underwrite the full amount to be raised under the Offer.

Under the Offer, Eligible Shareholders are entitled to subscribe for 1 new share for every 6 existing fully paid ordinary shares (**Shares**) in the Company held on the record date, being 5.00pm (AWST) on 2 December 2020 (**Record Date**). New Shares issued under the Offer will rank equally with existing Shares.

Concurrently with the Offer, the Company is progressing a proposed acquisition of up to 80% of the issued capital of Kouroufaba Gold Ltd Pty Ltd (**KGL**) by way of a staged acquisition (**Acquisition**). KGL is the owner of the Kouroufaba Gold Project. Shareholders should note that the Offer is not conditional on the Acquisition proceeding.

Proceeds from the Offer will be principally applied towards the Company's Existing Projects, the Kouroufaba Gold Project, costs of the Offer and general working capital. In the event the Acquisition does not proceed, the Company will apply the proceeds from the Offer to its Existing Projects, costs of the Offer and general working capital.

The Offer under this Prospectus is scheduled to close at **5.00pm (AWST) on 21 December 2020**. Eligible Shareholders wishing to participate in the Offer must apply for new Shares before this time in accordance with the instructions set out in Section 2 and on the Application Form accompanying this Prospectus.

The Company encourages participants in the Offer to apply for the new Shares by EFT as a matter of public safety, to avoid the handling of paper Application Forms and to overcome potential mail delays in light of the ongoing COVID-19 pandemic. Cheques and cash will not be accepted as a form of payment.

The Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable. The Board recommends that you take up your Entitlement after reading this Prospectus in its entirety including the risks outlined in Section 4.

The Prospectus includes further details of the Offer and the effect of the Offer on the Company, and a statement of the risks associated with investing in the Company. This is an important document and should be read in its entirety. If you have any doubts or questions in relation to the Prospectus you should consult your stockbroker, accountant, solicitor or other independent professional adviser to evaluate whether or not to participate in the Offer.

On behalf of the Board, I look forward to your continued support and on updating you on the Company's progress.

Yours faithfully



Evan Cranston
Executive Chairman

Investment overview

This Section is intended to highlight key information for potential investors. It is an overview only and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Shares.

Key Information	Further Information
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 5.4
<p>Risk factors</p> <p>Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <p>(a) Acquisition risk: The Company recently announced that it had entered into a binding terms sheet (Terms Sheet) to acquire up to 80% of the issued capital of KGL with the option to acquire the remaining 20% interest at completion of the Acquisition and upon a decision to mine being made in respect of the Kouroufaba Gold Project (New Project). Completion of the Terms Sheet remains subject to Shareholder approval and the Company exercising the option to acquire the initial interest in KGL. There can be no certainty that the conditions to exercise Stage 1 of the Acquisition will be satisfied.</p> <p>(b) Funding and future capital needs: Further funding will be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Further, if additional funds are raised by issuing equity securities, this may result in dilution for some or all of the Shareholders.</p> <p>(c) Exploration risks: Mineral exploration and development is a high risk undertaking. There can be no assurance that further exploration on the Projects will result in the discovery of an economic ore deposit or that it can be economically exploited.</p> <p>(d) General market risks: Share market conditions may affect the value of the Company's Securities regardless of the Company's operating performance. The Company is exposed to general market and economic condition risks including adverse changes in levels of economic activity, exchange rates, interest rates, commodity prices, government policies, employment rates and industrial disruption.</p> <p>(e) Coronavirus (COVID-19) risk: The global economic outlook is facing uncertainty due to the COVID-19 pandemic, which has had and will continue to have a significant impact on capital markets and share prices. The Share price may be adversely affected by the economic uncertainty caused by</p>	Section 4

Key Information	Further Information
COVID-19. Further, measures to limit the transmission of the virus implemented by governments in Australia and around the world (such as travel bans and quarantining) may adversely impact the Company's operations.	
Entitlement Offer <p>This Prospectus is for a non-renounceable entitlement issue of 1 new Share for every 6 existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.10 per new Share to raise up to approximately \$997,254 (before costs).</p>	Section 1.1
Eligible Shareholders <p>The Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"> (a) are the registered holder of Shares on the Record Date; and (b) have a registered address in Australia, or subject to the offer restrictions in Section 1.16, New Zealand. 	Sections 1.15 and 1.16
Underwriting <p>The Offer is fully underwritten by Directors, Evan Cranston and Tolga Kumova (approximately \$500,000 each). Any new Shares not subscribed for under the Offer will be subscribed for by Mr Cranston and Mr Kumova up to the value of approximately \$500,000 each.</p> <p>Mr Cranston and Mr Kumova (and any of their associates) will not hold more than 20% of the voting power of the Company on completion of the Offer.</p> <p>See Sections 1.2, 4.1(h) and 5.3 for further details.</p>	Sections 1.2, 4.1(h) and 5.3
Use of funds <p>Funds raised under the Offer are intended to be used towards the Existing Projects, the New Project, costs of the Offer and general working capital. In the event the Acquisition does not proceed, the Company will apply the proceeds from the Offer to its Existing Projects, costs of the Offer and general working capital.</p>	Section 1.5
Effect on control of the Company <p>The Company is of the view that the Offer will not affect the control of the Company as no investor or existing Shareholder will hold a voting power greater than 20% as a result of the Offer.</p> <p>Shareholders should note that if they do not participate in the Offer, their holdings will be diluted. Examples of how the dilution may impact Shareholders are set out in Section 1.9.</p>	Sections 1.7 and 1.9
Indicative capital structure and pro-forma balance sheet <p>The indicative capital structure upon completion of the Offer (assuming the Offer is fully subscribed and the Acquisition proceeds) is set out below:</p>	Sections 3.1 and 7

Key Information				Further Information
	Shares	Options ¹	Performance Rights	
Balance at the date of this Prospectus	59,835,295	44,750,000	1,000,000	
Maximum number of Shares to be issued under the Offer	9,972,549	-	-	
TOTAL	69,807,844	44,750,000	1,000,000	
Consideration Shares ³	4,000,000	-	-	
Placement Shares	17,000,000	-	-	
Underwriter Options ⁴	-	5,000,000	-	
TOTAL	90,807,844	49,750,000	1,000,000	
Notes: 1. Unquoted options with varying exercise periods and exercise prices. Refer to Section 3.1 for further details. 2. This number is subject to change due to rounding of Entitlements. 3. The issue of the Consideration Shares is subject to the receipt of Shareholder approval at the Meeting. 4. Unquoted options with an exercise price of \$0.20 and an expiry date three years from the date of issue. Refer to Section 5.2 for further details. The indicative pro-forma balance sheet showing the effect of the Offer is in Section 7.				

Key Information	Further Information																
<p>Directors' interests in Shares and Entitlements</p> <p>The relevant interest of each of the Directors in Shares as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:</p> <table><tr><th>Director</th><th>Existing Shares</th><th>Existing Options</th><th>Entitlement</th></tr><tr><td>Evan Cranston</td><td>1,858</td><td>0</td><td>310</td></tr><tr><td>Tolga Kumova</td><td>5,700,000</td><td>10,000,000</td><td>950,000</td></tr><tr><td>Mathew O'Hara</td><td>25,000</td><td>Nil</td><td>4,166</td></tr></table> <p>It is the intention of all Directors to take up all or part of their Entitlement specified above under the Offer. In addition, Evan Cranston and Tolga Kumova have agreed to underwrite for approximately \$500,000 each, bringing their subscription under the Offer up to \$500,000 each.</p>	Director	Existing Shares	Existing Options	Entitlement	Evan Cranston	1,858	0	310	Tolga Kumova	5,700,000	10,000,000	950,000	Mathew O'Hara	25,000	Nil	4,166	<p>Section 5.9(b)</p>
Director	Existing Shares	Existing Options	Entitlement														
Evan Cranston	1,858	0	310														
Tolga Kumova	5,700,000	10,000,000	950,000														
Mathew O'Hara	25,000	Nil	4,166														
<p>Forward looking statements</p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>	<p>Important Information and Section 4</p>																

1. Details of the Offer

1.1 Entitlement Offer

The Company is making a non-renounceable pro-rata offer of ordinary fully paid Shares at an issue price of \$0.10 each to Eligible Shareholders on the basis of 1 new Share for every 6 Shares held on the Record Date (**Offer**).

As at the date of this Prospectus, the Company has on issue 59,835,295 Shares and 44,750,000 Options.

The Offer is for approximately 9,972,549 Shares, to raise up to approximately \$997,254 (before costs), noting that the Record Date for the Offer will occur prior to the issue of the Placement Shares and Consideration Shares.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded up to the nearest whole Share.

Shares issued under the Offer will be issued as fully paid ordinary shares and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to the Shares offered under the Offer is in Section 5.1.

1.2 Underwriting

Kitara Investments Pty Ltd (**Kitara Investments**) and Konkera Holdings Pty Ltd (**Konkera Holdings**) are Underwriters to the Offer and have been appointed as the underwriters to underwrite the Offer up to a total of 9,972,549 Shares (**Underwritten Shares**) for up to a total value of up to \$997,254 (**Underwritten Amount**).

Any new Shares not subscribed for under the Offer will be subscribed for by the Underwriters pursuant to the underwriting agreement agreed between each of Kitara Investments and Konkera Holdings and the Company (**Underwriting Agreement**). Each of the Underwritten Shares to be issued to the Underwriters will be issued on the same terms and conditions of the new Shares being offered under the Offer (including the issue price).

In consideration for underwriting the Offer, the Underwriters will each receive an underwriting fee of 2,500,000 Options with an exercise price of \$0.20 and expiring on or before the date that is three years from the date of issue (**Underwriting Options**), subject to receiving Shareholder approval at the Company's upcoming Meeting.

The Underwriters are entities controlled by Tolga Kumova and Evan Cranston respectively, who are Directors of the Company. Subject to Shareholder approval, the Company is seeking approval so that Tolga Kumova and Evan Cranston may separately subscribe for up to 2,500,000 Placement Shares with a value of up to \$250,000 each as part of the Placement (**Director Placement**) set out in Section 1.4(b). Tolga Kumova and Evan Cranston have not provided the Company with binding intention statements to take up the Director Placement Shares. The Company understands that Tolga Kumova and Evan Cranston will consider the amount of Shortfall placed to them or their nominees respectively in their capacity as Underwriters, prior to determining how many Director Placement Shares they will ultimately subscribe for.

Further details of the appointment of the Underwriting is set out in Sections 4.1(h) and 5.3.

1.3 Acquisition of the New Project

As announced 27 November 2020, the Company entered into a binding terms sheet with Kouroufaba Gold Limited Pty Ltd (ACN 621 779 548) (**KGL**), Geo Resources SARL (**Geo Resources**), Gengold Resources Cote d'Ivoire and the shareholders of KGL (**Terms Sheet**) to acquire up to 80% of the issued capital of KGL from each of the shareholders of KGL (the **Vendors**) by way of a staged acquisition (**Acquisition**).

KGL is the ultimate parent entity of Geo Resources, the sole legal and beneficial owner of the Tenements that comprise the Kouroufaba Gold Project (**New Project**).

Upon completion of the Acquisition and upon a decision to mine being made in respect of the New Project, the Company will have the right but not the obligation to acquire the remaining 20% interest in KGL.

In consideration for the Acquisition, the Company has agreed to:

- (a) pay \$200,000 upon completion of due diligence; and
- (b) subject to Shareholder approval, issue 4,000,000 Shares in the Company to the Vendors on a pro-rata basis (**Consideration Shares**),

(together, the **Initial Payment**).

Subject to the Company making the Initial Payment, the Company will be granted an exclusive option to acquire 80% of the issued capital of KGL from the Vendors (**Earn-in Option**). To exercise the Earn-in Option, the Company must:

- (c) expend not less than \$5,000,000 of exploration expenditure in the five year period (**Acquisition Period**) commencing upon satisfaction of the Initial Payment (**Expenditure Requirement**);
- (d) either
 - (i) subject to future Shareholder approvals, issue Shares with the value of \$200,000 to the Vendors (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),(together, the **Annual Payment**); and
- (e) 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 New Project to the relevant royalty holder in respect of the relevant Tenement.

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 New Project, the Company will have the right, but not the obligation, to acquire the remaining 20% of KGL, 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.

The issue of the Consideration Shares is subject to the receipt of Shareholder approval, which will be sought at the Company's general meeting to be convened on or around 11 January 2021 (**Meeting**).

It is expected that the Placement Shares and Consideration Shares, subject to the completion of the Acquisition, will be issued after the Record Date and participants under these offers will not be eligible to participate in the Offer.

If the Acquisition is not approved by Shareholders at the upcoming Meeting to be convened shortly, or either party defaults in the performance of their respective obligations, it is unlikely that completion of the Acquisition will occur on the terms contemplated in the Terms Sheet.

As part of the Acquisition, it is contemplated that Mr Peter Williams and Mr Simon Bolster will join the board of the Company (**Proposed Directors**).

1.4 Placement

In **conjunction** with the Acquisition, the Company intends to undertake a two tranche placement to raise up to \$1,700,000 before costs through the issue of up to 17,000,000 Shares (**Placement Shares**) of:

- (a) **Tranche 1:** up to 8,975,294 Shares using its Listing Rule 7.1 capacity; and
- (b) **Tranche 2:** up to 8,024,706 Shares, comprising
 - (i) 2,074,706 Shares issued with Shareholder approval under Listing Rule 7.1; and
 - (ii) up to 5,950,000 Shares issued with Shareholder approval under Listing Rule 10.1 to Directors and Proposed Directors (**Director Placement**) as follows (**Director Placement Shares**):

Director	Director Placement
Evan Cranston	2,500,000
Tolga Kumova ¹	2,500,000
Mathew O'Hara	150,000
Proposed Directors	
Peter Williams	500,000
Simon Bolster	300,000
TOTAL	5,950,000

Note 1: The number of Shares to be issued to Mr Kumova will be subject to the Control Limit, set out below.

1.5 Use of funds

Completion of the Offer will result in an increase in cash at hand of approximately \$997,254 (before costs) (assuming the Offer is fully subscribed before the payment of costs).

The following indicative table sets out the proposed use of funds raised under the Placement and Offer respectively over the 12 month period following the completion of the Offer:

Proposed use	Placement (\$)	Offer (\$)	Existing capital (\$)	Total (\$)
Existing projects	550,000	250,000	-	800,000
The New Project	800,000	500,000	-	1,300,000
Working Capital and Costs of the Offers ¹	350,000	250,000	255,000	855,000
TOTAL	1,700,000	1,000,000	255,000	2,955,000

Notes:

1. Working capital includes but is not limited to corporate administration and operating costs and may be applied to additional Directors' fees or executive fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.
2. The above table sets out the proposed use of funds raised under the Offers only. It does not represent the total amount of budgeted expenditure for each line item. A proportion of the total budgeted amount for each line item has been allocated from the funds sought to be raised pursuant to the Offer.
3. Investors are cautioned that the Offer is not conditional on the successful completion of the Acquisition. In the event that the Acquisition does not proceed and the Offer completes, the Company's current intention is that the funds allocated to the New Project would be re-allocated towards the Existing Projects and working capital at the discretion of the Board. However, the Company notes that the issue of the Placement Shares and Consideration Shares is conditional on the successful completion of the Acquisition.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

The amounts and timing of the actual expenditures and investments may vary significantly and will depend on numerous factors including the success of exploration activities, access conditions, weather and any changes in the business and economic environment.

1.6 Opening and Closing Dates

The Company will accept Application Forms from the date it dispatches the Prospectus and Application Forms until 5:00pm (WST) on 21 December 2020 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules and the Underwriting Agreement (**Closing Date**).

1.7 Effect on control of the Company

The maximum total number of Shares proposed to be issued under the Offer is approximately 9,972,549, which will constitute 14.3% of the Shares on issue following completion of the Offer

(assuming no other Shares are issued prior to the Record Date and not including the dilution that will occur as a result of the issue of the Consideration Shares and Placement Shares).

Section 606(1) of the Corporations Act prohibits a person, unless an exception applies, from increasing their voting power in the Company:

- (a) from 20% or below to above 20%; or
- (b) from a starting point of above 20% and below 90%.

One of the exceptions to section 606(1) is where that increase occurs as a result of an issue under a disclosure document to an underwriter or sub-underwriter to the issue.

No nominee has been appointed for Ineligible Foreign Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement, they must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 as a result of acceptance of their Entitlement should seek professional advice before completing and returning their Application Form.

The Company is of the view that the Offer will not affect the Control (as defined by section 50AA of the Corporations Act) of the Company and that no investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer.

As at the date of this Prospectus, aside from Mr Peter Williams, who indirectly holds 200,000 Shares in the Company, the Vendors do not currently hold any Shares in the Company. It is noted that the Vendors comprise 8 shareholders of KGL, each of which has warranted to the Company that it is not associated with any of the other Vendors.

The indicative shareholdings of the Vendors (or their respective nominees) following completion of the Acquisition, subject to rounding and assuming Shareholders approve the relevant resolutions at the Meeting to be convened shortly and no further Securities are issued or exercised, will be as follows:

Party	Total Number of Existing Shares	Total number of Shares issued	Total number of Shares post-Acquisition	% of shareholding
Vendors	200,000 ¹	4,000,000 ²	4,200,000	4.6

Notes:

- 1. Held by Torr Family Pty Ltd, an entity controlled by Mr Peter Williams.
- 2. Comprising of 4,000,000 Consideration Shares upon completion of the Acquisition.
- 3. The table above assumes that the maximum number Offer Shares, Placement Shares and Consideration Shares are issued.

In the event that the Acquisition does not proceed, the Vendors (or their respective nominees) will not hold any Shares in the Company, save for the Shares indirectly held by Mr Peter Williams.

The Underwriters' maximum potential relevant interest in Shares and voting power in the Company under several scenarios are set out in the table below and are based on the assumptions that:

- (a) no further Shares are issued;
- (b) the Underwriters take up their full Entitlements; and
- (c) the Underwriters take up any available Underwritten Shares on a 50 / 50 basis.

	Total Underwriter Shares (Evan Cranston)	Total Underwriter Shares (Tolga Kumova)	Total Shares On Issue	Total Underwriter voting power (Evan Cranston) %	Total Underwriter voting power (Tolga Kumova) %
Date of Prospectus	1,858	5,700,000	59,835,295	0.0	9.5
Fully subscribed	2,168	6,650,000	69,807,844	0.0	9.5
75% subscribed	1,248,736	7,896,569	69,807,844	1.8	11.3
50% subscribed	2,495,305	9,143,137	69,807,844	3.6	13.1
25% subscribed	3,741,874	10,389,706	69,807,844	5.4	14.9
Underwriters subscribe only	4,513,287	11,161,120	69,807,844	6.5	16.0

1.8 Substantial Shareholders

Based on available information as at the date of this Prospectus, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	Number of Shares	Number of Options	Voting power
Redstar Resources Limited	4,455,000	0	7.4
Kingslane Pty Ltd <Cranston Super Pension A/C> ¹	5,500,000	10,000,000 ⁽²⁾	9.2
Tolga Kumova ³	5,700,000	10,000,000	9.5

Notes:

1. Kingslane Pty Ltd <Cranston Super Pension A/C> and associated entities (**Kingslane**) is an entity controlled by the parents of Executive Chairman, Mr Evan Cranston.
2. Kingslane holds 10,000,000 unquoted Options exercisable at \$0.20 each on or 17 April 2023.

3. Mr Kumova's Securities are held as follows:

- (a) 5,650,000 Shares held indirectly through Kitara Investments Pty Ltd as trustees for the Kumova Family A/C, of which Mr Kumova is a director and shareholder;
- (b) 50,000 Shares held indirectly through Gondwana Investments Group Pty Ltd <Kumova Family Super Fund>; and
- (c) 10,000,000 unquoted Options exercisable at \$0.20 each on or before 17 April 2023.

Mr Tolga Kumova and Kingslane have advised the Company that they intend to take up their full Entitlement. Redstar Resources Limited is not an Eligible Shareholder and is not entitled to participate in the Offer.

1.9 Potential dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution from the Offer may impact Shareholders are set out in the table below, noting that the below table does not include dilution resulting from the issue of the Placement Shares and Consideration Shares:

Holder	Holding as at Record Date	% at Record Date	Entitlement under the Offers	Holdings if Offer not taken up	% post Offer
Shareholder 1	3,000,000	5.0	500,000	3,000,000	4.3
Shareholder 2	2,500,000	4.2	416,667	2,500,000	3.6
Shareholder 3	2,000,000	3.3	333,333	2,000,000	2.9
Shareholder 4	1,500,000	2.5	250,000	1,500,000	2.1
Shareholder 5	1,000,000	1.7	166,667	1,000,000	1.4

Notes:

- The table assumes that no Shares are issued other than those offered under the Offer.
- The dilution effect shown in the table is the maximum percentage of dilution on the assumption that the Offer is fully subscribed and no Options are exercised prior to the record date. If the Offer is not fully subscribed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

The below table sets out that additional dilution that will occur subject to the Acquisition proceeding, on the assumption that no Shares are issued other than the Consideration Shares, Placement Shares and Offer Shares.

Holder	Holding as at Record Date	% at Record Date	Entitlement under the Offer	Holdings if Offer not taken up	% post Offer
Shareholder 1	3,000,000	5.0	500,000	3,000,000	3.3
Shareholder 2	2,500,000	4.2	416,667	2,500,000	2.8
Shareholder 3	2,000,000	3.3	333,333	2,000,000	2.2

Holder	Holding as at Record Date	% at Record Date	Entitlement under the Offer	Holdings if Offer not taken up	% post Offer
Shareholder 4	1,500,000	2.5	250,000	1,500,000	1.7
Shareholder 5	1,000,000	1.7	166,667	1,000,000	1.1

Notes:

1. The table assumes that no Options are converted into Shares.
2. The dilution effect shown in the table is the maximum percentage of dilution on the assumption that that no Options are exercised prior to the record date.

1.10 No rights trading

The rights to Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement by the Closing Date, the offer to you will lapse.

1.11 Issue Date and dispatch

All Shares under the Offer are expected to be issued on or before the date specified in the proposed Timetable in this Prospectus.

Security holder statements will be dispatched at the end of the calendar month following the issue of the Shares under the Offer.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements do so at their own risk.

1.12 Application Monies held on trust

All Application Monies received for the Shares under the Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

1.13 ASX quotation

Application has been or will be made for the official quotation of the Shares offered by this Prospectus. If permission is not granted by ASX for the official quotation of the Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.14 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares, including a notice to exercise the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by Computershare Investor Services and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.15 Ineligible Foreign Shareholders

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares under the Offer.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Company believes that it is unreasonable to extend the Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the Shares that would be offered to those Shareholders; and
- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, Ineligible Foreign Shareholders will not be entitled to participate in the Offer.

1.16 New Zealand offer restrictions

The Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the *Financial Markets Conduct Act 2013* (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

1.17 Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its

beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

1.18 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

1.19 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

1.20 Major activities and financial information

A summary of the major activities and financial information relating to the Company, for the year ended 31 December 2019, can be found in the Company's Annual Report announced on ASX on 31 March 2020 and, for the half-year ended 30 June 2020, the Half Year Accounts announced on ASX on 7 September 2020. The Company's continuous disclosure notices (i.e. ASX announcements) since 31 March 2020 are listed in Section 5.6. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

1.21 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's Shareholding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Acceptance or Application (as applicable).

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2. Action required by Shareholders

2.1 Action in relation to the Offer

The Company will send this Prospectus, together with a personalised Application Form, to all Eligible Shareholders.

Should you wish to acquire new Shares as part of the Offer, you may either take up all of your Entitlement (refer to Section 2.2) or part of your Entitlement (refer to Section 2.3) as shown on the accompanying personalised Application Form.

Applicants are encouraged to apply via EFT.

If you do not wish to take up any of your Entitlement to new Shares, you may allow your Entitlement to lapse (refer to Section 2.4).

2.2 Acceptance of Entitlement in full

If you wish to take up all of your Entitlement, you are required to make payment via EFT by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment is due by no later than 5.00pm (AWST) on 21 December 2020.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

When paying by EFT, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through EFT by the Closing Date.

2.3 If you wish to take up only part of your Entitlement

If you only wish to take up part of your Entitlement under the Offer you are required to make payment via EFT by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment is due by no later than 5.00pm (AWST) on 21 December 2020.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

When paying via EFT, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through EFT by the Closing Date.

2.4 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement.

2.5 Application Form

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Acceptance as valid and how to construe, amend or complete the Application Form, is final.

The Company will send this Prospectus, together with an Application Form, to all Eligible Shareholders.

By completing and returning your Application Form with the requisite Application Monies, or making a payment via EFT, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Shares to be issued to you, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (e) declare that you are the current registered holder of Shares as at the Record Date and have a registered address in Australia, or subject to the offer restrictions in Section 1.16, New Zealand;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

2.6 Enquiries concerning your Entitlement

For all enquiries concerning the Prospectus, please contact the Company on +61 8 6143 6749.

3. Effect of the Offer

3.1 Capital structure on completion of the Offer and Acquisition

	Shares	Options	Performance Rights
Balance at the date of this Prospectus	59,835,295	44,750,000 ¹	1,000,000

Maximum number of Shares to be issued under the Offer ²	9,972,549	-	-
TOTAL³	69,807,844	44,750,000	1,000,000
Consideration Shares ⁴	4,000,000	-	-
Placement Shares ⁵	17,000,000	-	-
Underwriter Options ⁶	-	5,000,000	-
TOTAL⁶	90,807,844	49,750,000	1,000,000

Notes:

1. 44,750,000 unquoted Options comprising:
 - a. 9,750,000 Options exercisable at \$0.20 each on or before 7 February 2022; and
 - b. 35,000,000 Options exercisable at \$0.20 each on or before 17 April 2023.
2. Up to 9,972,549 Shares issued under the Offer.
3. Subject to rounding and assuming the Offer is fully subscribed, and no further Equity Securities are issued, exercised or converted to Shares.
4. 4,000,000 Consideration Shares issued to the Vendors (or their respective nominees). The issue of the Consideration Shares is subject to the receipt of Shareholder approval at the Meeting.
5. The Company intends to undertake a Placement to occur prior to the completion of the Acquisition comprising of the issue of up to 17,000,000 Shares at an issue price of \$0.10. The Placement Shares (including the Shares issued under the Director Placement) are subject to the receipt of Shareholder approval at the Meeting.
6. 5,000,000 Underwriter Options to be issued to the Underwriters in consideration for acting as Underwriter to the Offer on the terms set out in Section 5.2.

3.2 Effect of the Offer on the Company's financial position

To illustrate the effect of the Offer on the financial position of the Company, set out in Section 7 is the reviewed statement of financial position of the Company and the unaudited pro forma statement of financial position, both as at 30 June 2020 (**Balance Date**). Each has been prepared on the basis of the accounting policies normally adopted by the Company.

The unaudited pro forma statement of financial position has been prepared on the basis of the following assumptions:

- (a) as if the Offer were effective at Balance Date;
- (b) no further Shares are issued other than under the Offer;
- (c) take up of the Offer, assuming full subscription is received;
- (d) the costs of the Offer are approximately \$25,387 (see Section 5.12); and
- (e) completion of the Acquisition and Placement (see Section 1.3).

The unaudited pro forma statement of financial position has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The unaudited pro forma statement of financial position has been prepared on the basis that the assets and liabilities of the Company have not been subject to any material change between 30 June 2020 and the completion of the Offer except for movements in working capital resulting from transactions and expenditures incurred in the normal course of business including corporate costs and exploration activities.

Other than as specified above and in the ordinary course of business, there have been no other material transactions between 30 June 2020 and the date of this Prospectus.

3.3 Market price of Shares

The highest and lowest closing market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Lowest: \$0.140 on 3, 4, 7, 9 - 11 and 14 - 16 September 2020

Highest: \$0.175 on 30 October 2020

The latest closing market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.15 per Share on 26 November 2020.

4. Risk Factors

Activities in the Company and its controlled entity, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entity have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

4.1 Risks specific to the Company

(a) Limited history

The Company was incorporated on 1 February 2018 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Existing Projects or the New Project. Until the Company is able to realise value from these Projects, it is likely to incur operational losses.

(b) Acquisition risk

On 27 November 2020, the Company announced that it had entered into a Terms Sheet to acquire up to 80% of the issued capital of KGL from the Vendors (or their respective

nominees), with an option to acquire the remaining 20% interest upon completion of the Acquisition and a decision to mine being made in respect of the New Project. KGL is the ultimate parent entity of Geo Resources, the sole legal and beneficial owner of the Tenements that comprise the New Project, located within Cote d'Ivoire, West Africa.

Completion of the Acquisition remains subject to the Company completing due diligence and exercising the Earn-in Option under the Terms Sheet.

In addition, the Company will also procure and execute 4 separate Royalty Deeds in respect of each relevant Tenement, to grant a royalty of up to 2% of the proceeds from the production of the New Projects.

If the Acquisition is not approved by Shareholders at the upcoming Meeting, or either party defaults in the performance of their respective obligations, completion of the Acquisition may not occur.

(c) Exploration costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(d) Funding and future capital needs

As at the date of this Prospectus, the Company has no income producing assets and will generate losses for the foreseeable future. Until it is able to develop a project and generate appropriate cash flow, it is dependent upon being able to obtain future equity debt funding to support long term exploration (including exploration associated with the Acquisition), after the expenditure of the net proceeds raised under the Offer. Further funding will be required by the Company to support its ongoing activities and operations and in order to proceed with the Acquisition. There can be no assurance that such funding will be available on satisfactory terms or at all. Further, if additional funds are raised by issuing equity securities, this may result in dilution for some or all of the Shareholders.

Neither the Company nor any of the Directors or any other party can provide any guarantee or assurance that if further funding is required, such funding can be raised on terms favourable to the Company.

Any additional equity funding will dilute existing Shareholders.

Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate cash flow. As such, a project would be dependent on many factors, for example exploration success, subsequent mine development, commissioning and operational performance.

(e) Dilution risk

Upon implementation of the Offer, assuming all Entitlements are accepted and no existing Options are exercised prior to the Record Date, the number of Shares in the Company will increase from 59,835,295 currently on issue to 69,807,844 upon completion of the Offer and further increase to 90,807,844 upon completion of the Acquisition and issue of the Placement Shares and Consideration Shares. This means

that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offers being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.15 (26 November 2020) is not a reliable indicator as to the potential trading price of Shares after implementation of the Offers.

(f) Due Diligence and completion

The Company and its advisers are undertaking pre-acquisition due diligence on KGL and the Projects. KGL was incorporated on 19 September 2017. While the Company has obtained warranties from KGL under the Terms Sheet with respect to information provided by KGL, there is a risk that the due diligence conducted has not identified, or will not identify, issues that are material to the decision by the Company to acquire KGL. A material adverse issue which was not identified prior to the Company's acquisition of KGL could have an adverse impact on the financial performance or operations of the relevant businesses and may have a material adverse effect on the Company. Similarly, there is a risk that a material adverse issue may be identified prior to the Company completing due diligence and exercising the Earn-in Option under the Terms Sheet, which could result in the Acquisition not proceeding.

(g) New projects and acquisitions

The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company. If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(h) Underwriting Risk

The Company has entered into Underwriting Agreements under which the Underwriters have agreed to fully underwrite the Offer, subject to the terms and conditions of the Underwriting Agreements. If certain conditions are not satisfied or certain events occur, the Underwriters may terminate the Underwriting Agreements. Termination of the Underwriting Agreements may have a material adverse impact on the proceeds raised under the Offer. Termination of the Underwriting Agreements could materially adversely affect the Company's business, cash flow, financial condition and results. See Section 5.3 for further details of the Underwriting Agreements.

4.2 Risks specific to doing business in Cote D'Ivoire and Mali

(a) Risks associated with operating in West Africa

The Existing Projects lie within the West African countries of Côte d'Ivoire and Mali and the Company will be subject to the risks associated with operating there. Such risks can include economic, social or political instability or change, disease outbreak, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local residents or contractors or require other benefits to be provided to local residents.

In addition, changes to exploration, mining or investment policies and legislation or a shift in political attitude in the jurisdictions in which the Company operates may adversely affect the Company's proposed operations and profitability. The Company may also be required by local authorities to invest in social projects for the benefit of the local community. Additional social expenditures in the future may have a negative impact on the Company's profitability.

(b) Legal system

The legal systems of Côte d'Ivoire and Mali are less developed than those in more established countries and this could result in the following risks:

- (i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- (ii) a higher degree of discretion held by various government officials or agencies;
- (iii) the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
- (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (v) relative inexperience of the judiciary and courts in matters affecting the Company.

The commitment from local business people, government officials and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that the Company will not be adversely affected by the actions of the government authorities or others. As such, the effectiveness and enforcement of such arrangements cannot be assured.

(c) Enforcing liabilities against assets outside of Australia may be difficult

The majority of the Company's assets are located outside Australia. As a result, it may be difficult to enforce judgments obtained in Australian courts against those assets. In addition, there is uncertainty as to whether the courts of Côte d'Ivoire, Mali or any other jurisdictions in which the Company operates would recognise or enforce judgments of Australian courts obtained against the Company based on provisions of the laws of Australia. Furthermore, because the majority of the Company's assets are or will be located outside Australia, it may also be difficult to access those assets to satisfy an

award entered against the Company in Australia. As a result of all of the above, Shareholders may have more difficulty in protecting their interests in the face of actions taken by management, the Board or controlling Shareholders than they would as shareholders of a company with assets in Australia.

4.3 Mining Industry Risks

(a) **Title**

The exploration licences in which the Company has now, or may, in the future, acquire an interest, including its applications for permits, are subject to the applicable local laws and regulations. The ownership of mineral exploration licences in Côte d'Ivoire and Mali are governed primarily by the relevant Mining Codes. Although the Company has taken steps to verify the title to the resource properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or other stakeholder rights.

All of the tenements in which the Company has an interest will be subject to application for licences renewal from time to time. Renewal of the term of each licence is subject to applicable legislation. There is no guarantee that any licences, applications or conversions in which the Company has a current or potential interest will be granted. If the licence is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that licence.

(b) **Exploration and development risks**

Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the Company's tenements will result in the discovery of an economic resource deposit. Even if an apparently viable deposit is identified there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the case reserves of the Company and possible relinquishment of the tenements.

(c) **Operating risk**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenements, or any other tenements that may be acquired by the Company in the future. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(d) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(e) **Payment obligations**

The Company will become subject to payment and other obligations. In particular, holders are required to expend the funds necessary to meet the minimum work commitments attaching to the Projects. Failure to meet these work commitments may render the Projects subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in the Projects.

(f) **Metals and currency price volatility**

The Company's ability to proceed with the development of its projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of gold and base metals. Consequently, any future earnings are likely to be closely related to the price of this commodity and the terms of any off-take agreements that the Company enters into.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for gold and base metals that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Mineral prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Metals are principally sold throughout the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

(g) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition, including major mineral exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(h) **Land access risk**

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land for exploration purposes can be affected by small non-mechanised mining operations or land ownership, including registered and unregistered land interests and regulatory requirements within the jurisdiction where the Company operates.

(i) **Third party risks**

The Company acknowledges that exploration success may result in extended work programs on the Tenements that may require further third party consents and/or compliance with compensation obligations with respect to the private landholders, underlying petroleum tenure, native title processes and pastoralist activities. As part of the process of submitting a program of works for any ground disturbing activities, pastoralists and other third parties will be notified and the Company will work to minimise disturbance in relation to the proposed activities in accordance with applicable law. The Directors acknowledge that delays may be caused to commencement of exploration programs.

(j) **Environmental risk**

As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws. The costs and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Activities on the Company's tenements must comply with the conditions of their respective environmental authorities. The Company may be required to obtain further approvals from the relevant authorities before it can undertake particular activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities.

Environmental issues may compromise the exploration and development of the Company's tenements.

(k) **Licences, permits and approvals**

The Company holds all material authorisations required to undertake the current exploration programs of the Company. However, many of the mineral rights and interests to be held by the Company are subject to the need for ongoing or new government

approvals, licences and permits. These requirements, including work permits and environmental approvals, will change as the Company's operations develop. Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.

(l) **Reliance on key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel.

There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(m) **Conflicts of interest**

Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company. Although these Directors have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.

4.4 **General Risks**

(a) **Securities investments**

There are risks associated with any securities investment. The prices at which the securities of the Company trade may fluctuate in response to a number of factors. Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the securities of the Company regardless of its operational performance.

(b) **Economic risks**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential exploration and development programs, as well as on its ability to fund those activities.

As with any exploration or mining project, the economics are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for minerals, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of the Company to commodity price and exchange rate risks.

(c) **Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive

activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(d) **Market conditions**

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) currency fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to Shareholders.

(e) **Coronavirus disease**

The outbreak of coronavirus disease (COVID-19) is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets and share prices.

The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further, any measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations.

(f) **Climate change risks**

There are a number of climate-related factors that may affect the Company's business or its assets, including its tenements. For instance:

- (i) climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access and utilise its tenements and/or on the Company's ability to transport or sell mineral commodities; and
- (ii) changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy or the value of its

assets (including its tenements), or may result in less favourable pricing for mineral commodities, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

(g) Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.

(h) Government and legal risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect the Existing Projects. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its projects. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(i) Litigation

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(j) Insurance

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be available or of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

4.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

5. Additional Information

5.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meeting and notices

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Ranking of Shares

At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

(c) Voting rights

Subject to any rights or restrictions, at general meetings of Shareholders or classes of shareholders:

- (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder, has one vote for every fully paid Share held and a fraction of one vote for each partly paid up Share held, equal to the proportion which the amount paid up on that Share (excluding amounts credited) is to the total amounts paid up and payable (excluding amounts credited) on that Share.

(d) Dividend rights

Subject to the rights of the holders of any shares with special rights to dividends, the Directors may determine or declare a dividend to be paid to the Shareholders entitled to

the dividend which shall be payable on all Shares according to the proportion that the amount paid is of the total amounts paid and payable in respect of such Shares.

No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend. The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(e) Variation of rights

If at any time the share capital is divided into different classes of shares, the rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares in that class.

(f) Transfer of Shares

Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien. The Company must refuse to register a transfer of Shares where the Corporations Act, Listing Rules or ASX Settlement Operating Rules or a law about stamp duty requires the Company to do so.

(g) Future increase in capital

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

(h) Unmarketable parcels

The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

(i) Rights on winding up

If the Company is wound up, the liquidator may with the sanction of special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(j) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.2 **Terms and conditions of the Underwriting Options**

The terms and conditions of the Underwriting Options (for the purpose of this Section 5.2, referred to as the "Options") are as follows:

(a) **Entitlement**

Each Option entitles the holder (**Optionholder**) to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon exercise of the Option.

(b) **Issue Price**

The Options are free-attaching and have a nil issue price.

(c) **Exercise Price and Expiry Date**

Each Option has an exercise price of \$0.20 and will expire three years after the date of issue (**Expiry Date**).

Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time and from time to time on or prior to the Expiry Date.

(e) **Quotation of the Options**

The Company will not apply for quotation of the Options on ASX.

(f) **Transferability of the Options**

The Options will be transferable with the Board's consent and subject to compliance with the Corporations Act and Listing Rules.

(g) **Notice of Exercise**

The Options may be exercised by notice in writing to the Company in a form reasonably acceptable to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

The Optionholder agrees not to exercise an Option if the effect of doing so would be to increase Optionholder's relevant interest in the Company from below 20% to 20% or greater. In the event the Optionholder wishes to exercise an Option in such

circumstances, it must provide notice to the Company that of that intention (**20% Notice**). Upon receipt of a 20% Notice, the Company must use its reasonable endeavours to seek Shareholder approval under item 7 section 611 of the Corporations Act to allow for the exercise of the Options in a timely manner.

(h) **Shares Issued on Exercise**

Shares issued on exercise of the Options rank equally with the then Shares of the Company.

(i) **Timing of Issue of Shares**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, the Company will:
 - (iii) issue the Shares specified in the Notice of Exercise;
 - (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent required); and
 - (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If the Company is unable to deliver a notice under paragraph (d) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Shares issued on exercise of the Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

(j) **Change of control**

A change of control occurs where:

- (i) a person or entity becomes a legal or beneficial owner of 50% or more of the issued capital of the Company; or
- (ii) a person or entity becomes entitled to, acquires, holds or has an equitable interest in more than 50% of the issued capital of the Company.

On the occurrence of a Change of Control Event, the Board will determine in its sole and absolute discretion, how unvested Options will be dealt with.

(k) **Adjustments for Reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholders will be varied in accordance with the Listing Rules.

(l) **Participation in New Issues**

There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) **Adjustment for Bonus Issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment).

5.3 Underwriting

(a) **Underwriting Agreements**

Directors, Evan Cranston and Tolga Kumova have agreed to fully underwrite the Offer up to approximately \$500,000 each, being up to 4,986,275 Shares each (**Committed Amount**). The Committed Amount includes Mr Cranston's and Mr Kumova's Entitlements. In consideration for underwriting the Offer, Mr Cranston and Mr Kumova will not be paid a cash fee for their underwriting commitments however, they will each be issued 2,500,000 Options with an exercise price of \$0.20 and expiring on or before the date that is three years from the date of issue, subject to receiving Shareholder approval at the Company's upcoming Meeting. In the event Shareholders vote against the issue of the Options, the Underwriter will receive a cash payment no greater than market standard to be negotiated in good faith between the Underwriter and the Company.

The obligation of the Underwriters to underwrite the Offer is subject to certain events of termination.

The Underwriters may terminate its obligations under the Underwriting Agreement in the event of any of the termination events set out below occurring:

- (i) **Adverse change:** any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a related corporation (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a related corporation).
- (ii) **Alteration of capital structure or constitution:** the Company alters its capital structure or its constitution without the prior written consent of the Underwriter.
- (iii) **ASX listing:** ASX does not give approval for the Shares to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld.
- (iv) **Banking facilities:** the Company's bankers terminate or issue any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility.
- (v) **Change in laws:** any of the following occurs:
 - (A) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
 - (B) the public announcement of prospective legislation or policy by the Federal Government, or the Government of any State or Territory; or

- (C) the adoption by the ASIC, its delegates, ASX, the Reserve Bank of Australia or any other regulatory authority of any regulations or policy, which does or is likely to prohibit, restrict or regulate the principal business of the Company, the Offer or the operation of stock markets generally.
- (vi) **Default:** the Company is in default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement.
- (vii) **Due diligence:** there is a material omission from the results of the due diligence investigation performed in respect of the Offer or the results of the investigation or the verification material are materially false or misleading.
- (viii) **Event of Insolvency:** an Event of Insolvency occurs in respect of the Company or one of its subsidiaries.
- (ix) **Extended Force Majeure:** a Force Majeure, which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 2 weeks occurs.
- (x) **Failure to comply:** the Company or any related corporation fails to comply with any of the following:
 - (A) a provision of its constitution;
 - (B) any statute;
 - (C) a requirement, order or request, made by or on behalf of the ASIC or any Governmental Agency; or
 - (D) any material agreement entered into by it.
- (xi) **General meeting required:** ASX or the ASIC or any other governmental agency requires the Company to, or stipulates that the Company should, convene a general meeting to consider any aspect of the issue of the Shares, including, without limitation, the participation of the Underwriter.
- (xii) **Hostilities:** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving Australia.
- (xiii) **Indictable offence:** a director of the Company or any related corporation is charged with an indictable offence.
- (xiv) **Investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a related corporation.
- (xv) **Index change:** the ASX All Ordinaries Index as determined at close of trading falls at least 10% below its level at the close of trading on the date of the Underwriting Agreement for any three consecutive trading days between the opening and closing dates of the Offer.
- (xvi) **Judgment against a related corporation:** a judgment in an amount exceeding \$100,000 is obtained against the Company or a subsidiary and is not set aside or satisfied within 7 days.

- (xvii) **Prescribed Occurrence:** a Prescribed Occurrence occurs.
- (xviii) **Return of capital or financial assistance:** the Company or a subsidiary takes any steps to undertake a proposal contemplated under section 257A or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter.
- (xix) **Suspension of debt payments:** the Company suspends payment of its debts generally.

(b) **Effect of Underwriting**

The maximum total shareholding of Mr Cranston and Mr Kumova following the Offer has been calculated in the table below on the basis that:

- (i) Mr Cranston and Mr Kumova subscribe for the full Committed Amount (which includes their Entitlement); and
- (ii) no other Eligible Shareholder subscribes for their Entitlement.

Director	Current shareholding (including direct and indirect)	Current interest in voting shares	Entitlement	New shares to be issued under Underwriting Agreement ¹	Total shares held post Offer ²	Post Offer interest in voting shares ² %
Evan Cranston ³	1,858	0.0	310	4,511,120	4,513,287	6.5
Tolga Kumova ⁴	5,700,000	9.5	950,000	4,511,120	11,161,120	16.0

Notes:

1. These figures assume that no Entitlements under the Offer are taken up by Eligible Shareholders (other than Mr Cranston and Mr Kumova) and the Shares will be allocated to Mr Cranston and Mr Kumova on a 50 / 50 basis to the maximum Committed Amount.
2. These percentages assume that all the Underwritten Shares have been taken up by Mr Cranston and Mr Kumova.
3. Mr Cranston's Securities are held by Konkera Pty Ltd as trustee for the Konkera Family Account.
4. Mr Kumova's Securities are held as follows:
 - (a) 5,650,000 Shares held indirectly through Kitara Investments Pty Ltd as trustee for the Kumova Family Account, of which Mr Kumova is a director and shareholder;
 - (b) 50,000 Shares held indirectly through Gondwana Investments Group Pty Ltd <Kumova Family Super Fund>; and
 - (c) 10,000,000 unquoted Options exercisable at \$0.20 each on or before 17 April 2023.

Mr Cranston and Mr Kumova will also be able to subscribe for Placement Shares under the Director Placement. In the event that:

- (i) Mr Cranston and Mr Kumova subscribe for their full Entitlement, the full Committed Amount and 2,500,000 Shares each under the Director Placement (and assuming Shareholders approve the Director Placement);
- (ii) no other Eligible Shareholder subscribes for their Entitlement; and
- (iii) Shareholders approve and issue all of the other Placement Shares,

Mr Cranston's and Mr Kumova's relevant interests in the Company will be as follows:

Director	Current shareholding (including direct and indirect)	Total shares held post Offer	Total shares held post Placement	Post Offer, Placement and Acquisition interest in voting shares ³
Evan Cranston	1,858	4,513,287	7,013,287	7.7
Tolga Kumova	5,700,000	11,161,120	13,661,120	15.0

Notes:

1. These figures assume that no Entitlements under the Offer are taken up by Eligible Shareholders (other than Mr Cranston and Mr Kumova) and the Shares will be allocated to Mr Cranston and Mr Kumova on a 50 / 50 basis to the maximum Committed Amount.
2. These percentages assume that all the Underwritten Shares have been taken up by Mr Cranston and Mr Kumova.
3. These figures assume all Placement Shares and Consideration Shares are issued.
4. Mr Cranston's Securities are held by Konkera Pty Ltd as trustee for the Konkera Family Account.
5. Mr Kumova's Securities are held as follows:
 - (a) 5,650,000 Shares held indirectly through Kitara Investments Pty Ltd as trustee for the Kumova Family Account, of which Mr Kumova is a director and shareholder;
 - (b) 50,000 Shares held indirectly through Gondwana Investments Group Pty Ltd <Kumova Family Super Fund>; and
 - (c) 10,000,000 unquoted Options exercisable at \$0.20 each on or before 17 April 2023.

5.4 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information

concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.6 below). Copies of all documents announced to the ASX can be found at <https://www.african-gold.com/asx-announcements>.

5.5 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

5.6 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer a copy of:

- (a) the Annual Report for the period ending 31 December 2019 lodged with ASX on 31 March 2020 (**Annual Financial Report**);
- (b) the Half Yearly Report for the period ending 30 June 2020 lodged with ASX on 7 September 2020; and
- (c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Financial Report lodged with ASX on 31 March 2020, until the date of this Prospectus:

Date lodged	Subject of Announcement
27/11/2020	Proposed issue of securities - A1G
27/11/2020	Proposed issue of securities - A1G
27/11/2020	African Gold to Acquire High Grade Brownfields Gold Project
23/11/2020	Trading Halt
30/10/2020	Quarterly Cashflow Report
30/10/2020	Quarterly Activities Report
07/09/2020	Half Year Accounts
24/08/2020	Cleansing Statement
24/08/2020	Appendix 2A
31/07/2020	Constitution
31/07/2020	Results of Meeting

Date lodged	Subject of Announcement
27/07/2020	Quarterly Cashflow Report
27/07/2020	Quarterly Activities Report
07/07/2020	Cleansing Statement
03/07/2020	Appendix 2A
03/07/2020	Proposed issue of securities - A1G
02/07/2020	Letter to Shareholders regarding Notice of AGM
02/07/2020	Notice of Annual General Meeting/Proxy Form
15/06/2020	Notice of Acquisition not Proceeding
09/06/2020	Trading Halt
09/06/2020	Pause in Trade
05/06/2020	High-Grade RC Gold Results at Faleme Project, West Mali
30/04/2020	Quarterly Cashflow Report
30/04/2020	Quarterly Activities Report
07/04/2020	Initial Director's Interest Notice
07/04/2020	Final Director's Interest Notice
01/04/2020	Board and Management Changes and Change of Registered Office
31/03/2020	Annual Report to shareholders

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (d) this Prospectus;
- (e) the Constitution; and
- (f) the consents referred to in Section 5.13 and the consents provided by the Directors to the issue of this Prospectus.

5.7 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus, however, the Company is currently considering its upcoming exploration activities and intends to provide a market update in this regard early in the new financial year.

5.8 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

5.9 Interests of Directors

(a) Information disclosed in this Prospectus

Other than as set out in this Prospectus, no Director holds or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

- (iv) as an inducement to become, or to qualify as, a Director; or
- (v) for services provided in connection with the formation or promotion of the Company, or the Offer.

(b) Security holding

The relevant interests of:

- (i) each of the Directors in Securities of the Company as at the date of this Prospectus are set out below; as well as,
- (ii) the Directors' relevant interest assuming the Offer and the Placement (including the Director Placement) are fully subscribed and the Consideration Shares are issued.

Director	Existing Shares	Existing Options	% Holding	Entitlement	Director Placement	% Holding post Placement
Evan Cranston ¹	1,858	-	0.0%	310	2,500,000	2.8
Tolga Kumova ²	5,700,000	10,000,000	9.5%	950,000	2,500,000	10.1
Mathew O'Hara ³	25,000	-	0.0%	4,166	150,000	0.2

Notes:

1. Mr Cranston's Securities are held indirectly through Konkera Pty Ltd as trustee for Konkera Family Account.

2. Mr Kumova's Securities are held as follows:
 - (a) 5,650,000 Shares held indirectly through Kitara Investments Pty Ltd as trustee for the Kumova Family Account, of which Mr Kumova is a director and shareholder;
 - (b) 50,000 Shares held indirectly through Gondwana Investments Group Pty Ltd <Kumova Family Super Fund>; and
 - (c) 10,000,000 unquoted Options exercisable at \$0.20 each on or before 17 April 2023.
3. Mr O'Hara's Shares are held as follows:
 - (a) 12,500 held directly; and
 - (b) indirectly held through O'Hara Investment Trust, of which Mr O'Hara is a director and beneficiary.
4. Mr Cranston has entered into an underwriting arrangement with the Company for 4,986,275 Shares (being a value of approximately \$500,000). Mr Cranston will not receive a cash fee for his underwriting commitment taken up but will receive 2,500,000 Options with an exercise price of \$0.20 and expiring on or before the date that is three years from the date of issue, subject to receiving Shareholder approval at the Company's upcoming Meeting.
5. Mr Kumova has entered into an underwriting arrangement with the Company for 4,986,275 Shares (being a value of \$500,000). Mr Kumova will not receive a cash fee for his underwriting commitment taken up but will receive 2,500,000 Options with an exercise price of \$0.20 and expiring on or before the date that is three years from the date of issue, subject to receiving Shareholder approval at the Company's upcoming Meeting.

The Directors have informed the Company that they intend to take up all of their respective Entitlements. Mr Kumova and Mr Cranston have not provided the Company with binding intention statements to take up the Director Placement Shares.

(c) **Remuneration**

The Constitution of the Company provides that the non-executive directors are entitled to be paid a maximum total amount of director's fees, determined by the Company in general meeting, or until so determined, as the Directors resolve. The amount of the remuneration of the Directors is to be divided among them in the proportion and manner they agree or, in default of agreement, among them equally and is to be provided wholly in cash unless otherwise determined.

The remuneration of executive directors must, subject to the provisions of any contract between each of the executive directors and the Company, be fixed by the Directors and may be by way of salary or commission or participation in profits or by all or any of those modes, but may not be by a commission on or percentage of operating revenue.

The Company currently has two Non-Executive Directors, Mr Tolga Kumova and Mr Mathew O'Hara. Mr Kumova's and Mr O'Hara's base salary is comprised of a base salary of \$48,000 per year (exclusive of superannuation) and \$44,000 per year (inclusive of superannuation) respectively.

The Constitution also provides that:

- (i) the Company must pay a Director (in addition to any remuneration) all reasonable expenses (including travelling and accommodation expenses) incurred by the director in or about the performance of their duties as a Director; and
- (ii) if a Director, at the request of the Directors, performs additional or special duties for the Company, the Company may remunerate that Director as determined by the Directors and that remuneration may be either in addition to or in substitution for that Director's remuneration.

Directors received the following remuneration for the year to 31 December 2019:

Director	Directors' fees and salary (\$)	Annual Leave (\$)	Non-monetary benefits (\$)	Super-annuation (\$)	Share-based payments (\$)	Total (\$)
Evan Cranston ¹	57,761	-	-	-	-	57,761
Tolga Kumova ²	46,209	-	-	-	-	46,209
Mathew O'Hara ³	-	-	-	-	-	-
Stephen Parsons ⁴	109,823	8,104	-	6,470	-	124,397

Notes:

1. Mr Cranston was appointed as Non-Executive Chairman on 22 March 2018.
2. Mr Kumova was appointed as Non-Executive Director on 1 February 2018.
3. Mr O'Hara was appointed as Non-Executive Director on 1 April 2020, therefore Mr O'Hara has not received any remuneration for the year ended 31 December 2019.
4. Mr Parsons resigned from his position as Executive Director on 1 April 2020.

Directors received the following remuneration for the year to 31 December 2018:

Director	Directors' fees and salary (\$)	Annual Leave (\$)	Non-monetary benefits (\$)	Super-annuation (\$)	Share-based payments (\$)	Total (\$)
Evan Cranston ¹	-	-	-	-	1,503,304	1,503,304
Tolga Kumova ¹	-	-	-	-	1,503,304	1,503,304
Stephen Parsons ¹	-	-	-	-	1,503,304	1,503,304

Note:

1. None of the key management personnel received any cash remuneration since the incorporation of the Company but have each subscribed (or procured that a nominee subscribes) for Options for a nominal issue price, exercisable at \$0.20 each and expiring 17 April 2023. These options are escrowed for a period of 24 months from listing, in accordance with Listing Rules. It should further be noted that amounts attributable to the Directors are all considered to be earned in their role as promoters assisting in the raise of capital of the company through the initial public offer process.

5.10 Related party transactions

The Company has entered into an underwriting agreement with Mr Cranston and Mr Kumova, as set out in Section 5.3. Mr Cranston and Mr Kumova are related parties by virtue of being Directors of the Company.

Mr Cranston is the principal of Konkera Holdings Pty Ltd trading as Konkera Corporate, which provides corporate advisory and administration services to the Company for \$10,000 per month.

Aside from the above, there are no related party transactions involved in the Offer.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

5.11 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

HWL Ebsworth Lawyers will be paid approximately \$12,500 (plus GST) in fees for legal services in connection with the Offer.

Computershare Investor Services has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

5.12 Expenses of Offer

The estimated expenses of the Offer are as follows:

Estimated expense	\$
ASIC lodgement fees	3,200
ASX quotation fees	5,687 ⁽¹⁾
Legal and preparation expenses	12,500
Printing, mailing and other expenses	4,000
TOTAL	25,387

Note:

- 1. Assumes the Offer is fully subscribed.

5.13 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors and any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the

Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

HWL Ebsworth Lawyers has given its written consent to being named as the Australian corporate solicitors to the Company in this Prospectus. HWL Ebsworth Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

6. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink, appearing to read 'E. Cranston', with a long horizontal flourish extending to the right.

Evan Cranston
Executive Chairman
African Gold Limited

Dated: 27 November 2020

7. Unaudited Pro Forma Statement of Financial Position

30-June-2020								
Pro-forma Balance Sheet	Reviewed			Acquisition of Project and Placement ⁽²⁾				
	African Gold Limited A\$	Entitlement Offer ⁽¹⁾		Unaudited Pro forma A\$	Consideration		Underwriter Options ⁽⁴⁾ A\$	Unaudited Pro forma A\$
		Offer A\$	Costs ⁽³⁾ A\$		Shares A\$	Cash Consideration A\$		
CURRENT ASSETS								
Cash assets	620,371	(25,387)	-	594,984	-	(200,000)	1,700,000	2,094,984
Trade and other receivables	59,934	-	-	59,934	-	-	-	59,934
Prepayments	27,824	-	-	27,824	-	-	-	27,824
TOTAL CURRENT ASSETS	708,129	(25,387)	-	682,742	-	(200,000)	1,700,000	2,182,742
NON CURRENT ASSETS								
Property, Plant & Equipment	1,316	-	-	1,316	-	-	-	1,316
Exploration & Evaluation asset	4,717,373	-	-	4,717,373	400,000	200,000	-	5,317,373
TOTAL NON CURRENT ASSETS	4,718,689	-	-	4,718,689	400,000	200,000	-	5,318,689
TOTAL ASSETS	5,426,818	(25,387)	-	5,401,431	400,000	-	1,700,000	7,501,431
CURRENT LIABILITIES								
Trade and other payables	384,078	-	-	384,078	-	-	-	384,078
Other	22,490	-	-	22,490	-	-	-	22,490
TOTAL CURRENT LIABILITIES	406,568	-	-	406,568	-	-	-	406,568
TOTAL LIABILITIES	406,568	-	-	406,568	-	-	-	406,568
NET ASSETS	5,020,250	(25,387)	-	4,994,863	400,000	-	1,700,000	7,094,863
EQUITY								
Contributed Equity	1,138,992	(25,387)	-	1,113,605	400,000	-	1,700,000	3,213,605
Reserves	6,651,239	-	-	6,651,239	-	-	300,000	6,951,239
Accumulated Losses	(2,769,981)	-	-	(2,769,981)	-	-	(300,000)	(3,069,981)
TOTAL EQUITY	5,020,250	(25,387)	-	4,994,863	400,000	-	1,700,000	7,094,863

Notes:

1. This section of the unaudited pro forma statement of financial position does not include the Acquisition or the issue of the Consideration Shares, Placement Shares and Underwriting Options.
2. Details of the Acquisition and Placements are set out in Section 1.3 and 1.4. This Section of the unaudited pro forma statement of financial position:
 - a) assumes the Consideration Shares, cash consideration of \$200,000 payable upon completion of due diligence, Placement Shares and Underwriter Options are issued; and
 - b) does not include the Annual Payment as these Annual Payments are subject to satisfying the prerequisites referred to in Section 1.3(d).
3. Costs of the Offer are set out in Section 5.12.
4. Underwriter Options have been valued using the Black Scholes model.

8. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$	means Australian dollars.
Acceptance	means a valid acceptance of Shares made pursuant to this Prospectus on an Application Form.
Acquisition	means the acquisition of up to 80% of the issued capital of KGL from each of the shareholders of KGL, by way of a staged acquisition.
Acquisition Period	means the period of up to 5 years commencing when the Initial Payment is made and terminating when the Expenditure Requirement is satisfied.
Annual Acquisition Shares	means the Company's obligation to make annual payments via the issue of Shares over the Acquisition Period, as set out in Section 1.3(d)(i).
Applicant	means a person who submits an Application Form.
Application Form	means the relevant application form for an Offer provided by the Company with a copy of this Prospectus.
Application Monies	means application monies for Shares received by the Company.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) and where the context permits the Australian Shares Exchange operated by ASX Limited.
Board	means the Directors meeting as a board.
Business Day	means Monday to Friday inclusive, other than a day that ASX declares is not a business day.
CHESS	means ASX Clearing House Electronic Subregistry System.
Closing Date	has the meaning given to it in Section 1.6.
Committed Amount	has the meaning given to it in Section 5.2.
Company	means African Gold Limited (ACN 624 164 852).
Consideration Shares	means the 4,000,000 Shares proposed to be issued to the Vendors (or their respective nominees), subject to the receipt of Shareholder approval, which will be sought at the Company's Meeting to be convened shortly.

Constitution	means the constitution of the Company as at the date of this Prospectus.
Control Limit	has the meaning given in Section 1.4.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Director Placement	has the meaning given in Section 1.4(b).
Director Placement Shares	means the number of Shares to be issued to the relevant Directors under the Director Placement.
Directors	mean the directors of the Company as at the date of this Prospectus.
Earn-in Option	has the meaning given in Section 1.2.
EFT	means electronic funds transfer.
Eligible Shareholder	means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.
Entitlement	means the number of new Shares for which an Eligible Shareholder is entitled to subscribe under the Offer, being 1 new Share for every 6 Shares held on the Record Date.
Event of Insolvency	means: <ul style="list-style-type: none"> (a) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person; (b) a liquidator or provisional liquidator is appointed in respect of a corporation; (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of: <ul style="list-style-type: none"> (i) appointing a person referred to in paragraphs (a) or (b); (ii) winding up a corporation; or (iii) proposing or implementing a scheme of arrangement; (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any insolvency provision; (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a

person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;

- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable Act to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

Existing Projects

means the Kedougou-Kenieba and Syama Shear Projects located in Mali, and the Agboville Project located in Cote d'Ivoire:

Project	Legal Holder (100%)	Beneficial Tenement Holder (100%)
Kedougou-Kenieba	Company	Company
Syama Shear	Company	Company
Agboville	Company	Company

Force Majeure

means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

Geo Resources

means Geo Resources SARL (Company Number CC:1514725L).

Governmental Agency

means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity.

KGL

means Kouroufaba Gold Ltd Pty Ltd (ACN 621 779 548).

Kitara Investments

means Kitara Investments Pty Ltd (ACN 153 337 234).

Konkera Holdings

means Konkera Holdings Pty Ltd (ACN 613 924 173).

Ineligible Foreign Shareholder

means a person registered as the holder of Shares on the Record Date whose registered address is not in Australia or New Zealand.

Initial Payment

has the meaning given in Section 1.2.

Issue Date	has the meaning given in has the meaning given to it in Section 1.11.
Issuer Sponsored	means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHES.
Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in Section 1.2.
Mining Codes	means Côte d'Ivoire Law No. 2014-138 of 24 March 2014 and Mali Ordonnance No.2019-022/P-RM dated 27 September 2019.
New Project	or Kouroufaba Gold Project means the Kouroufaba Gold Project comprising the following tenements located in Cote d' Ivoire, West Africa set out below:

Project	Holder	Application status
Didievi	Geo Resources SARL	Granted permit
Konahiri North	Geo Resources SARL	Application for permit
Konahiri South	Geo Resources SARL	Application for permit
Koyekro	Geo Resources SARL	Application for permit

Notice	has the meaning given in Section 1.2.
Offer	or Entitlement Offer means the offer under this Prospectus of up to approximately 9,972,549 new Shares to Eligible Shareholders in the proportion of 1 new Share for every 6 Shares held on the Record Date.
Offer Shares	means Shares issued under the Offer.
Offer Period	means the period between the Opening Date and the Closing Date.
Opening Date	has the meaning given in the Timetable.
Option	means an option to acquire a Share.
Placement	has the meaning given in Section 1.2.
Placement Shares	means the issue of up to 17,00,000 Shares at an issue price of \$0.10 per Share to raise approximately \$1,700,000, subject to the receipt of Shareholder approval, which will be sought at the Company's Meeting.

Prescribed Occurrence means:

- (a) the Company or a related corporation converting all or any of its Shares into a larger or smaller number of Shares;
- (b) the Company or a related corporation resolving to reduce its Share capital in any way;
- (c) the Company or a related corporation:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under section 257C or 257D of the Corporations Act;
- (d) the Company or a related corporation making an issue of, or granting an option to subscribe for, any of its Shares, or agreeing to make such an issue or grant such an option;
- (e) the Company or a related corporation issuing, or agreeing to issue, convertible notes;
- (f) the Company or a related corporation disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) the Company or a related corporation charging, agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) the Company or a related corporation resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator to the Company or a related corporation;
- (j) the making of an order by a court for the winding up of the Company or a related corporation;
- (k) an administrator of the Company or a related corporation, being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) the Company or a related corporation executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of the Company or a related corporation.

Projects means the Existing Projects and the New Project.

Proposed Directors	means Mr Peter Williams and Mr Simon Bolster.
Prospectus	means this prospectus dated 27 November 2020.
Record Date	means 5:00pm (WST) on the date identified in the proposed Timetable.
Section	means a section of this Prospectus.
Securities	means Shares, Options and/or Performance Shares.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of Shares.
Tenements	means the tenements set out in the 'New Project' definition, and includes any extension, renewal, variation, conversion, amalgamation, replacement or substitution of those tenements, and any tenement applied for or granted in substitution, conversion or retention for the Tenements whether in whole or in part and any application for, or interest in any of the foregoing which confer, or will confer like rights.
Terms Sheet	means the agreement entered into between the Company, KGL, Geo Resources, Gengold Resources Cote d'Ivoire and the shareholders of KGL dated 26 November 2020.
Timetable	means the proposed timetable for the Offer set out on page iii of this Prospectus.
Underwriting Agreement	has the meaning given in Section 5.3(a).
Underwriter Options	means unquoted Options with an exercise price of \$0.20 and expiring on or before the date that is three years from the date of issue.
Underwriters	means Mr Cranston and Mr Kumova (or their respective nominees).
Vendors	means the shareholders of KGL entitled to receive Consideration Shares on a pro-rata basis (determined by reference to each such shareholder's relative percentage ownership of KGL at completion of the Acquisition).
VWAP	means the volume weighted average price of the Shares calculated over a defined period.
WST	means Western Standard Time, being the time in Perth, Western Australia.