



ANNUAL REPORT 2020



CONTENTS

Corporate directory	3
Directors' report	4
Auditor's independence declaration	26
Financial statements	27
Directors' declaration	54
Independent auditor's report	55
Additional shareholder information	58

CORPORATE DIRECTORY

Directors

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

Auditor

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

Company Secretary

Oonagh Malone

Chief Executive Officer & Exploration Manager

Glen Edwards

Solicitor

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

Contact Information

Registered Office & Principal Place of Business

Suite 23, 513 Hay Street
SUBIACO, WA 6008

T: +61 8 6143 6749
E: admin@african-gold.com
W: www.african-gold.com

Stock Exchange Listing

Australian Securities Exchange (ASX)
ASX Code: A1G

Australian Business Number

ABN 29 624 164 852

Share Registry

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

DIRECTORS' REPORT

The Directors of African Gold Ltd (African Gold or the Company) present their report, together with the financial statements for the year ended 31 December 2020.

Directors

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

Executive Chairman

Evan Cranston appointed 22 March 2018

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

Other current Directorships:

Benz Mining Corp. (appointed 17 September 2020)

Carbine Resources Limited (appointed 23 March 2010)

Vital Metals Limited (appointed 22 October 2019)

Firebird Metals Limited (appointed 16 March 2021)

Previous Directorships (last 3 years):

Boss Energy Limited (formerly Boss Resources Limited) (resigned 5 June 2020)

New Century Resources Limited (resigned 9 July 2020)

Primary Gold Limited (resigned 29 November 2017)

RareX Limited (formerly Clancy Exploration Ltd) (resigned 1 December 2017)

Non-Executive Director

Simon Bolster appointed 23 February 2021

Simon Bolster is a former Senior Manager at Newmont in charge of regolith geochemistry and remote sensing globally. Former Head of Exploration for Gryphon Minerals. More recently, Mr Bolster designed and managed greenfields exploration across West Africa, leading to multi-million-ounce gold discoveries on the Hounde and Loumana greenstone belt in Burkina Faso by Gryphon/Teranga Gold Corp. He is highly experienced in designing and managing geochemical programs in tropical and deeply weathered terrains.

Mr Bolster is regarded as one of the pre-eminent experts in applied regolith exploration geochemistry and has extensive experience exploring for gold in the Eastern Goldfields of WA working for Placer Dome and Normandy Exploration in the 1990-2000s. He was responsible for managing the geotechnical team in support of the drill out and feasibility studies at the 1Moz Mount Monger gold discovery (now a mine operated by Silverlake).

Other current Directorships:

Riversgold Limited (appointed 24 June 2020)

Previous Directorships (last 3 years):

Nil

Non-Executive Director

Tolga Kumova appointed 1 February 2018

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

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

Other current Directorships:

Aston Minerals Ltd (formerly European Cobalt Ltd) (appointed 29 May 2017)

Previous Directorships (last 3 years):

Copper Strike Limited (resigned 25 November 2020)

New Century Resources Limited (resigned 17 July 2019)

Non-Executive Director

Mathew O'Hara appointed 1 April 2020

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

Other current Directorships:

Benz Mining Corp (appointed 27 April 2020)

Carbine Resources Limited (appointed 22 September 2018)

Previous Directorships (last 3 years):

Nil

Non-Executive Director

Peter Williams appointed 23 February 2021

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

Other current Directorships:

Alderan Resources Limited (appointed 13 May 2019)

Benz Mining Corp (appointed 17 September 2020)

Previous Directorships (last 3 years):

Superior Lake Resources Limited (resigned 1 July 2020)

Executive Director

Stephen Parsons appointed 1 February 2018; resigned 1 April 2020

Mr Parsons has 23 years' experience in the mining industry with a proven track record of mineral discoveries, corporate growth, international investor relations and creating shareholder wealth. Mr Parsons has an honours degree in Geology. He is the Managing Director of Bellevue Gold Ltd and was previously the Managing Director of Gryphon Minerals.

Other current Directorships:

Auteco Minerals Ltd (appointed 28 January 2020)

Bellevue Gold Limited (appointed 31 March 2017)

Blackstone Minerals Ltd (appointed 30 October 2017)

Previous Directorships (last 3 years):

Centaurus Metals Limited (resigned 28 February 2019)

Interests in the shares and options of the Company

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

Name	Number of ordinary shares	Number of options over ordinary shares
Evan Cranston	5,502,168	12,500,000
Simon Bolster	500,000	-
Tolga Kumova	9,298,193	12,500,000
Mathew O'Hara	179,168	-
Peter Williams	900,000	-

Company Secretary

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

Michael Naylor resigned as company secretary on 1 April 2020. Mr Naylor has 25 years' experience in corporate advisory and public company management since commencing his career and qualifying as a chartered accountant with Ernst & Young. Mr Naylor has been involved in the financial management of mineral and resources focused public companies serving on the board and in the executive management team focusing on advancing and developing mineral resource assets and business development.

Mr Naylor has worked in Australia and Canada and has extensive experience in financial reporting, capital raisings, debt financings and treasury management of resource companies.

Dividends paid or recommended

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

Principal activities

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

OPERATING AND FINANCIAL REVIEW

KOUROUFABA GOLD ACQUISITION - CÔTE D'IVOIRE

As announced on 27 November 2020, the Company entered into an option agreement to acquire 80% of Kouroufaba Gold. This acquisition gives access to Kouroufaba Gold's strategic land holding in Central Côte d'Ivoire consisting of the Didievi granted permit and 3 permit applications totalling 1,534km² of prospective tenure over proven Birimian greenstone belts (refer Figure 1). For full details of the acquisition terms, see ASX announcement dated 27 November 2020.

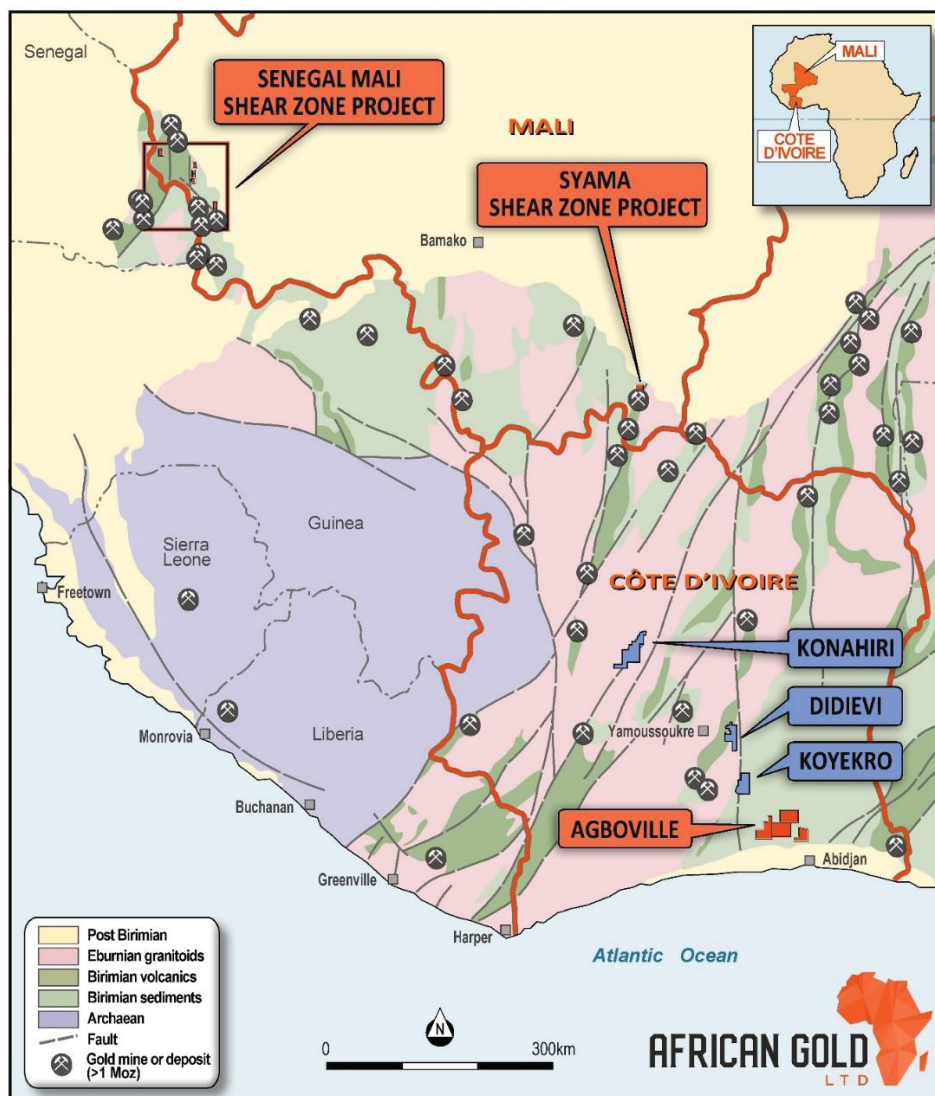


Figure 1: African Gold Permits and projects in west Africa on simplified geology with major deposits. The Kouroufaba acquisition in Cote d'Ivoire is denoted in blue.

DIDIEVI PROJECT

The Didievi Project (391km²) is located within the underexplored and emerging Oume-Fetekro Birimian greenstone belt. This strategic project straddles a major structure in a belt with all the selection criteria required for multiple large gold deposits. Past work on the property has considerably de-risked the discovery process. Historical exploration on the permit has delineated one significant gold system at Blaffo Gueto and seven untested advanced gold prospects. The project presents both brown and greenfields opportunities with significant potential (see Figures 2 and 3).

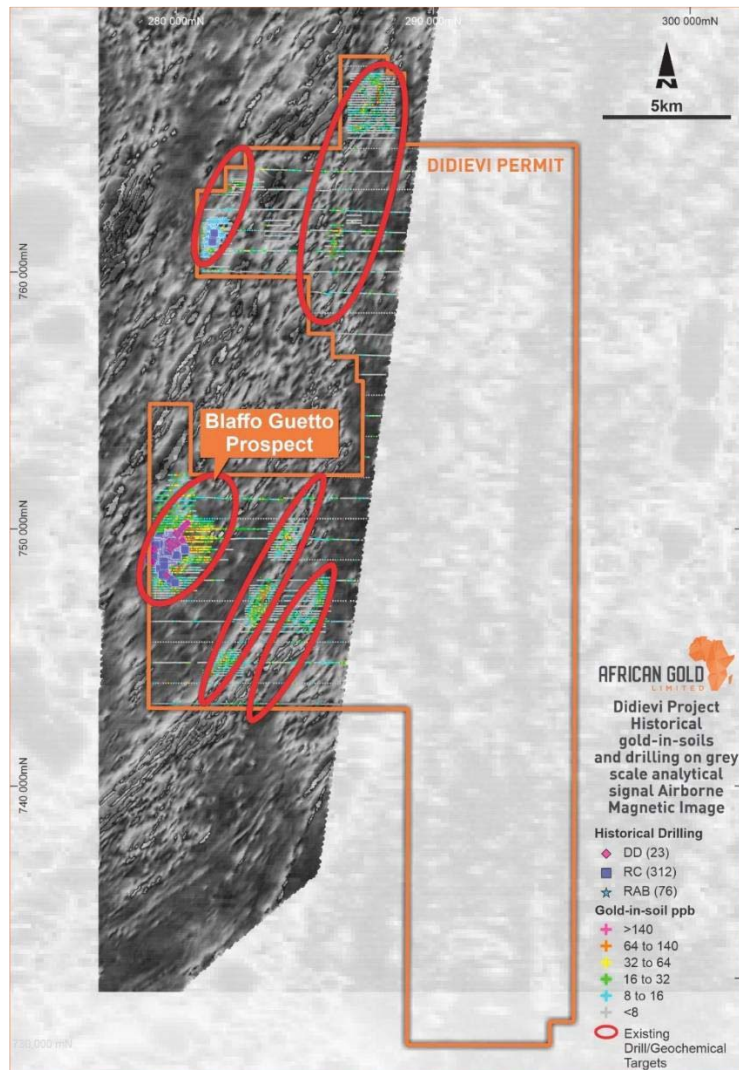


Figure 2: Didievi Project showing thematically mapped gold in soils, location of drilling and first pass targets on analytical signal magnetic image.

Two historical discoveries have been made on the tenement, Blaffo Gueto and Pranoi. From 2008, work focused almost entirely on the Blaffo Gueto Prospect. Work at Blaffo Gueto delineated a significant structurally controlled gold system characterised by intense alteration and broad, high-grade gold intercepts. Mineralisation is complex, probably long lived and multi episodic, located in different structural settings and hosted by a variety of lithological units. Gold mineralisation is typically associated with sericite-albite-carbonate-quartz/silica-pyrite-pyrrhotite \pm chlcopyrite \pm arsenopyrite \pm Fe(Ti) oxide alteration assemblages. Host rock are typically strongly altered and deformed. Gold mineralised occurs over very wide intervals (+200m across strike in the main zone) and return some spectacular intercepts, including¹:

DDD001: 83.3 m at 3.3g/t Au from 166.9 m incl. 18.0 m at 12g/t Au
 DDD013: 89.0 m at 3.0g/t Au from 0 m incl. 23.0 m at 9.5g/t Au
 DRC130: 43.0 m at 4.3g/t Au from 57 m incl. 17.0 m at 9.5g/t Au
 DRC138: 69.0 m at 2.9g/t Au from 31 m incl. 37.0 m at 4.9g/t Au
 DRC208: 37.0 m at 7.7g/t Au from 42 m incl. 24 m at 11.0g/t Au

¹ Refer ASX announcement dated 27 November 2020.

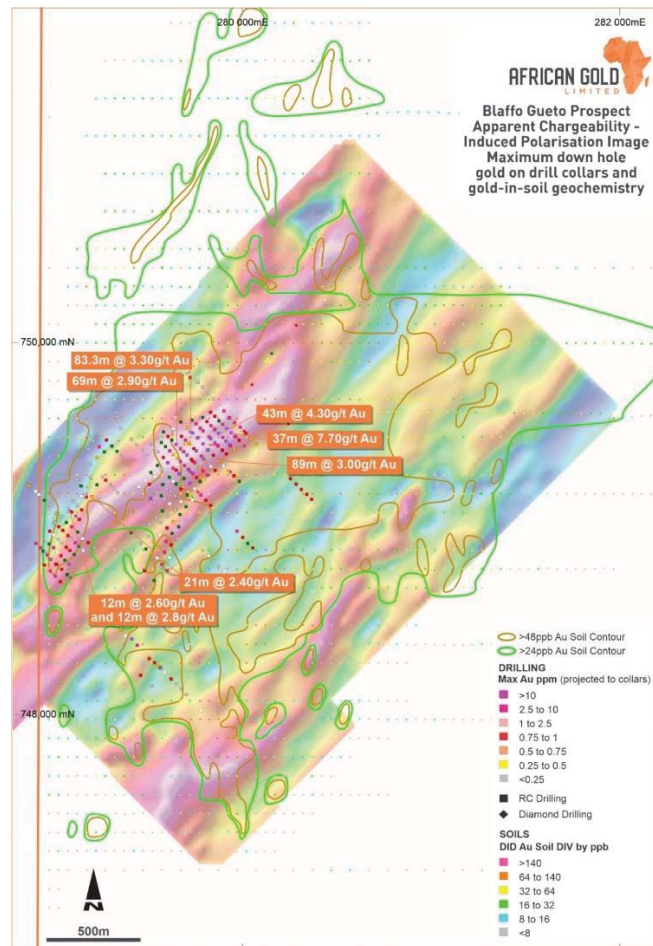


Figure 3: Didievi Project – Blaffo Gueto Prospect showing gold-in-soil, maximum downhole gold projected to drill collars on apparent resistivity induced polarization image.

Two main gold zones, BG Main and BG South West have been delineated to date, both strike roughly NNE and while anastomosing both are seemingly, sub-vertical to very steeply SE dipping with a suspected steep NE plunge component to the high-grade core. Within the BG main zone (+600m strike x 200m wide) there are two main subparallel NE trending high-grade gold zones with the potential for high-grade EW linking structures. While some excellent work has been done by Equigold this was almost entirely focused on Blaffo Gueto Prospect and on the high-grade portion of the deposit. Geometry, structural controls and gold paragenesis of gold mineralisation are still poorly understood.

BG Main is essentially open along strike and down dip. Significant mineralisation and alteration located within a number of holes between BG Main and BG South West remains unexplained and open in all directions (DDH03 88m at 1g/t incl. 12m at 2.6g/t and 12m @ 2.8g/t) and DRC124 (63m at 1.06g/t incl. 21m @ 2.4g/t Au).

In the near vicinity of the Blaffo Gueto Prospect are a number of historically notable drill intercepts (with respect to grade, structure and alteration) outside the two main zones that have yet to be followed up and are open along strike and at depth. Intercepts often have high-grade cores with supporting mineralisation. The two most obvious targets, BG South, a single traverse DRC205 15.0m at 1.6g/t Au from 61.0m, and BG South East, two traverses of 4 and 5 RC holes each drilled 400m apart with no drilling along strike to the NE, returned very broad moderate grade anomalism in the majority of holes on both sections. There are multiple walk up drill targets both within the Blaffo Gueto prospect itself, as well as in the near prospect environment.

At Pranoi, historical drilling returned impressive shallow broad RAB intercepts of 12m @ 5.60g/t Au from 24m; 15.0m @ 1.74g/t Au from 0m; 11.0m @ 1.38g/t Au from 21m and 8.0m @ 4.35g/t Au from 0m when followed up by RC returned 13.0m @ 2.65g/t Au from 8m; 3.0m @ 3.40g/t Au from 11m & 10m @ 1.33g/t from 41m inn the same hole. The geometry and source of shallow mineralisation remains enigmatic, is not properly understood and will require additional targeted drilling in the next field season.

Diamond and RC drilling is scheduled to commence to test high quality targets at the Blaffo Gueto and Pranoi Prospects. At the main Blaffo Gueto prospect holes have been designed to provide geological and geophysical data that will assist with construction of a genetic model for mineralization. Shallow intercepts include: 89.0 m at 3.0g/t Au from 0 m; 43.0 m at 4.3g/t Au from 57 m; 69.0 m at 2.9g/t Au from 31 m and 37.0 m at 7.7g/t Au from 42 m. Trenching of historical robust soil anomalies and in fill soil sampling has also started.

Drilling will also target previous intercepts at BF Central; BG Main and BG South West which all remain open in all directions. Results include: 88m at 1.0g/t Au, 12m @ 2.8g/t Au and 63m at 1.06g/t Au. And at Pranoi where previous drilling returned 12m @ 5.60g/t Au from 24m and 15.0m @ 1.74g/t Au from 0m.

KONAHIRI AND KOYEKRO APPLICATIONS

The Konahiri North and South Applications (391km² and 354km² respectively) are located in the central portion of the NNW trending Kotiola Marabadrassa Birimian Greenstone Belt in central Côte d'Ivoire (Figure 1). The Konahiri portion of the belt is unexplored. Geology is believed to be largely underlain by deformed mafic and intermediate meta volcanic, meta sediment and intrusive units. There is a major belt scale structure and a number of associated artisanal gold deposits within and adjacent to the permits. Once granted the permit will be mapped and quickly screened by stream sediment sampling.

The Koyekro Application (398km²) is located near the western margin of the Haute Comoé Basin in south central Côte d'Ivoire. There is little evidence of historical work in the area. Regional mapping suggests that the area is underlain mostly by meta-sediments with a number of internal intrusive bodies. The western greenstone – basement contact is dominated by a major shear zone. Of interest are a number of alluvial gold deposits in rivers draining this contact. Once granted the permit will be mapped and quickly and efficiently screened by stream sediment sampling.

All three applications cover prospective areas and represent exciting greenfields exploration opportunities in proven areas.

AGBOVILLE PROJECT - CÔTE D'IVOIRE

The Agboville Project (1,400km²) is located in the south east of the West African Craton, in an area referred to as the South-Comoé domain, part of what is referred to as the Birimian (Paleoproterozoic rocks of West Africa). This property is well located and considered to be very prospective for gold. It is also considered to have potential for nickel, cobalt, copper, lithium, tantalum, niobium and beryllium (Figure 1).

A first past reconnaissance Air Core drilling and trenching program designed to provide a first pass assessment of the robust +30km long gold-in-soil anomaly. The work identified significant mineralisation in a number of holes that suggest a large fertile structure capable of hosting economic mineralisation. Width and grades of intercepts are considered encouraging and suggest a large gold system. Due to the large target size, the Company intends to build on the geological understanding to prioritize exploration and geophysical techniques to vector in on the most prospective part of the system for follow up drill testing.

KEDOUGOU-KENIEBA INLIER & SYAMA SHEAR ZONE PROJECTS - MALI

African Gold controls 10 permits in Mali. Eight of the nine permits (346km²) are located within the prolific gold producing Kedougou Kenieba Inlier (KKI) in West Mali (Figure 1 and 4). All, except one, of the west Mali permits are located on, or within, the hanging wall of the Senegal Mali Shear Zone (SMSZ). The tenth permit in Mali, N'Golonkasso, (100km²) is located along strike from the Syama Gold Mine in southern Mali. Golonkasso is broadly situated on the northern extension of the Syama Gold Belt and Syama Shear Zone, which controls a number of significant gold deposits.

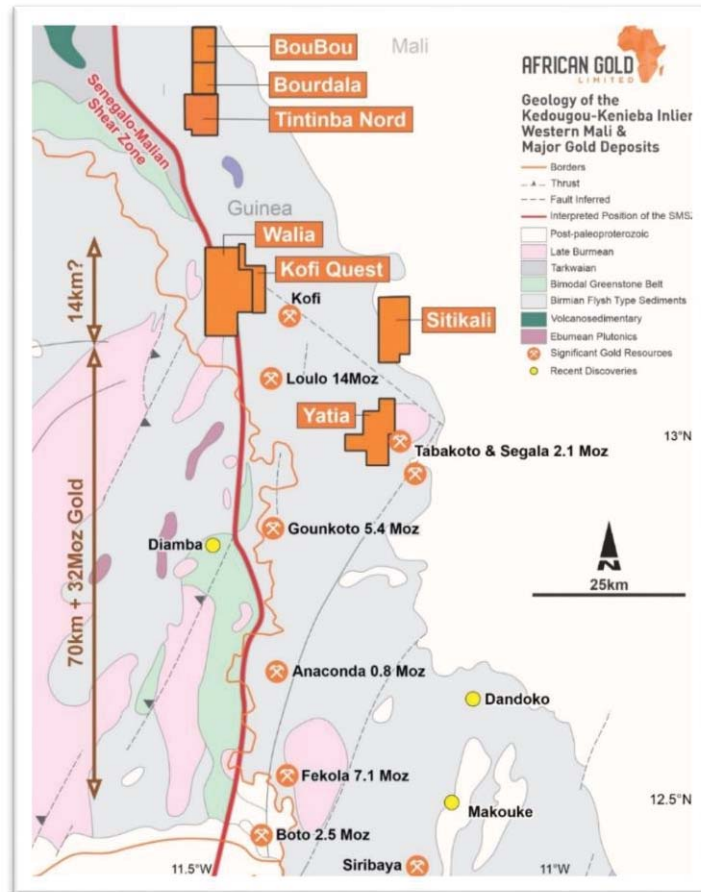


Figure 4: African Gold's projects within the prolific Kedougou – Kenieba Inlier in western Mali. Majority of permits located in the immediate hanging wall to the Senegal Mali Shear Zone.

SITAKILI PERMIT

The area is characterised by intense artisanal activity. Miners targeted multiple strike extensive parallel quartz gold lodes within meta-sediments and felsic intrusive bodies. Historical RC and Diamond drilling have returned very interesting intercepts. A small reconnaissance RC drilling program undertaken late 2019 confirmed the prospectivity of the permit.

RC drilling is scheduled to commence mid-May 2021 and will further evaluate prospects drilled in 2006 by Randgold, but never followed up. Results to be followed up include: 6.6m @ 115.5g/t Au from 161.6m and also to further test prospects drill by A1G in late 2019. Results to be followed up include: 9.0 m @ 5.17 g/t gold from 54.0 m; 3.0 m @ 3.07 g/t gold from 40.0 m & 2.0 m @ 4.71 g/t gold from 59.0 m; 6.0 m @ 3.35 g/t gold from 53.0 m; 6.0 m @ 5.80 g/t gold from 126.0 m & 3.0 m @ 2.34 g/t gold from 117.0 m and 6.0 m @ 1.97 g/t gold from 42.0 m). Information will assist with scoping size of deposits.

WALIA / KOFI QUEST PROJECT

The project is well located immediately to the north of the Loulo mining lease and straddles the highly prospective Senegal Mali Shear Zone (SMSZ) and associated splays and structures. Historical mapping, airborne magnetic and electromagnetic surveys, surface geochemical sampling and limited auger drilling, RAB and RC drilling have defined a number of priority targets, some of which have been partially tested or not tested at all. Regolith is dominated by transported gravels and colluvial hides which suppress conventional soil geochemistry.

Auger drilling commenced end-February 2021 to evaluate prospective targets in areas under cover and areas of suppressive geochemistry, where conventional soil sampling is deemed suboptimal. Previous work has shown much of the area along and immediately to the east of the controlling Senegal Mali Shear Zone to be covered by laterite plateaus (inverted topography) characterised by transported lateritic material of up to 20m thick. Trenching and rock chip sampling will be used to test areas not obscured by cover. Results will be used to refine intended follow-up AC/RC drilling, scheduled to commence April-May.

FALEME PROJECT

The project consists of four exploration permits (Bourdala, Boubou, Tintinba and Diokeba). The properties are located in the hanging wall of the SMSZ, which is considered the most prospective zone of the structure. Piecemeal historical exploration has returned a number of significant intercepts.

Air Core and RC drilling is scheduled to commence in late April to further test “three new discoveries” made by African Gold in late 2019. Results to be followed up include: 10m @ 0.91 g/t Au from 26m; 20m @ 1.15 g/t Au from 4m and 12m @ 1.10 g/t Au from 0m. The three targets’ areas discovered in the regional reconnaissance AC program carried out in late 2019 are open at depth and along strike.

N’GOLONKASSO PROJECT

The application is located immediately adjacent to and north of Resolute Mining Syama permit (Syama Mine 8Moz and Northern Pits 1Moz). The permit straddles the Syama Shear zone and interpreted north trending structural splay. Wide spaced historical AC drilling defined anomalous zones in proximity to inferred structures at Ziassa (west splay) and Kankarana (east splay) but not followed up.

The permit is expected to be granted early 2021.

YAIA PERMIT

The permit is located immediately to the west of Algom Resources Segala mine lease. The area is characterised by very extensive gold-in soil anomalism and wide-spread intense artisanal activity targeting both alluvial and bedrock mineralization. Historical work has largely focused on 4 bedrock artisanal prospects which have returned interesting rock chip and drill intercepts but have not yet discovered a deposit.

Regolith and cover in the area is complex and geochemistry is difficult to interpret due to the fact that there is significant gold within, and at the base of largely transported laterite and colluvial cover sequences. A dualistic approach of regolith, geological mapping and re-interpreting available historic information together with conceptual geological-structural-magnetic targeting will be used to plan upcoming programs.

SAMANAFLOUO PERMIT

The permit is well located close to the Mali Transcurrent Zone. Soil sampling has defined a large robust gold anomaly. While there are small artisanal workings located on a quartz-tourmaline vein on the western side of the anomaly the basement source of the gold is presently unknown and further work is required.

CORPORATE ACTIVITIES

In April 2020, Mr Steve Parsons and Mr Michael Naylor resigned as Executive Director and Company Secretary respectively. Mr Evan Cranston assumed the role of Executive Chairman and Mr Mathew O’Hara and Ms Oonagh Malone were appointed Non-Executive Director and Company Secretary respectively. The Company’s registered address also moved to Suite 23, 513 Hay Street, Subiaco WA 6008. In February 2021, in conjunction with completion of the Kouroufaba Gold acquisition, Mr Peter Williams and Mr Simon Bolster were both appointed as Non-Executive Directors of the Company.

During December 2020, the Company completed a 1 for 6 fully underwritten pro rata non-renounceable entitlement offer to raise approximately \$1.0 million (before costs). The entitlement offer was strongly supported by eligible shareholders with an 85% take up rate of entitlements by those eligible. The Company also completed a two-tranche placement through the issue of a total of 17,000,000 shares at an issue price of \$0.10 per share. The first tranche, to raise \$897,529 (before costs), was completed in December 2020 while the second tranche, to raise \$802,470 (before costs) which was subject to shareholder approval, was completed in February 2021.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no changes in the state of affairs of the Company during the year ended 31 December 2020, other than those outlined in the Review of Operations and mentioned below:

- On 1 April 2020:
 - Mr Evan Cranston was appointed Executive Chairman (previously Non-Executive Director), Mr Mathew O'Hara was appointed Non-Executive Director and Ms Oonagh Malone was appointed Company Secretary; and
 - Mr Stephen Parsons resigned as Executive Director and Mr Michael Naylor resigned as Company Secretary.
- Completion of the following capital raisings:
 - Placement of \$897,529 (excluding costs) via the issue of 8,975,294 ordinary shares at an issue price of \$0.10 per share; and
 - Non-renounceable rights issue of \$753,366 (excluding costs and prior to issue of shortfall) via the issue of 7,533,664 ordinary shares at an issue price of \$0.10 per share.
- In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. The spread of COVID-19 has caused significant volatility in Australian and international markets. While vaccination programs are now in progress, there is still significant uncertainty in relation to the severity and duration of future business disruptions which may be caused by COVID-19, as well as further impact on the Australian and international economies.

REVIEW OF FINANCIAL PERFORMANCE

Operating results

The loss of the Company for the year ended 31 December 2020 after providing for income tax amounted to \$715,139 (2019: \$983,494).

Review of financial position

The net assets are \$6,419,221 as at 31 December 2020 (2019: \$5,374,369). Cash and cash equivalents amounted to \$1,467,417 (2019: \$1,627,845).

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

- On 12 January 2021, the Company completed the issue of 2,438,885 shortfall shares at \$0.10 per share from the non-renounceable rights issue undertaken in December 2020, raising \$243,888 (before costs).
- On 23 February 2021:
 - the Company completed the issue of 8,024,706 Tranche 2 placement shares at \$0.10 per share, raising a further \$802,470 (before costs), which included the issue of 4,950,000 to directors or their nominees as approved by shareholders on 5 February 2021; and
 - the Company issued a total of 5,000,000 unquoted options exercisable at \$0.20 expiring on 22 February 2024, consisting of 2,500,000 options issued to each of Mr Evan Cranston and Mr Tolga Kumova, or their nominees, for underwriting the non-renounceable entitlement issue undertaken in December 2020. This option issue was approved by shareholders on 5 February 2021 and there was no consideration payable for the options.
- On 24 February 2021, the Company appointed Mr Simon Bolster and Mr Peter Williams as Non-Executive Directors.
- In February 2021, the Company completed the acquisition of 80% of Kouroufaba Gold which gives access to Kouroufaba Gold's strategic land holding consisting of the Didievi granted permit and 3 permit applications totalling 1,534km² of prospective tenure over proven Birimian greenstone belts in Central Côte d'Ivoire. The consideration payable for the acquisition was as follows:
 1. payment of \$200,000 (settled with the vendors during February and March 2021); and
 2. 4,000,000 shares in the Company issued to the vendors on a pro-rata basis on 23rd February 2021.

Other than the above there have not been any events that have arisen between 31 December 2020 and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

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

CORPORATE GOVERNANCE

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

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

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

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

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

The directors will reassess this position as and when the need arises. No environmental breaches have occurred or have been notified by any Government agencies during the year ended 31 December 2020.

SHARE OPTIONS AND PERFORMANCE RIGHTS

The Company did not issue any options (2019: 9,750,000) or performance rights (2019: 2,000,000) during the year ended 31 December 2020.

During the year, 1,000,000 performance rights were converted into ordinary shares following satisfaction of the vesting condition of 18 months continuous employment by Mr Glen Edwards.

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

During or since the end of the reporting period, the Company did not issue any ordinary shares as a result of the exercise of options.

Indemnification and insurance of directors and officers

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

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Grant Thornton Audit, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Grant Thornton Audit during or since the financial year.

Directors' meetings

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

DIRECTOR'S NAMES	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND
Evan Cranston	3	3
Tolga Kumova	3	3
Mathew O'Hara (appointed 1/4/20)	3	3
Stephen Parsons (resigned 1/4/20)	-	-

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

Proceedings on behalf of the Company

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

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

Non-audit services

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

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

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

REMUNERATION REPORT (AUDITED)

INTRODUCTION

The Directors of African Gold Ltd present the Remuneration Report (the Report) for the Company and its controlled entities for the year ended 31 December 2020. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001*. The Report details the remuneration arrangements for African Gold Ltd's key management personnel (KMP):

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

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

The table below outlines the KMP of the Company during the financial year ended 31 December 2020. Unless otherwise indicated, the individuals were KMP for the entire financial year.

NAME	POSITION	
Evan Cranston	Executive Chairman	Appointed on 22 March 2018
Tolga Kumova	Non-Executive Director	Appointed on 1 February 2018
Mathew O'Hara	Non-Executive Director	Appointed on 1 April 2020
Glen Edwards	Chief Executive Officer and Exploration Manager	Appointed on 1 November 2018
Oonagh Malone	Company Secretary	Appointed on 1 April 2020
Stephen Parsons	Executive Director	Appointed on 1 February 2018 Resigned on 1 April 2020
Michael Naylor	Company Secretary and Chief Financial Officer	Appointed on 1 February 2018 Resigned on 1 April 2020

After the reporting date and before the date the financial report was authorised for issue, Mr Simon Bolster and Mr Peter Williams became KMPs of the Company following their appointments as Non-Executive Directors on 23rd February 2021.

Remuneration Governance

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

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

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

Remuneration Framework

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

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

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

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

The remuneration for executives has three components:

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

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

EXECUTIVE DIRECTOR REMUNERATION

Fixed Remuneration

All executives receive a fixed base cash salary and other associated benefits. All executives also receive a superannuation guarantee contribution required by Australian legislation which was 9.5% at 31 December 2020. No executives receive any other retirement benefits.

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

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

Short Term Incentives

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

Long Term Incentives

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

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

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

	Options		Performance Rights	
	2020	2019	2020	2019
Evan Cranston	-	10,000,000	-	-
Tolga Kumova	-	10,000,000	-	-
Mathew O'Hara ¹	-	-	-	-
Oonagh Malone ¹				
Glen Edwards	-	-	-	2,000,000
Stephen Parsons ²	-	10,000,000	-	-
Michael Naylor ²	-	2,250,000	-	-

¹ Appointed 1 April 2020.

² Resigned 1 April 2020.

Non-Executive Remuneration

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

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

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

Use of remuneration advisors

During the year ended 31 December 2020, the Board did not engage the services of remuneration consultants.

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

African Gold received a 100% "yes" votes on its Remuneration Report for the year ended 31 December 2019. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

Consequences of Performance on Shareholder Wealth

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

	2020 \$	2019 \$	2018 \$
Revenue	86,754	39,812	94
Net loss	715,139	983,494	1,368,575
Share price at end of year	\$0.23	\$0.17	N/a
Basic loss per share	1.20 cents	1.90 cents	8.09 cents
Diluted loss per share	1.20 cents	1.90 cents	8.09 cents

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

Executive Director employment agreements

The Company currently has no active Executive Director employment agreements. As announced on ASX on 1 April 2020, there was no change to Mr Cranston's remuneration following his transition to an executive role.

On 1 April 2020, Mr Stephen Parsons resigned as Executive Director of the Company. A summary of the key terms of his agreement with the Company up to that date are as follows:

- the Company will pay a salary of \$120,000 per annum (plus statutory superannuation) from accruing from the date the Company lists on ASX to be reviewed annually by the Company, and;
- the Company may in its sole discretion terminate the employment of Stephen Parsons by giving 6 months written notice.

Agreement with Chief Executive Officer and Exploration Manager

The Company has entered into an executive services agreement (CEO Agreement) with Mr Glen Edwards pursuant to which he is engaged as a full-time employee of the Company and serves the Company as a Chief Executive Officer and Exploration Manager responsible for planning, co-ordinating and implementing the Company's exploration programs in Africa with planning input from other senior exploration and executive staff, and subject to the overall control and direction of the Board (CEO Services).

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

The CEO Agreement commenced on 1 November 2018 and is for an indefinite term, continuing until terminated in accordance with the CEO Agreement, Mr Edwards has a notice period of 3 months.

Company secretarial agreement

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

STATUTORY AND SHARE-BASED REPORTING

Director and KMP Remuneration

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

Directors and executive officers	Year	SHORT TERM BENEFITS	POST EMPLOYMENT	Share based payment (non-cash)		
		Salary, fees and annual leave \$	Superannuation Benefits \$	Options and Rights \$	Total \$	Performance based % of remuneration
Evan Cranston <i>Non-Executive Chairman</i>	2020	65,700	-	-	65,700	0%
	2019	57,761	-	-	57,761	0%
Tolga Kumova <i>Non-Executive Director</i>	2020	52,560	-	-	52,560	0%
	2019	46,209	-	-	46,209	0%
Mathew O'Hara ¹ <i>Non-Executive Director</i>	2020	32,877	3,123	-	36,000	0%
	2019	-	-	-	-	0%
Oonagh Malone ¹ <i>Company Secretary</i>	2020	36,000	-	-	36,000	0%
	2019	-	-	-	-	0%
Glen Edwards <i>Chief Executive Officer</i>	2020	179,547	17,100	65,291	261,938	25%
	2019	193,847	18,415	43,541	255,803	17%
Stephen Parsons ² <i>Executive Director</i>	2020	21,896	2,850	-	24,746	0%
	2019	117,927	6,470	-	124,397	0%
Michael Naylor ² <i>Company Secretary</i>	2020	25,500	-	-	25,500	0%
	2019	93,500	-	-	93,500	0%
Total directors and executive officer's remuneration	2020	414,080	23,073	65,291	502,444	13%
	2019	509,244	24,885	43,541	577,670	8%

¹ Appointed 1 April 2020.

² Resigned 1 April 2020.

Director and KMP Remuneration Movements in Options

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

	Held at 1 January 2020 or date of appointment	Granted as Compensation	Options exercised	Lapsed/ forfeited	Held at 31 December 2020 or date of resignation	Vested and exercisable at 31 December 2020
Evan Cranston	10,000,000 ¹	-	-	-	10,000,000	10,000,000
Tolga Kumova	10,000,000 ¹	-	-	-	10,000,000	10,000,000
Mathew O'Hara ²	-	-	-	-	-	-
Oonagh Malone ²	-	-	-	-	-	-
Glen Edwards	-	-	-	-	-	-
Stephen Parsons ³	10,000,000 ¹	-	-	-	10,000,000	10,000,000
Michael Naylor ³	2,250,000 ¹	-	-	-	2,250,000	2,250,000
Total	32,250,000	-	-	-	32,250,000	32,250,000

	Held at 1 January 2019	Granted as Compensation	Options exercised	Lapsed/ forfeited	Held at 31 December 2019 or date of resignation	Vested and exercisable at 31 December 2019
Evan Cranston	10,000,000 ¹	-	-	-	10,000,000	10,000,000
Tolga Kumova	10,000,000 ¹	-	-	-	10,000,000	10,000,000
Glen Edwards	-	-	-	-	-	-
Stephen Parsons	10,000,000 ¹	-	-	-	10,000,000	10,000,000
Michael Naylor	2,250,000 ¹	-	-	-	2,250,000	2,250,000
Total	32,250,000	-	-	-	32,250,000	32,250,000

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

² Appointed 1 April 2020.

³ Resigned 1 April 2020.

Director and KMP Remuneration Movements in Performance Rights

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

	Held at 1 January 2020	Granted as Compensation ¹	Converted	Lapsed/ forfeited	Held at 31 December 2020	Vested and exercisable at 31 December 2020
Glen Edwards	2,000,000 ¹	-	(1,000,000) ^{1(a)}	-	1,000,000 ^{1(b)}	-
Total	2,000,000	-	(1,000,000)	-	1,000,000	-

	Held at 1 January 2019	Granted as Compensation ¹	Converted	Lapsed/ forfeited	Held at 31 December 2019	Vested and exercisable at 31 December 2019
Glen Edwards	2,000,000 ¹	-	-	-	2,000,000 ¹	-
Total	2,000,000	-	-	-	2,000,000	-

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

- (a) The CEO completing 18 months of continuous employment with the Company from the date the Company is admitted to the official list of ASX.
- (b) An announcement by the Company of a JORC Code compliant resource of a minimum of 500,000 ounces of gold (or equivalent value if another commodity) of at least 1 gram per tonne on any of the Company's mineral exploration licences in Côte D'Ivoire within 3 years of the date the Company is admitted to the official list of ASX.

Shareholdings of KMP

Shares held in African Gold Ltd (number)

	Held at 1 January 2020 or date of appointment	Acquired	Disposal	Held at 31 December 2020 or date of resignation
Evan Cranston	5,501,858	310	-	5,502,168
Tolga Kumova	5,700,000	950,001	-	6,650,001
Mathew O'Hara ¹	25,000	4,168	-	29,168
Oonagh Malone ¹	-	-	-	-
Glen Edwards	-	1,000,000 ³	-	1,000,000
Stephen Parsons ²	5,750,001	-	-	5,750,001
Michael Naylor ²	525,000	-	-	525,000
Total	17,501,859	1,954,479	-	19,456,338

¹ Appointed 1 April 2020.

² Resigned 1 April 2020.

³ Performance rights converted.

	Held at 1 January 2019	Acquired	Disposal	Held at 31 December 2019
Evan Cranston	5,500,000	1,858	-	5,501,858
Tolga Kumova	5,500,000	200,000	-	5,700,000
Stephen Parsons	5,500,001	250,000	-	5,750,001
Michael Naylor	525,000	-	-	525,000
Glen Edwards	-	-	-	-
Total	17,025,001	451,858	-	17,476,859

Share-based compensation (non-cash)

Options

No options were granted during the year ended 31 December 2020 (2019: nil).

Performance rights

The following table discloses the number of performance rights granted, vested or lapsed during the year ended 31 December 2020. Performance rights do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met, until their expiry date.

Name	Financial year	Awarded during the year	Award date	Vesting date	Expiry date	Fair value of performance right at award date (\$)	Exercise price	No. vested during year	No. lapsed during year	Balance at end of year	Value of performance rights granted during the year ¹ (\$)	Value of performance rights on held on date of resignation (\$)
Glen Edwards	2020	-	1-Nov-18	14-Aug-20	N/A	0.10	Nil	1,000,000	-	-	-	-
Glen Edwards	2020	-	1-Nov-18	N/A	14-Feb-22	0.10	Nil	-	-	1,000,000	-	-

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

The following table discloses the number of performance rights granted, vested or lapsed during the year ended 31 December 2019. Performance rights do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met, until their expiry date.

Name	Financial year	Awarded during the year	Award date	Vesting date	Expiry date	Fair value of performance right at award date (\$)	Exercise price	No. vested during year	No. lapsed during year	Balance at end of year	Value of performance rights granted during the year ¹ (\$)	Value of performance rights on held on date of resignation (\$)
Glen Edwards	2018	1,000,000	1-Nov-18	N/A	14-Aug-20	0.10	Nil	-	-	1,000,000	100,000	-
Glen Edwards	2018	1,000,000	1-Nov-18	N/A	14-Feb-22	0.10	Nil	-	-	1,000,000	100,000	-

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

Loans to key management personnel

There were no loans to key management personnel of the Company, including their personally related parties, as at 31 December 2020.

Other transactions and balances with KMP and their related parties

The following transactions were undertaken with key management personnel during the year ended 31 December 2020. Only amounts paid to a KMP or their related entities in addition to remuneration disclosed in the Director and KMP Remuneration table in the remuneration report is shown below.

Mr Cranston is a related party of the entities shown below which transacted with the Company.

Entity	Services provided	2020 \$	2019 \$
Konkera Corporate	Accounting and administrative services (commenced 1/4/20)	90,000	-
Kinglane Pty Ltd	Serviced office lease (commenced 1/4/20)	36,000	-

There were no other transactions and balances with key management personnel of the Company, including their personally related parties, as at 31 December 2020.

END OF REMUNERATION REPORT

Rounding of amounts

African Gold Ltd is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and the financial report have been rounded to the nearest dollar.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended to 31 December 2020 has been received and is attached to this Directors' Report.

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



Mr Evan Cranston
Executive Chairman
Perth, WA - dated 30 March 2021

COMPETENT PERSONS STATEMENT

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

FORWARD LOOKING STATEMENT

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

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

Auditor's Independence Declaration

To the Directors of African Gold Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of African Gold Ltd for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L S Stella
Partner – Audit & Assurance

Perth, 30 March 2021

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

www.grantthornton.com.au

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Accounting and audit		(164,725)	(144,367)
Consultants and contractors		(71,669)	(224,864)
Depreciation and amortisation		(1,851)	(1,465)
Employee benefits expense		(254,201)	(298,933)
Exploration and evaluation costs		-	(12,677)
Listing and compliance		(34,142)	(36,249)
Net foreign exchange losses		(7,438)	(26,214)
Office rental and outgoings		(45,527)	(33,269)
Share based payments	9.3	(65,291)	(86,373)
Travel and accommodation		(27,447)	(40,662)
Other expenses		(129,602)	(118,233)
Results from operating activities		(801,893)	(1,023,306)
Finance income		1,866	39,812
Other income		84,888	-
Loss before income tax		(715,139)	(983,494)
Income tax expense	19	-	-
Loss for the year after tax from continuing operations		(715,139)	(983,494)
Other comprehensive expenses			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations		(39,832)	193
Other comprehensive (loss)/income for the year, net of tax		(39,832)	193
Total comprehensive loss for the year		(754,971)	(983,301)

Loss per share attributable to equity holders of the Company:	Notes		
Loss per share:			
Basic and Diluted loss per share (cents per share)	16	(1.20)	(1.90)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Assets			
Current			
Cash and cash equivalents	4	1,467,417	1,627,845
Trade and other receivables	6	76,556	54,682
Prepayments	6	4,545	79,499
Total current assets		1,548,518	1,762,026
Non-current			
Exploration and evaluation	12	4,951,106	4,390,255
Property, plant and equipment	13	385	2,236
Total non-current assets		4,951,491	4,392,491
Total assets		6,500,009	6,154,517
Liabilities			
Current			
Trade and other payables	7	67,396	757,375
Provisions - employee benefits		13,392	22,773
Total current liabilities		80,788	780,148
Total liabilities		80,788	780,148
Net assets		6,419,221	5,374,369
Equity			
Share capital	8	2,973,524	1,138,992
Reserves	9	6,512,905	6,587,446
Accumulated losses		(3,067,208)	(2,352,069)
Total equity		6,419,221	5,374,369

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Notes	Share capital	Other contributed equity	Share based payments reserve	Foreign currency translation reserve	Accumulated losses	Total equity
		\$	\$	\$	\$	\$	\$
At 1 January 2019		496,251	3,923,500	765,850	-	(1,368,575)	3,817,026
Loss for the year		-	-	-	-	(983,494)	(983,494)
Other comprehensive income	9	-	-	-	192	-	192
Total comprehensive income		-	-	-	192	(983,494)	(983,302)
Transactions with owners and options							
Issue of share capital	8	4,500,000	(3,923,500)	-	-	-	576,500
Share capital issued for the acquisition of subsidiaries	8, 10 (a,c)	2,130,000	-	-	-	-	2,130,000
Share issue transaction costs	8	(1,477,346)	-	-	-	-	(1,477,346)
Options issue transaction costs	8, 9	(4,509,913)	-	4,509,913	-	-	-
Share based payments expense	9	-	-	1,311,491	-	-	1,311,491
Balance at 31 December 2019		1,138,992	-	6,587,254	192	(2,352,069)	5,374,369
At 1 January 2020		1,138,992	-	6,587,254	192	(2,352,069)	5,374,369
Loss for the year		-	-	-	-	(715,139)	(715,139)
Other comprehensive income	9	-	-	-	(39,832)	-	(39,832)
Total comprehensive income		-	-	-	(39,832)	(715,139)	(754,971)
Transactions with owners and options							
Issue of share capital	8	1,650,895	-	-	-	-	1,650,895
Share capital issued for the acquisition of tenements	8	102,941	-	-	-	-	102,941
Share issue transaction costs	8	(19,304)	-	-	-	-	(19,304)
Share based payments expense	9	-	-	65,291	-	-	65,291
Vested performance rights transferred to contributed equity	9	100,000	-	(100,000)	-	-	-
Balance at 31 December 2020		2,973,524	-	6,552,545	(39,640)	(3,067,208)	6,419,221

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Operating activities			
Payment to suppliers and employees		(705,371)	(926,404)
Payment for exploration and evaluation		-	(5,577)
Interest received		1,665	39,812
Other income		84,888	-
Net cash used in operating activities	5	(618,818)	(892,169)
Investing activities			
Payment for the acquisition of subsidiary Abra Resources Pty Ltd	10	-	(297,607)
Payment for the acquisition of Falémé Gold Project, Mali	10	-	(222,798)
Payment for the acquisition of mining tenements		(178,974)	-
Cash acquired on acquisition of subsidiary Golden Ivoire	10	-	59,948
Payment for exploration expenditure		(1,009,342)	(1,242,771)
Payment for property, plant and equipment		-	(3,701)
Other (security deposit)		-	(30,000)
Net cash used in investing activities		(1,188,316)	(1,736,929)
Financing activities			
Proceeds from share issuances	8	1,650,895	4,500,000
Proceeds from option issuances		-	975
Share issue transaction costs		(4,579)	(268,677)
Net cash provided by financing activities		1,646,316	4,232,298
Net (decrease)/increase in cash and cash equivalents		(160,818)	1,603,200
Effect of movements in exchange rates on cash held		390	(27,692)
Cash and cash equivalents, at 1 January		1,627,845	52,337
Cash and cash equivalents, at year end 31 December	4	1,467,417	1,627,845

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

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

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

The financial statements were approved and authorised for issue by the Board of Directors on 30 March 2021.

2 Basis of presentation and statement of compliance

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

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

The accounting policies used in the preparation of this financial report, as described below. The financial report is presented in Australian Dollars, being the functional currency of the Company.

3 Going Concern

At 31 December 2020, the Group had cash and cash equivalents of \$1,467,417 (2019: \$1,627,845). The Group incurred a net loss of \$715,139 (2019: \$983,494) and had cash outflows from operating and investing activities of \$1,807,134 (\$2019: \$2,629,098) during the year ended 31 December 2020. Post 31 December 2020, the Company completed the issue of 2,438,885 shortfall shares under non-renounceable rights issue to raise an additional \$243,888 (before costs) and completed the issue of 8,024,706 Tranche 2 placement shares to raise an additional \$802,470 (before costs).

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

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

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

4 Cash and cash equivalents

Cash and cash equivalents	2020 \$	2019 \$
Cash in hand and at bank	1,467,417	1,627,845

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

	2020 \$	2019 \$
Cash flows from operating activities		
Loss for the year	(715,139)	(983,494)
Non-cash items		
Share based payments	65,291	86,373
Depreciation and amortisation	1,851	1,465
Exploration expenditure expensed (investing for cash flow purposes)	-	114,556
Foreign exchange gain/loss	(6)	26,060
Other	-	1,377
Net changes in working capital:		
Change in trade and other receivables	(10,561)	(61,297)
Change in prepayments	74,954	-
Change in employee benefits provisions	(9,380)	13,928
Change in trade and other payables	(25,828)	(91,137)
Net cash used in operating activities	(618,818)	(892,169)

6 Trade, other receivables and prepayments

Trade and other receivables	2020 \$	2019 \$
Other receivables	46,556	24,682
Security deposit	30,000	30,000
Total	76,556	54,682

Prepayments	2020 \$	2019 \$
Other prepayments	4,545	79,499
Total	4,545	79,499

7 Trade and other payables

	2020 \$	2019 \$
Trade payables	43,043	438,704
Other payables and accruals	24,353	318,671 ¹
Total	67,396	757,375

¹Includes \$156,805 acquisition costs for the Falémé Gold Project refer to Note 10(b) and \$57,020 acquisition costs for the Acquisition of Abra Resources Pty Ltd refer to Note 10(c).

8 Share capital

Ordinary Shares	No. of Shares	\$
Share capital at 1 January 2019	24,200,001	496,251
Shares issued at initial Public Offering \$0.20 per share	22,500,000	4,500,000
Shares issued as part of the acquisition of Abra Resources Pty Ltd ⁽¹⁾	3,000,000	450,000
Shares issued as part of the acquisition of Golden Ivoire SARL ⁽²⁾	8,400,000	1,680,000
Less cost of share issues ^(3,4,5)	-	(5,987,259)
At 31 December 2019	58,100,001	1,138,992
Shares issued as part consideration for Bourdala Permit	735,294	102,941
Conversion of performance rights held by Glen Edwards	1,000,000	100,000
Shares issued via placement at \$0.10 per share	8,975,294	897,529
Shares issued via non-renounceable rights issue at \$0.10 per share	7,533,664	753,366
Less cost of share issues	-	(19,304)
At 31 December 2020	76,344,253	2,973,524

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

- (1) Represents the value of the Consideration Shares at the date of issue and are restricted for 6-12 months from the date of quotation, refer to Note 10(c) for further details.
- (2) 150,000 ordinary shares to the value of \$30,000 are restricted for 24 months from date of quotation, plus 8,250,000 Consideration Shares to the Vendors at a deemed issue price of \$0.20 per share amounting to \$1,650,000. Refer to Note 10(a) for further details.
- (3) The Group has treated the value of the options issued to Directors \$4,509,913 as consideration for capital raising activities. A reconciliation of the total option issuance is as follows: \$5,261,565 total issuance less amounts issued to management and employees of \$751,652 which was not directly linked to capital raising activities of the Company and therefore expensed.
- (4) The Group has treated the value of the options issued to Advisors of \$1,224,143 in consideration for capital raising services provided during the Initial Public Offering as share issue transaction costs.
- (5) The total includes the above consideration in points 2 and 3 plus \$253,203 for costs associated with the Initial Public Offer which included brokerage fees, legal, accounting and administrative fees as well as printing, advertising and other expenses.

9 Reserves

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

	Share based payments reserve \$	Foreign currency translation reserve \$	Total reserves \$
Balance at 1 January 2019	765,850	-	765,850
Foreign currency translation differences	-	192	192
Total comprehensive gain	-	192	192
Transactions with owners in their capacity as owners:			
Share-based payment transactions			
Options issue transaction costs	4,509,913	-	4,509,913
Share Options	1,225,118	-	1,225,118
Performance Rights	86,373	-	86,373
Balance at 31 December 2019	6,587,254	192	6,587,446
Balance at 1 January 2020	6,587,254	192	6,587,446
Foreign currency translation differences	-	(39,832)	(39,832)
Total comprehensive loss	-	(39,832)	(39,832)
Transactions with owners in their capacity as owners:			
Share-based payment transactions			
Performance Rights	65,291	-	65,291
Vested performance rights transferred to contributed equity	(100,000)	-	(100,000)
Balance at 31 December 2020	6,552,545	(39,640)	6,512,905

9.1 Share based payments

During the year ended 31 December 2020:

- 735,294 Shares issued to Doumou Sarl as consideration for US\$50,000 payable for the Bourdala Permit, refer to Note 10 (b).

During the year ended 31 December 2019:

- 9,750,000 unlisted options were issued;
- 8,250,000 Shares issued on acquisition of subsidiary Golden Ivoire SARL refer to Note 10 (a); and
- 3,000,000 Shares issued on acquisition of subsidiary Abra Resources Pty Ltd refer to Note 10 (c).

Set out below is a summary of unlisted options and performance rights outstanding at 31 December 2020:

	Vested	Unvested	Issue Date	Expiry date	Exercise price (Cents)	Fair value per unit (Cents)	Total fair value \$
Unlisted options	9,750,000	-	07/02/19	07/02/22	0.20	0.1257 ⁽¹⁾	1,225,118
Unlisted options	35,000,000	-	20/03/18	31/3/23	0.20	0.1503 ⁽¹⁾	5,261,565
Performance Rights	-	1,000,000	01/11/18	2-4 years	N/A	0.10 ⁽²⁾	100,000

Set out below is a summary of unlisted options and performance rights outstanding at 31 December 2019:

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

(1) Valuation was determined using a Black Sholes pricing model.

(2) The performance rights have non-market vesting conditions only. Management estimates the number of units that are expected to vest, and the total fair value of the issuance is recognised over the vesting period (which is the period to expiry).

9.2 Share options and performance rights issued during the year

There were no share options or performance rights issued during the year ended 31 December 2020.

9.3 Share Options and performance rights Issued during the prior year

Share options

The Company has determined the fair value of its options awarded using the Black Scholes pricing model. The following share options were issued during the year ended 31 December 2019, alongside the key inputs utilised in the pricing model, including the Company's risk-free borrowing rate and volatility of the Company's shares.

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

Granted during the year	Grant date and Vesting date	Expiry date	Fair value of option at Grant date (\$)	Exercise price (Cents)	Risk free rate	Expected volatility	Value of options granted during the year (\$)
9,750,000	06/02/2019	07/02/21	0.12565	0.20	2.10%	100%	1,225,118
Less: option cash consideration received							(975)
Total:							1,224,143

The full amount of \$1,224,143 was recorded as share issue transaction costs, this treatment was selected based on the nature of the services provided by the advisors as mentioned above.

Performance rights

Awarded during the prior year	Award date	Vesting date	Expiry date	Fair value of performance right at award date (\$)	Service period date	No. vested during year	No. lapsed during year	Amount of expense recognised during the prior year (\$)	Amount of expense recognised during the year (\$)
1,000,000	1/11/18	14/8/20	N/A	0.10	14/8/20	1,000,000	-	55,981	34,816
1,000,000	1/11/18	N/A	14/2/22	0.10	14/2/22	-	-	30,392	30,475
Total								86,373	65,291

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

During the year, 1,000,000 performance rights vested after the Executive completed 18 months' continuous employment with the Company from the Listing Date.

The following performance condition is applicable to the remaining performance rights:

- 1,000,000 performance rights vesting on the announcement by the Company of a JORC compliant resource of a minimum of 500,000 ounces of gold (or equivalent value if another commodity) of at least 1 gram per tonne on any of the Company's mineral exploration licences in Cote D'Ivoire within 3 years of the Listing Date.

The total expense of \$200,000, calculated at the share price on issuance (10 cents) multiplied by the number of rights, is recognised from the vesting period. The expense is then recognised on a straight-line basis over the vesting period.

10. Asset acquisitions

a) Acquisition of Golden Ivoire SARL

The Company completed its share sale agreement with Golden Ivoire SARL and its vendors on the 14 February 2019. It is as this date that the Company obtained control over the subsidiary and consolidated its accounts. The Group has determined that the transaction does not constitute a business combination in accordance with *AASB 3 Business Combinations*.

Details of the purchase condition are as follows:

	At acquisition
Purchase consideration:	\$
Cash paid	30,000
Ordinary Shares issued (150,000)	30,000
Ordinary Shares issued (8,250,000)	1,650,000
Total purchase consideration	1,710,000

Initial cash payment of \$30,000 was paid in 2018. The fair value of the shares issued to gain control of Gold Ivoire was based on the African Gold's share price on 14 February 2019 (the date on which control was obtained) of \$0.20 per share and are subject to escrow for 24 months.

	At acquisition
Net assets acquired	\$
Cash and cash equivalents	59,948
Other receivables	5,957
Exploration and evaluation	1,803,354
Loan payable	(159,259)
Net assets acquired	1,710,000

b) Acquisition of Falémé Gold Project

In July 2019, African Gold's 100% owned Malian subsidiary African Gold Mali SARL entered into four option agreements to acquire gold projects located in the highly prospective and prolific gold producing Kenieba Inlier in western Mali known as the Falémé Gold Project.

Terms of the Agreement

BouBou Permit (25sqkm) agreement with Mande Empire Resources SARL

- 1) Option payment of US\$20,000 to the vendor on signing.
- 2) Payment of US\$30,000 the vendor 12 months after signing, at this point African Gold earns 51% equity in the Permit.
- 3) Payment of US\$60,000 the vendor 24 months after signing, at this point African Gold will have 90% equity and Mande Empire 10% equity. At this juncture, Mande Empire can elect to contribute or convert to a 2% NSR (1% NSR purchasable for US\$500,000).
- 4) African Gold will meet minimum expenditure commitments and keep permits in good standing.

Bourdala Permit (16sqkm) with Doumou SARL

- 1) Option payment of US\$40,000 to the vendor on signing.
- 2) Payment of US\$50,000 to the vendor 12 months after signing, at this point African Gold earns 51% equity.
- 3) Payment of US\$60,000 the vendor 24 months after signing, at this point African Gold will have 90% equity and Doumou 10% equity. At this juncture, Doumou can elect to contribute or convert to a 2% NSR (purchasable for US\$1,000,000).
- 4) African Gold will meet minimum expenditure commitments and keep permits in good standing.

Diokeba Sud Permit (35sqkm) agreement with SAB International SARL

- 1) Option payment of US\$20,000 to the vendor on signing. Of this CFA 5,000,000 will be used to pay for the grant of the license in accordance with Malian Mining law.
- 2) Payment of US\$30,000 to the vendor 12 months after signing, at this point African Gold earns 51% equity.
- 3) Payment of US\$50,000 to the vendor 24 months after signing, at this point African Gold will have 90% equity and SAB International 10% equity. At this juncture, SAB International can elect to contribute or convert to a 2% NSR (1% NSR purchasable for US\$1,000,000).
- 4) African Gold will meet minimum expenditure commitments and keep permits in good standing.

Asset acquisitions (continued)

Tintinba Nord Permit (35sqkm) agreement with Macina Gold Company SARL

- 1) Option payment of US\$50,000 on signing.
- 2) African Gold to sole fund first year exploration to a value of US\$250,000. Once done African Gold will hold 55% equity and Macina Gold 45% equity in the permit.
- 3) Macina gold will retain alluvial rights to a depth of 2 meters over a designated area. This will not restrict the exploration or exploitation of resources below this depth.
- 4) Thereafter a joint venture will be formed and Macina gold can elect to contribute to retain equity or dilute. If they dilute this will be converted to a 10% free carried to decision to mine. If Macina dilutes further this will be converted to a 2% NSR (purchasable for a consideration based in value profit calculated at time of DFS).
- 5) African Gold will meet minimum expenditure commitments and keep permits in good standing.

c) Acquisition of Abra Resources Pty Ltd

On 15 November 2019, African Gold completed a share purchase agreement with Abra Resources Pty Ltd (Abra) to acquire 100% of Abra which, through its wholly owned Malian subsidiary, owns the Samanafoulou, Sitikili, Yatia, Golokasso gold projects, and the option to purchase a 95% interest in the Walia gold project in Mali. The Group has determined that the transaction does not constitute a business combination in accordance with *AASB 3 Business Combinations*.

Details of the purchase condition are as follows:	At acquisition
Purchase consideration:	\$
Cash paid	170,000
Ordinary Shares issued (3,000,000)	450,000
Total purchase consideration	620,000

The fair value of the shares issued to gain control of Abra was based on the African Gold's share price on 15 November 2019 (the date on which control was obtained) of \$0.15 per share and are subject to escrow for 6-12 months.

	At acquisition
Net assets acquired	\$
Exploration and evaluation	736,167
Other payable	(116,167) ¹
Net asset acquired	620,000

¹ US\$80,000 based on exchange rate at acquisition date which has since been paid as mentioned below.

The transfer of the 95% ownership in Walia Gold Project was finalised during the year ended 31 December 2020, following payment by the Company of US\$80,000 (A\$112,891 based on actual exchange rates at date of payment) cash as follows:

1. US\$40,000 (A\$59,147) paid after acquisition in November 2019; and
2. The remaining US\$40,000 (A\$53,744) paid in December 2020.

d) Acquisition of Kofi Quest Permit

The Company acquired an option on The Kofi Quest Permit (20sqkm) during June 2020. The permit lies immediately adjacent to A1G's Walia Permit and Barrick's Loulou Mining Licence in the KKI in west Mali. These permits straddle the regionally significant Senegal Mali Shear Zone.

Terms of the Agreement

- 1) Option payment of US\$17,500 to the vendor 30 days after signing term sheet (paid 30 June 2020).
- 2) Payment of US\$30,000 to vendor 12 months after signing and may elect to have the permit transferred to the Group.
- 3) Payment of US\$40,000 to the vendor on transfer of the permit to the Group.
- 4) The vendor shall retain a 1% NSR.
- 5) African Gold will meet minimum expenditure commitments and keep permits in good standing.

The decision to exercise the options and make the cash payments referred to at Items 2 and 3 above is contingent on the results from exploration activities to be undertaken on the project area.

11 Operating segment

The Group reports two segments for the year ended 31 December 2020 (2019: 2):

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

These are the geographical areas, the results are which reported to the chief operating decision maker, being the Chief Executive Officer and Exploration Manager for the purposes of assessing performance and determining the allocation of resources.

	Mali \$	Cote d'Ivoire \$	Total \$
Year ended 31 December 2020			
Segment results - Loss after income tax	(14,792)	(6,722)	(21,514)
Unallocated losses after income tax			(693,625)
Loss after income tax			(715,139)
As at 31 December 2020			
Segment assets	2,386,997	2,651,589	5,038,586
Unallocated assets			1,461,423
Total assets			6,500,009
Segment liabilities	-	-	-
Unallocated liabilities			(80,788)
Total liabilities			(80,788)

	Mali \$	Cote d'Ivoire \$	Total \$
Year ended 31 December 2019			
Segment results - Loss after income tax	(19,475)	(29,274)	(48,749)
Unallocated losses after income tax			(934,745)
Loss after income tax			(983,494)
As at 31 December 2019			
Segment assets	1,946,596	2,530,407	4,477,003
Unallocated assets			1,677,514
Total assets			6,154,517
Segment liabilities	(281,102)	-	(281,102)
Unallocated liabilities			(499,046)
Total liabilities			(780,148)

12 Exploration and evaluation

	Notes	2020 \$	2019 \$
Opening balance as at 1 January		-	-
Acquisition costs in purchase of Golden Ivoire SARL	10 (a)	4,390,255	1,803,354
Acquisition of Falémé Gold Project	10 (b)	-	325,874
Acquisition of Abra Resources Pty Ltd	10 (c)	-	736,167
Acquisition of Kofi Quest Permit	10 (d)	24,739	-
Final payment of acquisition of Walia Permit	10 (c)	53,744	-
Amount capitalised during the year		513,885	1,524,860
Foreign exchange movement		(31,517)	-
Closing balance as at 31 December		4,951,106	4,390,255

13 Property, plant and equipment

	2020 \$	2019 \$
Opening carrying amount	2,236	-
Additions	-	3,701
Less: Depreciation	(1,851)	(1,465)
Closing carrying amount	385	2,236

14 Controlled entities

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

	Country of incorporation	Percentage Owned % 2020	2019
Abra Resources Pty Ltd	Australia	100	100
Tanzanian Nickel Pty Ltd	Australia	100	100
Golden Ivoire SARL	Cote d'Ivoire	100	100
African Gold Mali SARL	Mali	100	100
Eureka Gold SARL	Mali	100	100
Catalyst Resources SARL	Mali	100	100
Millerite Tanzania Limited	Tanzania	100	100

15 Risk Management Framework

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

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

15.1 Credit Risk

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

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

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

Financial assets	Note	Carrying amount 2020 \$	Carrying amount 2019 \$
Cash and cash equivalents	4	1,467,417	1,627,845
Trade and other receivables	6	76,556	54,682

None of the Company's trade and other receivables are past due as at 31 December 2020 (2019: Nil).

15.2 Liquidity Risk

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

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

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

2020	Note	Carrying amount \$	Contractual Cash Flows \$	6 Months or less \$
Trade payables	7	43,043	43,043	43,043
2019				
Trade payables	7	438,704	438,704	438,704

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

15 Risk Management Framework (continued)

15.3 Market Risk

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

(a) Currency Risk

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

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

(b) Interest Rate Risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's cash. Cash includes funds held in cheque accounts during the year, which earned variable interest at rates ranging between 0.05% and 1.25% (2019: 0.88% and 1.25%) depending on the bank account type and account balances these amounts are not considered material.

The Company has no loans or borrowings.

16 Loss per share

	2020 \$	2019 \$
Net loss attributable to ordinary equity holders of the Company	(715,139)	(983,494)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share	59,498,785	51,743,957
Loss per share (cents per share)	(1.20)	(1.90)

Both the basic and diluted loss per share is calculated using the loss attributable to shareholders of the Company as the numerator (i.e. no adjustments to losses were necessary in 2020).

45,750,000 (2019: 46,750,000) potential ordinary shares (options & rights) have not been included in determining the diluted loss per share as they are not considered to be dilutive due to the loss position of the Company for year ended 31 December 2020.

17 Auditor remuneration

	2020 \$	2019 \$
Audit and review of financial statements		
Auditors - Grant Thornton Australia	30,860	30,500
Non-audit services		
Taxation services	7,400	2,750
Total auditor's remuneration	38,260	33,250

18 Contingent liabilities

Falémé Gold Project

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

Kofi Quest Permit

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

19 Income tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of African Gold Ltd at 27.5% and the reported tax expense in profit or loss are as follows:

	2020 \$	2019 \$
Accounting profit before tax	(715,139)	(983,494)
<i>Income Tax Expense to Accounting Profit</i>		
Domestic tax rate for African Gold Ltd 27.5% (2019: 27.5%)	(196,663)	(270,460)
Difference of effective foreign income tax rates	107	243
Non-assessable income	(23,344)	-
Expenditure not allowed for income tax purposes		
Share based payments	17,955	23,753
Other non-deductible items - foreign expenditure	72,612	146,865
Deferred Tax Asset not brought to account	(771)	(178)
Deferred Tax Asset losses not brought to account	130,104	99,777
Income tax expense (benefit)	-	-
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Unrecognised deferred tax asset losses - Australia	308,117	121,628
Unrecognised deferred tax asset losses - Foreign	18,969	13,160
Unrecognised deferred tax asset temporary differences	8,812	23,955
Unrecognised deferred tax liability	(1,250)	(2,021)
	334,648	156,722

20 Related parties

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

Name	Position
Evan Cranston	Non-Executive Chairman
Tolga Kumova	Non-Executive Director
Mathew O'Hara	Non-Executive Director
Oonagh Malone	Company Secretary
Glen Edwards	Chief Executive Officer and Exploration Manager
Stephen Parsons (resigned 1/4/20)	Executive director
Michael Naylor (resigned 1/4/20)	Chief Financial Officer/Company Secretary

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

	2020	2019
	\$	\$
Short term benefits	414,080	509,244
Post-employment benefits	23,073	24,885
Share based payments (non-cash)	65,291	43,541
Total	502,444	577,670

Transactions with related parties

The following transactions were undertaken with key management personnel during the year ended 31 December 2020.

Mr Cranston is a related party of the entities shown below which transacted with the Company.

Entity	Services provided	2020	2019
		\$	\$
Konkera Corporate	Accounting and administrative services (commenced 1/4/20)	90,000	-
Kinglane Pty Ltd	Serviced office lease (commenced 1/4/20)	36,000	-

There were no other transactions and balances with key management personnel of the Company, including their personally related parties, as at 31 December 2020.

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

21 Abra Resources Acquisition - Deferred Consideration Shares

On 15th November 2019, African Gold completed the acquisition of Abra Resources Pty Ltd (Abra). The terms of the purchase were released on 5 September 2019. As at 31 December 2020, no deferred consideration shares had been issued and the remaining deferred consideration shares and milestones are as follows:

- i. Tranche 1: ASX announcement by African Gold of:
 1. a JORC 2012 compliant Inferred, Indicated or Measured Resource with a minimum grade of 1.5g/t for a total of at least 500,000oz of gold located within the projects; or
 2. an announcement by the Company of the commercial production of gold from any of the projects, within 3 years of completion – number of Deferred Consideration shares 2,500,000;
- ii. Tranche 2: ASX announcement by African Gold of:
 1. a JORC 2012 compliant Inferred, Indicated or Measured Resource with a minimum grade of 1.5g/t for a total of at least 1,000,000oz of gold located within the projects; or
 2. an announcement by the Company of the commercial production of gold from any of the projects, within 4 years of completion – number of Deferred Consideration shares 5,000,000; and
- iii. Tranche 3: ASX announcement by African Gold of:
 1. a JORC 2012 compliant Inferred, Indicated or Measured Resource with a minimum grade of 1.5g/t for a total of at least 2,000,000oz of gold located within the projects; or
 2. an announcement by the Company of the commercial production of gold from any of the projects, within 5 years of completion – number of Deferred Consideration shares 5,000,000.

22 Parent entity disclosure

The following information relates to the parent entity, African Gold Ltd, as at and for the year ended 31 December 2020.

	2020 \$	2019 \$
Loss for the year	(803,527)	(983,300)
Other comprehensive expenses	-	-
Total Comprehensive loss for the year	(803,527)	(983,300)
Financial Position of parent entity at year end:		
Current assets	3,965,271	3,518,336
Non-current assets	2,534,740	2,355,078
Total assets	6,500,011	5,873,414
Current liabilities	80,789	499,045
Total liabilities	80,789	499,045
Total equity of the parent entity comprising of:		
Contributed equity	2,873,524	1,138,992
Share-based payment reserve	6,652,545	6,587,254
Accumulated losses	(3,106,847)	(2,351,877)
Total equity	6,419,222	5,374,369

23 Post-reporting date events

- On 12 January 2021, the Company completed the issue of 2,438,885 shortfall shares at \$0.10 per share from the non-renounceable rights issue undertaken in December 2020, raising \$243,888 (before costs).
- On 23 February 2021:
 - the Company completed the issue of 8,024,706 Tranche 2 placement shares at \$0.10 per share, raising a further \$802,470 (before costs), which included the issue of 4,950,000 to directors or their nominees as approved by shareholders on 5 February 2021; and
 - the Company issued a total of 5,000,000 unquoted options exercisable at \$0.20 expiring on 22 February 2024, consisting of 2,500,000 options issued to each of Mr Evan Cranston and Mr Tolga Kumova, or their nominees, for underwriting the non-renounceable entitlement issue undertaken in December 2020. This option issue was approved by shareholders on 5 February 2021 and there was no consideration payable for the options.
- On 24 February 2021, the Company appointed Mr Simon Bolster and Mr Peter Williams as Non-Executive Directors.
- In February 2021, the Company completed the acquisition of 80% of Kouroufaba Gold which gives access to Kouroufaba Gold's strategic land holding consisting of the Didievi granted permit and 3 permit applications totalling 1,534km² of prospective tenure over proven Birimian greenstone belts in Central Côte d'Ivoire. The consideration payable for the acquisition was as follows:
 - payment of \$200,000 (settled with the vendors during February and March 2021); and
 - 4,000,000 shares in the Company issued to the vendors on a pro-rata basis on 23rd February 2021.

Other than the above there have not been any events that have arisen between 31 December 2020 and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years.

24 Commitments

The Group is required to complete exploration activities to the value of US\$250,000 (approx. A\$324,400 at 31 December 2020) to earn 55% equity in the Tintinba Nord permit. Due to COVID-19, exploration activities in relation to Tintinba Nord have been delayed and an agreement has been entered into to extend the earn-in period by a year. Therefore, the Group now has until 3 July 2021 to complete exploration activities to the value of US\$250,000 on the Tintinba Nord permit. As at 31 December 2020, the Group had undertaken exploration activities in relation to the Tintinba Nord permit to the value of approximately US\$79,000 (A\$103,000), resulting in a remaining balance of approximately US\$171,000 (A\$222,000) to be expended by 3 July 2021.

The Group is required to meet minimum expenditure commitments in relation to its tenements and keep them in good standing. The exploration commitments shown below are subject to successful exploration programs which warrant further expenditure.

A total expense of \$36,000 (2019: nil) was recognised during the period under a serviced office agreement. The serviced office agreement does not lead to the recognition of any right-of-use asset or associated lease liability because the serviced office agreement does not specify or effectively require an identified asset.

	2020 \$	2019 \$
Exploration commitments		
Due within 1 year	4,826,116	356,400
Due greater than 1 year and less than 5	5,924,042	-
Serviced office commitment		
Due within 1 year	48,000	-
Due greater than 1 year and less than 5	-	-
Total	10,798,158	356,400

25 Summary of significant accounting policies

25.1 Parent entity information

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

25.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2020. Subsidiaries are entities that are controlled by the Company. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with its subsidiaries and has the ability to affect those returns through its capacity to direct the activities of its subsidiaries.

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

- power over the subsidiary (i.e., existing rights that give it the current ability to direct the relevant activities of the subsidiary)
- exposure, or rights, to variable returns from its involvement with the subsidiary
- the ability to use its power over the subsidiary to affect its returns

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

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

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

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

25.3 Interest Income

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

25.4 Trade and Other Payables

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

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

25.5 Income taxes

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

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

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

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

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

25.6 Cash and cash equivalents

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

25.7 Equity

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

25.8 Goods and Services Tax (GST)

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

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

25.9 Exploration and evaluation expenditure

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

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

25.10 Provisions

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

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

25.11 Share based payment transactions

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

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

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

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

25.12 Employee entitlements

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

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

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

25.13 Operating expenses

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

25.14 Financial instruments

i) Financial assets

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

Other receivables

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

Trade and other payables

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

Initial recognition and measurement

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

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

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



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

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

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

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-



month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

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

ii) Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value.

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

Derecognition

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

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

iii) Offsetting of financial instruments

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

25.15 Foreign currency transactions and balances

Transactions and balances

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

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

Subsidiaries

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



25.16 Significant Estimates and Judgments

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

Share options

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

For the purposes of the Black Scholes models used in Note 9, the Company has estimated the volatility of its share price based on other companies considered to be comparable, being junior exploration companies listed on the ASX and with African gold assets. For 2019, the volatility was estimated to be 100% and the Group has estimated a risk-free rate based on the three-year average bond rates of Australia, 2.10%.

Performance rights

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

25.17 Loss per share

Earnings per share

- (i) Basic loss per share

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

- (ii) Diluted loss per share

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

25.18 Capital management

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

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

25.19 New and amended accounting standards

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

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

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

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

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

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

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



DIRECTORS' DECLARATION

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

In the opinion of the Directors:

- (a) the consolidated financial statements and accompanying notes for the year ended 31 December 2020 and are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of their performance for the period ended on that date; and
 - (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and
- (b) the financial statements and notes also comply with the International Financial Reporting Standards as disclosed in Note 2 and;
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial period ended 31 December 2020.

On behalf of the Board:



Mr Evan Cranston

Executive Chairman

Dated the 30 March 2021

Independent Auditor's Report

To the Members of African Gold Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of African Gold Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Material uncertainty related to going concern

We draw attention to Note 3 in the financial statements, which indicates that the Group incurred a net loss of \$715,139 during the year ended 31 December 2020, and as of that date, the Group had cash outflows from operating and investing activities of \$1,807,134. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets - Notes 12 & 25.9	
<p>At 31 December 2020 the carrying value of exploration and evaluation assets was \$4,951,106.</p> <p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; reviewing management's area of interest considerations against AASB 6; conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including: <ul style="list-style-type: none"> tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; enquiring of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure; understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and assessing the appropriateness of the related financial statement disclosures.

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

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors' for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 16 to 24 of the Directors' report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of African Gold Ltd, for the year ended 31 December 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 30 March 2021

ADDITIONAL SHAREHOLDER INFORMATION

In accordance with ASX Listing Rule 4.10, the following information is provided as at 22 March 2021.

TOP 20 HOLDERS OF ORDINARY SHARES

RANK	NAME	UNITS	% OF ISSUED CAPITAL
1	Kingslane Pty Ltd <Cranston Super Pension A/C>	6,416,667	7.05
2	Kitara Investments Pty Ltd	6,416,667	7.05
3	Redstar Resources Limited	4,455,000	4.89
4	Symorgh Investments Pty Ltd <Symorgh A/C>	4,000,000	4.39
5	Mohamed Niare	3,618,750	3.97
6	Kitara Investments Pty Ltd	2,823,192	3.10
7	Kingslane Pty Ltd <Cranston Super Pension A/C>	2,647,493	2.91
8	Mr Stanislas De Stabenrath	2,350,000	2.58
9	HSBC Custody Nominees (Australia) Limited	2,019,722	2.22
10	Antman Holdings Pty Ltd	1,708,333	1.88
11	Mr Mark John Bahen + Mrs Margaret Patricia Bahen <MJ Bahen Super Fund A/C>	1,574,784	1.73
12	Mr Glen Warren Edwards	1,566,667	1.72
13	Desertfox Pty Ltd	1,500,000	1.65
14	Mr Eric Kondo	1,500,000	1.65
15	Kobia Holdings Pty Ltd	1,458,334	1.60
16	GP Securities Pty Ltd	1,351,412	1.48
17	Symorgh Investments Pty Ltd <Symorgh A/C>	1,012,501	1.11
18	Wavecape Holdings Pty Ltd <Joyce Family A/C>	981,848	1.08
19	JP Morgan Nominees Australia Pty Limited	974,047	1.07
20	Mr Sidi Oumar Haidara	961,267	1.06
Total: Top 20 Holders of Ordinary Fully Paid Shares		49,336,684	54.18
Total Remaining Holders Balance		41,721,160	45.82

UNMARKETABLE PARCELS

There were 20 shareholders with less than a marketable parcel of shares, based on the closing price \$0.29.

RANGE OF SHARES

RANGE	TOTAL HOLDERS	UNITS	% OF ISSUED CAPITAL
1 - 1,000	16	2,806	0.00
1,001 - 5,000	101	335,978	0.37
5,001 - 10,000	76	657,113	0.72
10,001 - 100,000	220	9,101,797	10.00
100,001 Over	112	80,960,150	88.91
Total	525	91,057,844	100

SUBSTANTIAL HOLDERS

NAME	UNITS	% OF ISSUED CAPITAL
Kitara Investments Pty Ltd	9,239,859	10.15
Kingslane Pty Ltd <Cranston Super Pension A/C>	9,064,160	9.95

RESTRICTED SECURITIES

The Company has no restricted securities.

VOTING RIGHTS

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

ASX LISTING RULE 4.10.19

In accordance with Listing Rule 4.10.19, the company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily mineral exploration.

MINERAL TENEMENTS

TENEMENT NAME	LOCATION	PERMIT TYPE AND NUMBER	% OF OWNERSHIP
Agboville	Côte d'Ivoire.	Permis de recherche (Or) – no. 648	100%
Sikensi	Côte d'Ivoire.	Permis de recherche (Or) – no. 649	100%
Azaguié	Côte d'Ivoire.	Permis de recherche (Or)	Pending, 100%
Gomon	Côte d'Ivoire.	Permis de recherche (Or)	Pending, 100%
Sitakili	Mali	Permit de recherche (Or) 2018/0395	100%
Walia	Mali	Permit de recherche (Or) 2018/4272	95%
Samanafoulou	Mali	Permit de recherche (Or) 2018/3824	100%
Golokasso	Mali	Convention	Pending 100%
Yatia Sud	Mali	Permit de Recherche (Or) 2019/4872	100%
Bourdala	Mali	Permit de Recherche (Or) 2018/4485	100% (Subject to option agreement)
BouBou	Mali	Permit de Recherche (Or) 2017/0441	100% (subject to option agreement)
Diokeba Sud	Mali	Permit de Recherche (Or) 2017/2591	100% (subject to option agreement)
Tintinba Nord	Mali	Permit de Recherche (Or) 2018/4534	55%
Kofi Quest	Mali	Permit de Recherche (Or) 2018/1768	100%

