

ASX Announcement

31 October 2022

30 September 2022 Quarterly Report

HIGHLIGHTS

DIDIEVI PROJECT

- An independent review of exploration results enabled a high grade Exploration Target on the Didievi Project.
- Exploration work generated an abundance of new targets for follow up in the upcoming dry season.
- Exceptional results from recent exploration included:
 - Blaffo Gueto Prospect
 - 10.0m at 123.0g/t gold from 66m including 2.0m at 613.0g/t gold (DRC334);
 - 17.4m at 17.0g/t gold from 244m including 1.0m at 216.0g/t gold (DDD0029) (ends in mineralisation);
 - 83.3m at 3.3g/t gold from 166.9m including 18.0m at 12.0g/t gold (DDD01) (ends in mineralisation);
 - 80.0m at 3.0g/t gold from 0m including 23.0m at 9.5g/t gold (DDD013);
 - 37.0m at 7.7g/t gold from 42m including 24.0m at 11.0g/t gold (DRC208) (ends in mineralisation);
 - 27.0m at 4.6g/t gold from 46m including 11.0m at 11.1g/t gold (DRC337) (ends in mineralisation); and
 - Broad mineralised halo extending from surface of 231.0m at 1.0g/t gold (DDD044) which included:
 - 38.0m at 4.1g/t gold from 165m which is within
 - 79.0m at 2.2g/t gold from 152m.
 - Pranoi Prospect
 - 12.0m at 5.60g/t gold from 24m (ends in mineralisation).

WALIA PROJECT

- First order gold geochemical anomalies defined over 15km of strike on the Walia Project. Peak values up to 2g/t gold from the soils/auger program.
- The Walia Project is only 5km along strike from Barrick Gold Corporation's +14Moz gold Loulo mine complex.

SYAMA SHEAR ZONE PROJECT

- African Gold announced a joint venture for Resolute Mining Ltd to earn up to 80% of the Syama Shear Zone Project.

CORPORATE

- A rights issue announced for existing shareholders to raise \$2.3 million dollars.
- Phillip Gallagher appointed as Managing Director.

African Gold Ltd (**African Gold** or the **Company**) (**ASX: A1G**) is pleased to report on the company activities for the quarter ended 30 September 2022. Activities for the quarter focused on the advancement of the Company's flagship Didievi Gold Project, Côte d'Ivoire, and planning for the commencement of exploration activities following the end of the wet season.

Didievi Project, Côte d'Ivoire

During the quarter, the Company announced high grade results from recent drilling on the Didievi Project. The results highlight the high-grade nature of the Didievi Project and the potential for a significant high grade resource within the Project.

The Company has identified many targets for follow up exploration in addition to the Blaffo Gueto and Pranoi Prospects, including the 8km long Pokou Trend and the GCH1 Prospect that returned 16m at 3.1g/t gold in a trench 2.5m deep.

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

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

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

Cautionary Statement

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

The exploration target is based on historical and African Gold drilling information.

On 23 August 2022, the Company released the results from a recently completed drill program at the Blaffo Gueto prospect at the Didievi Gold Project in Central Côte d'Ivoire.

The drilling delivered some spectacular broad, shallow and high-grade gold intercepts from surface that highlight the strong potential of the Didievi Gold Project. The results confirmed and extended the known areas of mineralisation at the Blaffo Gueto prospect as well as making new shallow high-grade discoveries.

Highlight results from the drilling program included the following spectacular broad, high-grade intercepts from Blaffo Gueto prospect:

- **38.0m at 4.13g/t gold** from 165m which is within:
- **79.0m at 2.18g/t gold** from 152m which is also within:
- A broad mineralised halo extending from surface of **231.0m at 1.02g/t gold** (DDD044)
- Blaffo Gueto also returns:
 - **8.0m at 1.18g/t gold** from 19m (DDD044)
 - **9.0m at 1.03g/t gold** from 140m (DDD038)
 - **13.0m at 1.51g/t gold** from 222m (DDD039) including:
 - **3.0m at 5.29g/t gold** from 222m
 - **17.0m at 1.28g/t gold** from 255m (DDD043) including:
 - **10.0m at 2.0g/t gold** from 260m

The drilling program also generated a plethora of new drill targets within the Blaffo Gueto area, all of which show the potential to add significant gold ounces to the Project. These include the down plunge potential of the new high-grade results as well as the untested previously announced significant wide and high-grade intercepts at the Blaffo Gueto North, South, South-West, Central and East zones.

African Gold intends to commence additional exploration at the Blaffo Gueto and Pranoi Prospects on the Didievi Project in the upcoming dry season to test the validity of the Exploration Target and to assess potential extensions of the **multiple mineralised target zones**. The program is currently planned to complete a reverse circulation (RC) drilling program over the Exploration Target Prospect areas and potential extensions, detailed topographic survey and additional mineral density testing.

In addition, the Company is planning additional exploration to test some of the many other identified targets on the Project area.



ASX : AIG

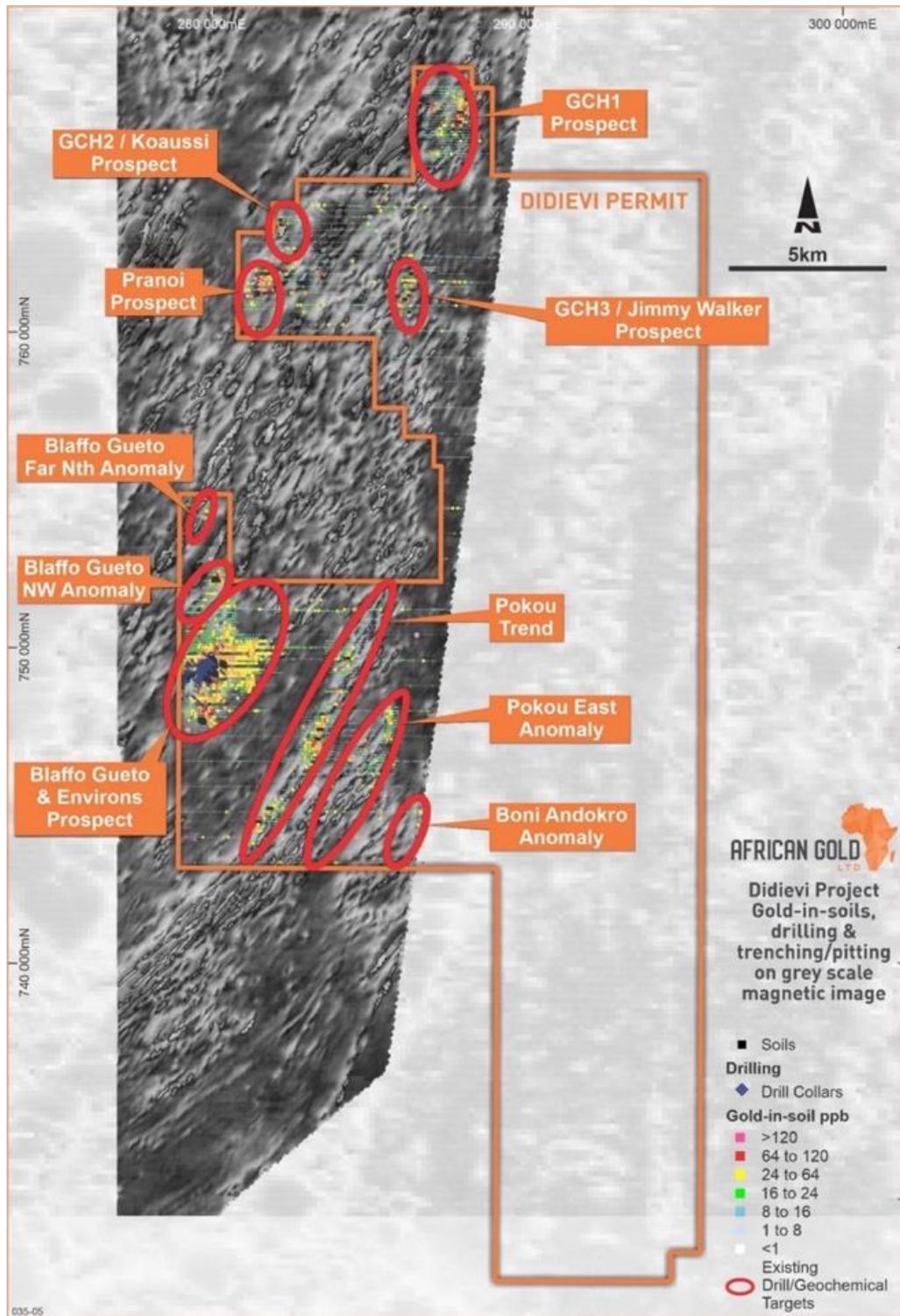


Figure 1: Didievi Project showing thematically mapped gold in soils, location of drilling and first pass targets on analytical signal magnetic image with major deposits, prospects and anomalies.

Syama Shear Zone Project, Mali

Subsequent to the end of the quarter, the Company entered into an Earn In Agreement with Resolute Mining Ltd (ASX: RSG) on the Syama Shear Zone Project located in south western Mali. The Syama Shear Zone Project is contiguous to Resolute Mining Ltd's Syama Mine.

Resolute can earn up to an 80% interest in the Project by the completion of an agreed minimum exploration program in two years and the subsequent completion of a feasibility study over an eight year period. Resolute own and operate the neighboring Syama Gold Mine. Key terms of the agreement are:

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

Resolute will be transferred the 80% ownership of the Syama Project following a positive Decision to Mine, which must be made within 90 days following the completion of the Feasibility Study.

Following a positive Decision to Mine from Resolute, African Gold can elect to contribute to the project development to maintain its equity or dilute to a 1.5% Net Smelter Royalty.

Walia Project, North Western Mali

On 4 July 2022, the Company announced the results of auger drilling soil sampling on the Walia Project in north western Mali. The program defined first order gold geochemical anomalies have been defined over 15km of strike extent of the prolific Senegal Mali Shear Zone (SMSZ), with peak values up to 2g/t gold in the soils/auger program.

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

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

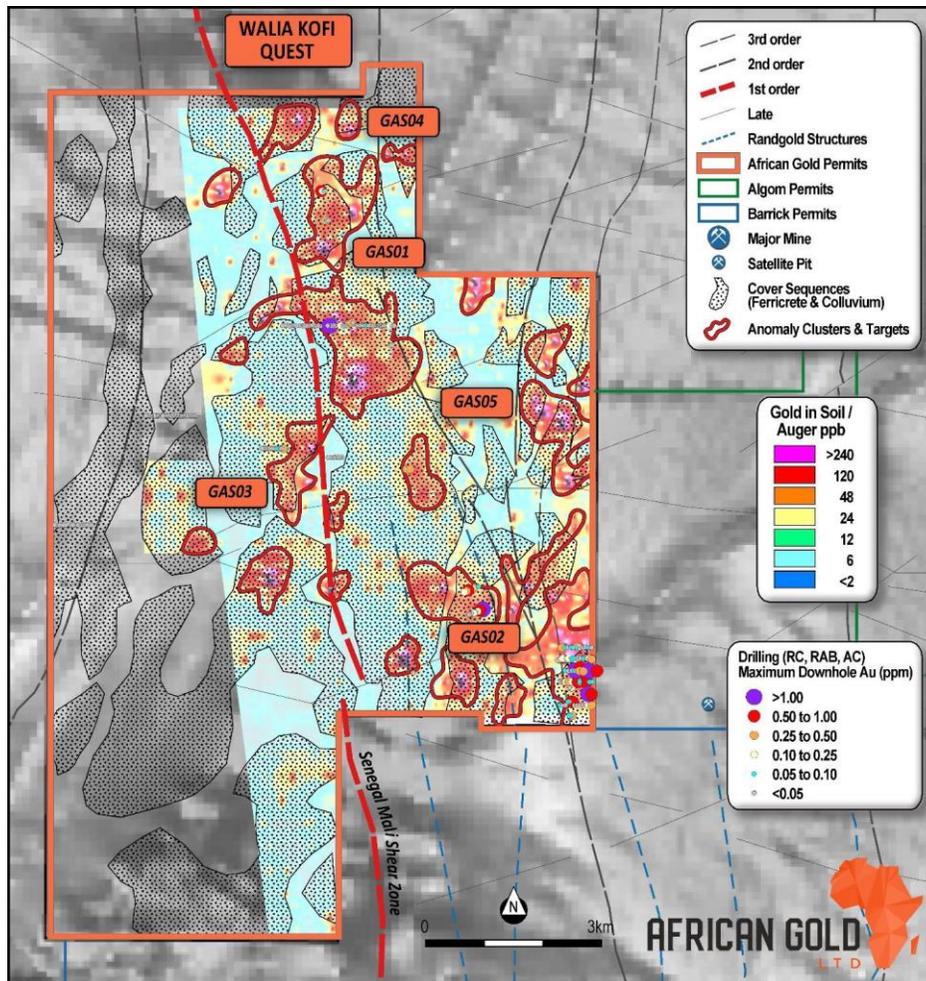


Figure 2: The Walia Gold Project showing priority targets for RC drill testing. Also shown is the interpreted position of the SMSZ and higher order structures, areas of ferricrete/colluvium cover, imaged gold in soil & auger, targets, all historical RC/RAB/AC drilling (maximum down hole gold) on a grey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

Corporate

On 16 August 2022, the Company announced the appointment of Mr Phillip Gallagher as Managing Director following the resignation of the previous CEO and Exploration Manager Mr Glen Edwards. Mr Gallagher has extensive experience working in West Africa and is a valuable addition to the African Gold team.

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

The indicative timetable is set out below. Shareholders are cautioned that the timetable is indicative only and is subject to change for reasons both inside and outside of the Company's control. The Company reserves the right to vary the timetable in its discretion, without warning, subject to ASX Listing Rules.

Full details of the Offers are set out in the Prospectus lodged with the ASX on 27 October 2022.

Event	Date
Lodgement of Prospectus with the ASIC	Thursday, 27 October 2022
Lodgement of Prospectus with ASX	Thursday, 27 October 2022
Ex date	Tuesday, 1 November 2022
Record Date for determining Entitlements	Wednesday, 2 November 2022
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Monday, 7 October 2022
Last day to extend the Closing Date	Friday, 18 November 2022
Closing Date as at 5:00pm**	Wednesday, 23 November 2022
Securities quoted on a deferred settlement basis	Thursday, 24 November 2022
ASX notified of under subscriptions	Monday, 28 November 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	Wednesday, 30 November 2022
Quotation of Shares issued under the Offer**	Thursday, 1 December 2022

*These dates are indicative only and are subject to change.

**The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Shares are expected to commence trading on ASX may vary.

Appendix 5B Disclosures

In line with obligations under ASX Listing Rule 5.3.5, the Company notes that the payments to related parties of the Company, as advised in the Appendix 5B (Quarterly Cashflow Report) for the period ended 30 September 2022, pertain to director fees, salaries and wages (including superannuation), accounting / bookkeeping / administration costs, drafting services and serviced office rent paid during the quarter ended 30 September 2022. During the quarter ended 30 September 2022, the Company spent a total of \$0.159 million on project and exploration activities. The majority of the project and exploration expenditure relates to the remaining costs incurred from the exploration programs undertaken at the Didievi Gold Project in Côte d'Ivoire which incorporated a 3,700m diamond drilling program, mapping, infill soil sampling and trenching programs undertaken. This expenditure represents direct costs associated with these activities as well as capitalised wages which can be directly attributable to the exploration activities.



Figure 3: African Gold Project Locations in Côte d'Ivoire and Mali

This announcement has been authorised for release by the Board of African Gold.

Mr Phillip Gallagher
 Managing Director
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 E: admin@african-gold.com

Competent Persons' Statements

The information contained in this announcement that relates to the Exploration Target is based on and fairly reflects, information compiled by Dr Marat Abzalov, who is a fellow of the Australasian Institute of Mining and Metallurgy. Dr Abzalov acted as a consultant to African Gold Ltd and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Abzalov consents to the inclusion in this announcement of the matters based on his information on the form and context in which it appears.

The information in this report that relates to historical exploration results were initially reported by the Company in accordance with Listing Rule 5.7 on 27 November 2020, 11 August 2021, 8 September 2021, 7 December 2021, 4 July 2022, 25 July 2022 and 23 August 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

Appendix 1

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 30 September 2022. There were no changes to claims held during the quarter ended 30 September 2022.

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

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

African Gold Limited

ABN

29 624 164 852

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(109)	(473)
(e) administration and corporate costs	(49)	(321)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(157)	(793)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(272)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(159)	(2,058)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Tenement security deposit)	-	-
2.6	Net cash from / (used in) investing activities	(159)	(2,330)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	100
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Share application funds received)	-	-
3.10	Net cash from / (used in) financing activities	-	99
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	761	3,471
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(157)	(793)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(159)	(2,330)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	99

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	1	(1)
4.6	Cash and cash equivalents at end of period	446	446

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	446	761
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	446	761

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	22
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Amount shown at item 6.1 above comprise of payments to related parties (or their associates) for director fees and salaries and wages (including superannuation) paid during the quarter.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(157)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(159)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(316)
8.4 Cash and cash equivalents at quarter end (item 4.6)	446
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	446
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes, the Company expects to have the current net operating cash flows for the time being.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes, as announced on 20 October 2022, the Company will be undertaking a non-renounceable pro-rata offer of ordinary fully paid shares at an issue price of \$0.05 each to eligible shareholders on the basis of 2 new Shares for every 5 Shares held on the Record Date. The Entitlement Offer, and placement of any shortfall is expected to raise up to approximately \$2,388,207 (before costs). The Company lodged its Prospectus for the Entitlement Offer on 27 October 2022. The Company also retains full placement capacity under ASX Listing Rules 7.1 and 7.1A.	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: *Yes, the Company expects to be able to continue its operations and meet its business objectives on the basis that it expects to be able to secure funding if required as described in the answer to Question 2 above.*

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **31 October 2022**

Authorised by: **By the Board**

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.