

ASX Announcement

31 January 2024

## 31 December 2023 Quarterly Report

### HIGHLIGHTS

#### *DIDIEVI PROJECT – COTE D'IVOIRE*

- Surficial lag soil sampling completed over previously untested areas
- Intercepts from trenching at Kouassi Prospect include **13m at 4.03 g/t Au** and **3m at 3.53 g/t Au**
  - These can be considered as **true thicknesses** as mineralisation is subvertical
- Channel sampling at Kouassi Prospect has returned **9m at 0.81 g/t Au** (including **4m at 1.53 g/t Au**) and **8m at 0.58 g/t Au** (including **2m at 1.11 g/t Au**)
- Total strike length of mineralisation encountered to date at Kouassi is 350m and is expected to increase in the future

#### *KONAHIRI NORD PROJECT – COTE D'IVOIRE*

- Surficial lag sampling completed over the entire permit
- Highly encouraging results identifying an **18km long anomaly**
- Peak sample assay of **1.18 g/t Au**, considered extremely high grade for lag sampling

African Gold Ltd (**African Gold** or the **Company**) (**ASX: A1G**) is pleased to report on the Company's activities for the quarter ended on 31 December 2023.

### Didievi Project, Cote d'Ivoire

During the quarter, the Company announced the results from a trenching and channel sampling program at the Kouassi Prospect located on the Didievi Project, Cote d'Ivoire (**Project**)<sup>1</sup>.

The trenching program was undertaken following a detailed review of the Project and the re-evaluation of drill core, primarily drill hole DDD045, which was drilled in April 2022. The drillhole had intersected significant ore-grade mineralisation, including **6m at 1.82 g/t Au** from 89m, **11m at 0.29 g/t Au** from 103m and **11m at 1.85 g/t Au** from 128m, including **3m at 2.74 g/t Au** from 132m and **2m at 3.38 g/t Au** from 137m.

The Kouassi Prospect is located approximately 14km NNE of the headline Blaffo-Guetto Prospect. Kouassi appears to be associated with a different controlling structure to Blaffo-Guetto, and also has a different host rock and mineralisation style. Mineralisation at Kouassi is hosted in stockwork quartz veins and as large blebs of arsenopyrite, within and at the contact of a quartz-feldspar porphyry unit.

<sup>1</sup> ASX announcement 17 October 2023: Trenching and Channel Sampling Confirms Significant Diamond Drill Intersections at the Didievi Project, Ivory Coast

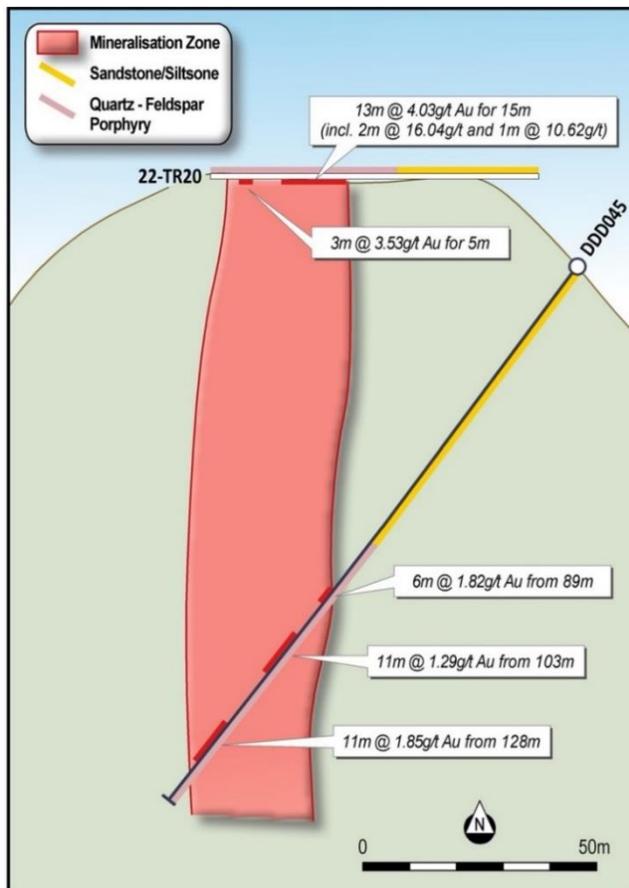


Figure 1: Cross section of trenching and diamond drill results at the Kouassi Prospect.

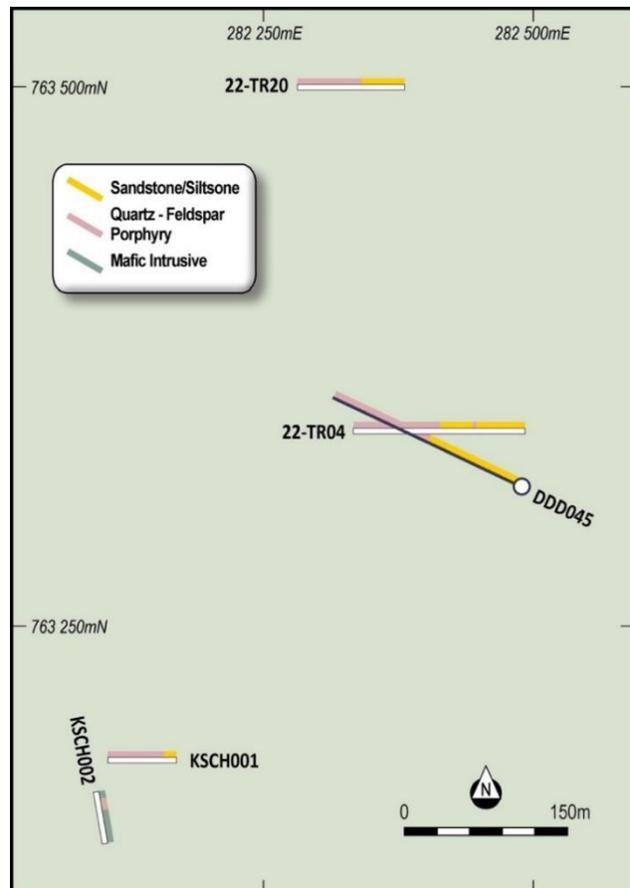


Figure 2: Location of channel sampling at the Kouassi Prospect.

African Gold also completed a composite track lag sampling program on the eastern granite zone of the Project<sup>2</sup>. The objective of the program was to determine whether or not the granite occupying the eastern half of the permit was prospective, as no work had previously been undertaken over the area. Identifying any barren zones allows the Company to comfortably relinquish 25% of the Didievi permit upon renewal, as is required under the Ivorian mining code.

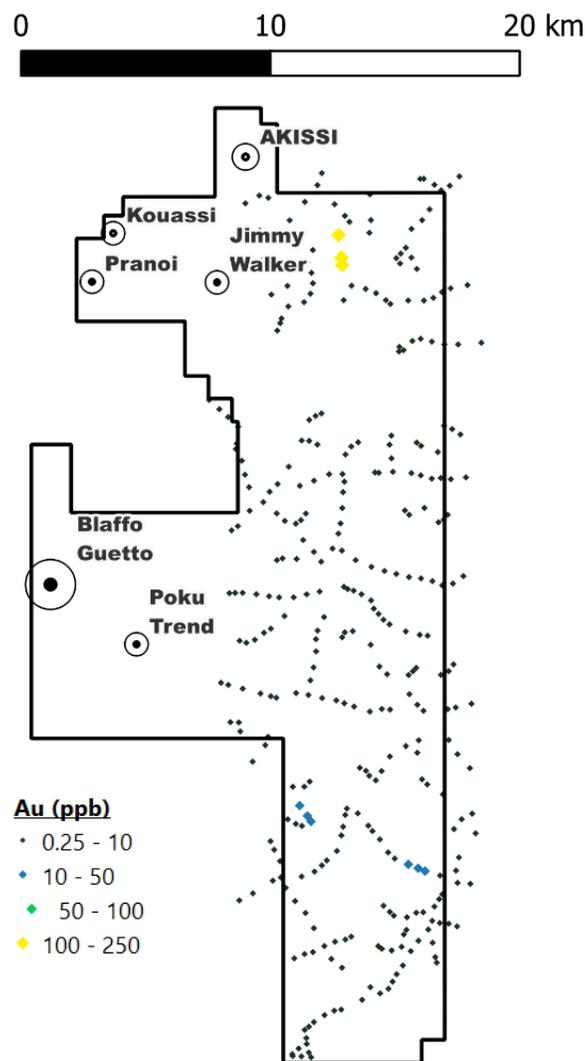
Surficial lag material was collected along tracks (accessed by motorcycle) and then dried and sieved with the 250-micron fraction submitted for assay. In total, 118 samples were collected with each sample consisting of 3 sub-samples collected approximately 500m apart along the tracks, yielding a total sample weight of ~1kg, and

<sup>2</sup> ASX Announcement 31 January 2024: Composite Lag Sampling Provides Highly Encouraging Results

each sub-sample contributing an equal proportion to the global sample. The samples were submitted for assay by bulk leach extractable gold analysis (**BLEG**) at the MSA laboratory in Yamoussoukro, Cote d'Ivoire.

One sample returned **112 ppb Au** and, as a result, a small follow-up soil sampling program over this area is planned for the first quarter of 2024.

The remaining results returned from the lab suggest that the eastern granite zone within the permit is barren for gold, as expected, allowing the Company to focus its resources entirely upon the prospective zones and to comfortably relinquish 25% of the permit upon its renewal.



**Figure 3:** Composite track lag sampling assay results completed over the granite at Didievi. Note that all sub-samples have been plotted and attributed with the assay value from the relevant composite sample.

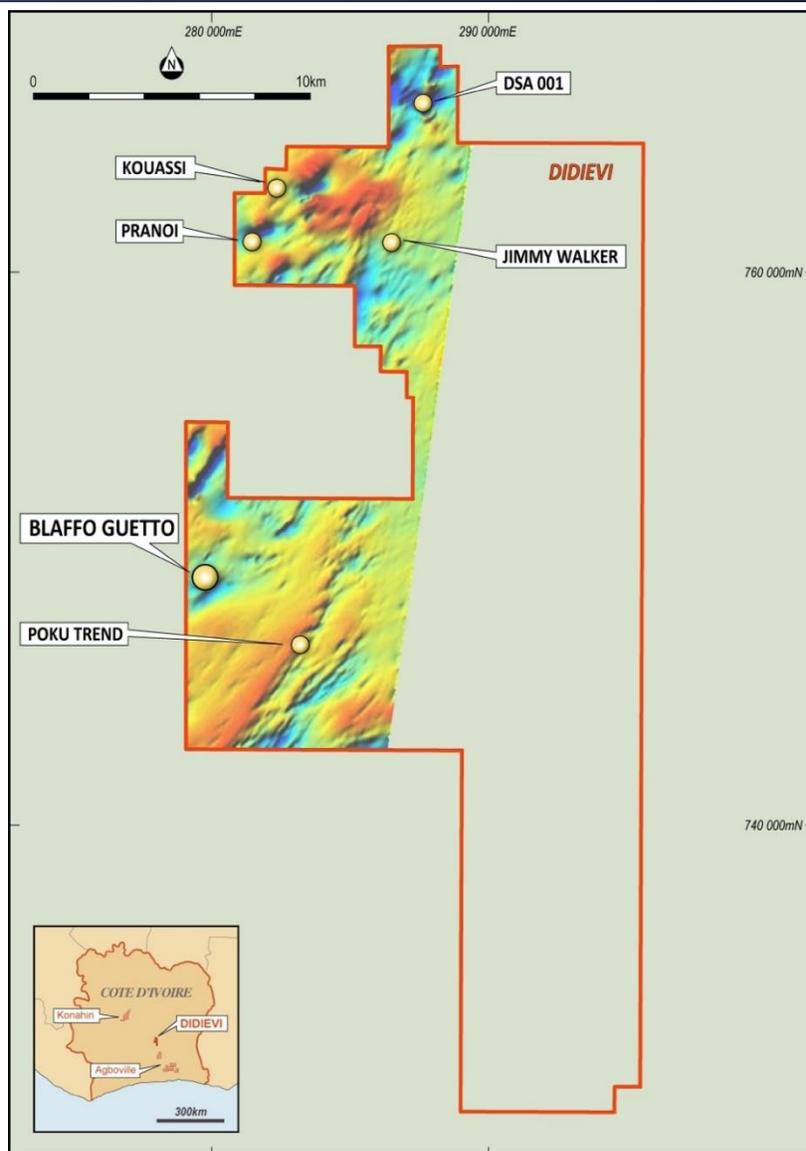


Figure 4: Location map of identified gold prospects on the Didievi Project.

## Konahiri Nord Project, Cote d'Ivoire

During the quarter, the Company also completed a composite track lag sampling program on the Konahiri Nord Project in Cote d'Ivoire<sup>3</sup>.

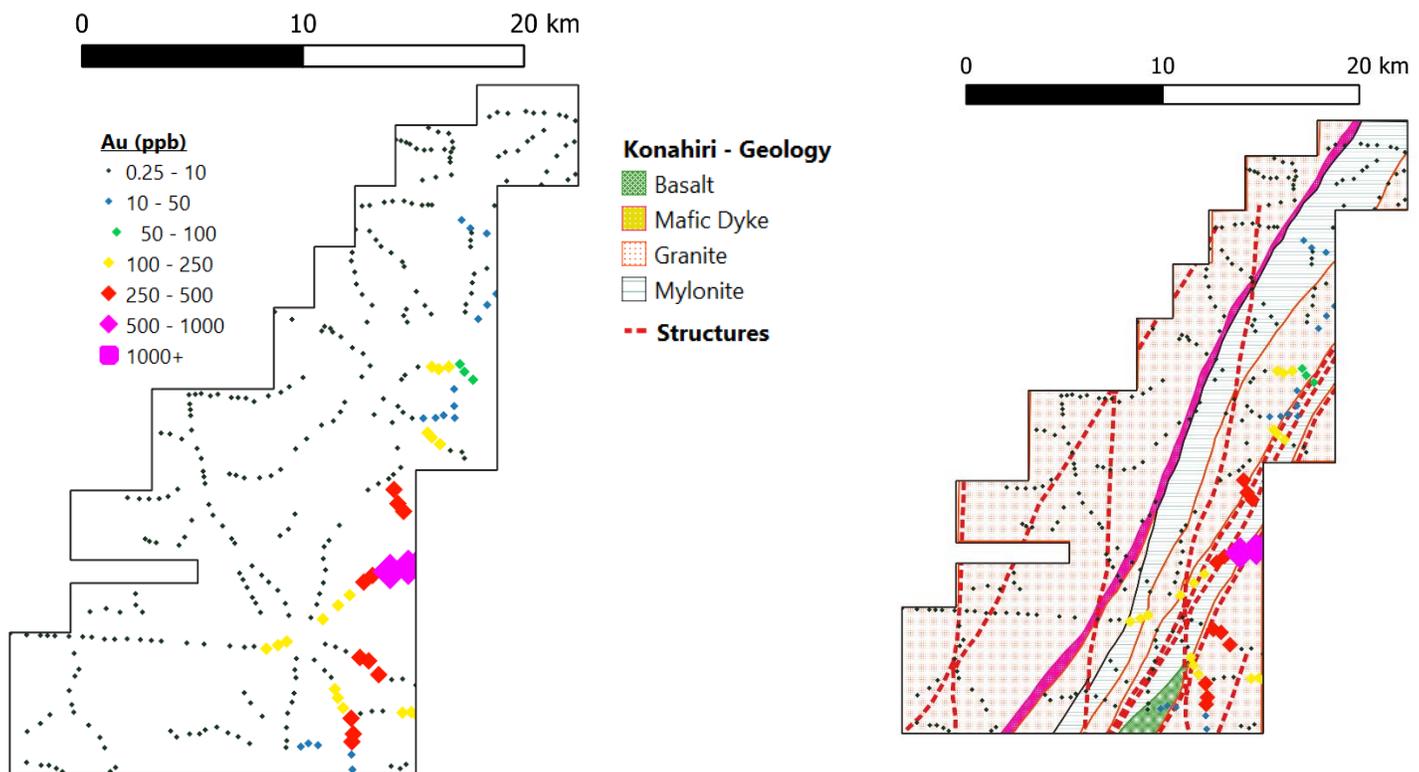
Surficial lag material was collected along tracks (accessed by motorcycle) and then dried and sieved with the 250-micron fraction submitted for assay. In total, 123 samples were collected with each sample consisting of 3

<sup>3</sup> ASX Announcement 31 January 2024: Composite Lag Sampling Provides Highly Encouraging Results

sub-samples collected approximately 600m apart along the tracks, yielding a total sample weight of ~1kg, and each sub-sample contributing an equal proportion to the global sample. The samples were submitted for assay by BLEG at the MSA laboratory in Yamoussoukro, Cote d'Ivoire.

The results returned are extremely encouraging, with a **100 ppb+ Au** anomaly encountered on the eastern border of the permit over a strike length of 18km (Figures 5&6). A peak value of **1,188 ppb Au** was attained (i.e. 1.18 g/t), and 10 other samples returned over 100ppb (>0.1 g/t). These results are considered to be extremely anomalous values considering the nature of the sample media, the fine sieve fraction, sample compositing and assaying by BLEG. Furthermore, the anomalies correspond well with a mapped mylonitic unit and geological structures.

Follow-up soil sampling is planned for Q1 2024, and auger drilling (pending positive soil assays) the following quarter.



**Figures 5 & 6:** Composite track lag sampling assay results (left). Note that all sub-samples have been plotted and attributed with the assay value from the relevant composite sample. The right image shows the assays values overlying mapped geology. Note the strong correlation between the lag anomalies and the mapped structures and mylonitic unit.

### **Agboville Project, Cote d'Ivoire**

No field work was conducted on the Agboville Project during the quarter.

### **Koyekro Project and Konahiri South Project, Cote d'Ivoire**

The Koyekro Project and Konahiri South Project remain subject to grant and no work was completed on the projects during the quarter.

### **Sitakili Project, Mali (forming part of the Senegal Mail Shear Zine Projects)**

The Company's 100% owned Sitakili Gold Project located in western Mali hosts extensive active artisanal gold workings, with at least three distinct mineralised quartz-feldspar porphyry documented, the largest of which extends for over 3km.

Following the IP survey during 2023 which successfully mapped-out these known mineralised bodies, further extended the potential strike length of these mineralised bodies and revealed several other features with a similar form, orientation and IP response, the Company is considering appropriate next steps for exploration activities at Sitakili.

### **Walia KKI Project, Mali (forming part of the Senegal Mail Shear Zine Projects)**

The Walia Gold Project, located in the Kedougou-Kenieba Inlier (KKI) of west Mali, has a southern boundary abutting the Barrick Gold Corporation Loulo Mine Complex and mine lease. The Mine Complex hosts many deposits which are diverse in terms of host lithology, geometry, nature and style of mineralisation, but are common in that they are typically interpreted to be located along 2nd and higher order structures associated with the SMSZ and largely linked to transtensional events.

No field work was undertaken at Walia during the quarter.

### **Syama Shear Zone Project, Mali**

The Syama Shear Zone Project is the subject of an agreement with Resolute Mining Limited (**Resolute**) (ASX: RSG) signed in October 2022 whereby 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.

### Corporate

A General Meeting of Shareholders will be held on 20 February 2024 at 11 am (WST) to consider a resolution to grant the anniversary payment with respect to the Kouroufaba transaction in shares. Full details are set out in the notice of meeting lodged with ASX on 22 January 2024 and all shareholders are encouraged to vote by proxy.

The Company continues to assess opportunities for asset diversification to maximise shareholder value.



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



## 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 31 December 2023, pertain to the managing director's salary (including superannuation). Non-Executive director and Company Secretary fees are on hold until a capital raising has been completed.

During the quarter ended 31 December 2023, the Company spent a total of \$130,000 on project and exploration activities. The majority of the project and exploration expenditure relates to the composite track lag sampling programs undertaken at the Kouassi Prospect (at the Didievi Project) and the Konahiri Nord Project. This expenditure represents direct costs associated with these activities as well as capitalised wages which can be directly attributable to the exploration activities.

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

For further information, please contact:

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E: admin@african-gold.com

## Competent Persons' Statements

The information in this announcement that relates to exploration results is based on information compiled by Company geologists and reviewed by Dr. Richard Tomlinson in his capacity as Exploration Manager of African Gold Limited. Dr. Tomlinson is a member of the (UK-based) Institute of Materials, Minerals and Mining and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code). Dr. Tomlinson consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears. All information has previously been reported in accordance with Listing Rule 5.7 and the Company confirms there have been no material changes.

## Appendix 1

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 31 December 2023. There were no changes to claims held during the quarter ended 31 December 2023.

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	Pending; 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

<b>African Gold Limited</b>
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ABN

<b>29 624 164 852</b>
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Quarter ended ("current quarter")

<b>31 December 2023</b>
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(92)	(603)
(e) administration and corporate costs	(17)	(397)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	7
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(109)</b>	<b>(993)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(72)
(d) exploration & evaluation	(130)	(1,098)
(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 (12 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 (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(130)</b>	<b>(1,170)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	685
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(34)
3.5	Proceeds from borrowings	150	150
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>150</b>	<b>801</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	175	1,445
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(109)	(993)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(130)	(1,170)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	150	801

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(1)	2
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>85</b>	<b>85</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	85	175
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>85</b>	<b>175</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	57
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

*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.*

*Amount shown at item 6.1 above is comprised of payments to related parties (or their associates), which for the 31 December 2023 quarter is only the managing director's salary (including superannuation). All non-executive director fees and company secretary fees are on hold.*

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

7. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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 – Director loans	150	150
7.4 <b>Total financing facilities</b>	150	150
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		
<i>Director loans (totalling \$150,000) from Evan Cranston (\$50,000), Mathew O'Hara (\$50,000) and Peter Williams (\$50,000). All director loans have a zero interest rate, no fixed term and are unsecured loans.</i>		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(109)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(130)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(239)
8.4 Cash and cash equivalents at quarter end (item 4.6)	85
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	85
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.3
<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?	
<b>Answer:</b> <i>The Company expects to have a similar level of net operating cashflows as the December 2023 quarter in the near term, however, notes that all Non-Executive Directors and the Company Secretary fees remain on hold, including related party payments for accounting services and serviced office rent, until a capital raising is completed. In any case, the Company will continue to review ongoing activities and has the ability to adjust expenditure according to available funding, if necessary.</i>	

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

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:** *The Company will continue to monitor its available cash going forward. During the December 2023 quarter, the Directors of the Company made available \$150,000 of loans for working capital purposes (refer Item 7.6). In the short-term, and until a capital raising can be completed, the Directors intend to make further loan funds available including an additional \$50,000 loan from Tolga Kumova in January 2024. The Company has alternatives to raise further cash to fund its operations and will take those steps as and when appropriate. These include the potential for equity raisings to fund additional exploration as required. Given the Company's supportive shareholder base and historical ability to raise capital, the Company is confident of successfully raising further funds if and when required. 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 January 2024**

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.