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# Financial Report

For half year ended 30 June 2022



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# CORPORATE DIRECTORY

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## Directors

<b>Evan Cranston</b>	Non-Executive Chairman
<b>Phillip Gallagher</b>	Managing Director
<b>Simon Bolster</b>	Non-Executive Director
<b>Tolga Kumova</b>	Non-Executive Director
<b>Mathew O'Hara</b>	Non-Executive Director
<b>Peter Williams</b>	Non-Executive Director

## Company Secretary

**Oonagh Malone**

## Contact Information

### Registered Office & Principal Place of Business

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SUBIACO, WA 6008  
T: +61 8 6143 6749  
E: [admin@african-gold.com](mailto:admin@african-gold.com)  
W: [www.african-gold.com](http://www.african-gold.com)

## Stock Exchange Listing

### Australian Securities Exchange (ASX)

ASX Code: A1G

## Australian Business Number

ABN 29 624 164 852

## Share Registry

### Automatic Registry Services

Level 5, 126 Phillip Street  
Sydney NSW 2000  
Phone (within Australia): 1300 288 664  
Phone (International): +61 (0)2 9698 5414

## Auditor

### HLB Mann Judd (WA Partnership)

Level 4, 130 Stirling Street  
PERTH, WA 6000

# DIRECTORS' REPORT

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For the half year ended 30 June 2022

The Directors of African Gold Ltd ("African Gold" or the "Company") and its consolidated entities (collectively, the "Group") present their report together with the financial statements of the Group for the half year ended 30 June 2022.

## BOARD OF DIRECTORS

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

### Non-Executive Chairman

Evan Cranston

### Managing Director

Phillip Gallagher (appointed 15 August 2022)

### Non-Executive Director

Simon Bolster

### Non-Executive Director

Tolga Kumova

### Non-Executive Director

Mathew O'Hara

### Non-Executive Director

Peter Williams

## PRINCIPAL ACTIVITIES

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

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

## OPERATING RESULTS

The loss after income tax incurred by the Group for the six months ended 30 June 2022 was \$1,030,125 (30 June 2021: \$896,604).

Cash and cash equivalents at 30 June 2022 totalled \$761,261 (31 December 2021: \$3,471,375).

No dividends were declared or paid during the six months ended 30 June 2022 (2021: nil).

# DIRECTORS' REPORT

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For the half year ended 30 June 2022

## REVIEW OF OPERATIONS

During the half year the Company:

- Completed a 3,700m diamond drilling program and mapping, infill soil sampling and trenching programs at the Didievi Gold Project in Côte d'Ivoire;
- Completed an infill auger drilling program at the Walia Gold Project in West Mali;
- Completed a small reconnaissance auger sampling program at Yatia Sud Gold Project in West Mali;
- Was granted the N'Golokasso permit in Mali and the Konahiri Nord permit in Cote d'Ivoire.

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 15 August 2022, the Company appointed Phillip Gallagher as Managing Director and announced the resignation of its Chief Executive Officer and Exploration Manager, Glen Edwards.

Other than the above there have not been any events that have arisen between 30 June 2022 and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to materially affect the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years.

## AUDITOR'S INDEPENDENCE DECLARATION

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

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



Evan Cranston  
Non-Executive Chairman  
Perth, WA - dated 13<sup>th</sup> September 2022

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of African Gold Ltd for the half-year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
13 September 2022



**D I Buckley**  
Partner

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

For the half year ended 30 June 2022

	Note	30 June 2022 \$	30 June 2021 \$
<b>Expenses</b>			
Accounting and audit		(86,798)	(121,713)
Consultants and contractors		(5,825)	(36,490)
Depreciation and amortisation		-	(385)
Employee benefits expense		(171,702)	(164,960)
Exploration expenditure		(661,601)	(23,924)
Exploration expenditure written off		-	(337,765)
Listing and compliance		(17,195)	(49,716)
Net foreign exchange gains/(losses)		(7,048)	5,290
Office rental & outgoings		(24,000)	(24,000)
Share based payments		-	(67,571)
Travel and accommodation		(14,691)	(18,015)
Other expenses		(41,513)	(57,501)
<b>Loss before income tax and finance income</b>		<b>(1,030,373)</b>	<b>(896,750)</b>
Other income		248	146
<b>Loss before income tax</b>		<b>(1,030,125)</b>	<b>(896,604)</b>
Income tax expense		-	-
<b>Loss for the period after tax</b>		<b>(1,030,125)</b>	<b>(896,604)</b>
<b>Other Comprehensive Income/(Loss) for The Period</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
<b>Foreign currency translation reserve</b>			
Foreign currency translation differences – foreign operations	5.2	(152,094)	6,762
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>(152,094)</b>	<b>6,762</b>
<b>Total comprehensive loss for the period</b>		<b>(1,182,219)</b>	<b>(889,842)</b>
<b>Loss per share attributable to equity holders of the Parent Company:</b>			
<b>Loss per share:</b>			
Basic and Diluted loss per share (cents per share)		(0.87)	(1.03)

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

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	30 June 2022 \$	31 December 2021 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash & cash equivalents		761,261	3,471,375
Trade and other receivables		15,548	15,619
Prepayments		30,266	154,289
Other current assets		30,000	30,000
<b>Total current assets</b>		<b>837,075</b>	<b>3,671,283</b>
<b>Non-current</b>			
Exploration and evaluation assets	4	9,584,835	8,263,327
<b>Total non-current assets</b>		<b>9,584,835</b>	<b>8,263,327</b>
<b>Total assets</b>		<b>10,421,910</b>	<b>11,934,610</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables		330,792	760,240
Provisions		44,613	44,271
<b>Total current liabilities</b>		<b>375,405</b>	<b>804,511</b>
<b>Total liabilities</b>		<b>375,405</b>	<b>804,511</b>
<b>Net assets</b>		<b>10,046,505</b>	<b>11,130,099</b>
<b>EQUITY</b>			
Share capital	5.1	8,545,903	8,447,278
Reserves	5.2	8,064,088	8,216,182
Accumulated losses		(6,563,486)	(5,533,361)
<b>Total equity</b>		<b>10,046,505</b>	<b>11,130,099</b>

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



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2022

	Note	Share capital	Reserves	Accumulated losses	Total equity
		\$	\$	\$	\$
Balance at 1 January 2021		2,973,524	6,512,905	(3,067,208)	6,419,221
Loss for the period		-	-	(896,604)	(896,604)
Other comprehensive income		-	6,762	-	6,762
Total comprehensive loss for the period		-	6,762	(896,604)	(889,842)
Issue of share capital (cash)		1,116,359	-	-	1,116,359
Issue of share capital (acquisition of tenements)		880,000	-	-	880,000
Issue of share capital (employee incentive shares)		52,500	(52,500)	-	-
Costs of issue of share capital (options issued)		(707,500)	707,500	-	-
Cost of issue of share capital		(16,817)	-	-	(16,817)
Share-based payments expensed		-	67,571	-	67,571
Balance at 30 June 2021		4,298,066	7,242,238	(3,963,812)	7,576,492
Balance at 1 January 2022		8,447,278	8,216,182	(5,533,361)	11,130,099
Loss for the period		-	-	(1,030,125)	(1,030,125)
Other comprehensive loss		-	(152,094)	-	(152,094)
Total comprehensive loss for the period		-	(152,094)	(1,030,125)	(1,182,219)
Issue of share capital (exercise of options)		100,000	-	-	100,000
Cost of issue of share capital		(1,375)	-	-	(1,375)
Balance at 30 June 2022		8,545,903	8,064,088	(6,563,486)	10,046,505

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

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 30 June 2022

	Note	30 June 2022 \$	30 June 2021 \$
<b>OPERATING ACTIVITIES</b>			
Payment to suppliers and employees		(424,824)	(497,981)
Interest received		248	347
Net cash used in operating activities		<b>(424,576)</b>	<b>(497,634)</b>
<b>INVESTING ACTIVITIES</b>			
Payments for exploration and evaluation assets		(2,095,492)	(1,396,634)
Payments for acquisition of mining tenement		(272,365)	(200,000)
Net cash used in investing activities		<b>(2,367,857)</b>	<b>(1,596,634)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from share and option issuances		100,000	1,116,359
Share issue transaction costs		(1,375)	(16,818)
Net cash inflow from financing activities		<b>98,625</b>	<b>1,099,541</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(2,693,808)</b>	<b>(994,727)</b>
Cash and cash equivalents at the beginning of the period		3,471,375	1,467,416
Effect of foreign exchange rate changes		(16,306)	1,935
<b>Cash and cash equivalents at the end of the period</b>		<b>761,261</b>	<b>474,624</b>

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2022

## 1 Corporate information

African Gold Ltd (the “Company” or “African Gold”) is a for-profit entity for the purpose of preparing the financial statements. The Company is incorporated and domiciled in Australia and listed on the Australian Securities Exchange on 14 February 2019. The condensed consolidated financial statements of the Company for the half year ended 30 June 2022 (“Half Year”) comprise the Company and the entities it controlled during the period (the “Group”).

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

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

The condensed financial statements for the six months ended 30 June 2022 were approved and authorised for issue by the Board of Directors on 13<sup>th</sup> September 2022.

## 2 Basis of presentation and statement of compliance

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

The interim condensed consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2021 and any public announcements made by the Company during the Half Year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

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

### *Going concern*

At 30 June 2022, the Group had cash and cash equivalents of \$761,261 (31 December 2021: \$3,471,375). The Group incurred a net loss of \$1,030,125 (30 June 2021: \$896,604) and had cash outflows from operating and investing activities of \$2,792,433 during the half year ended 30 June 2022 (30 June 2021: \$2,094,268). The ability of the Group to continue as a going concern is dependent upon the future successful raising of the necessary funding through disposal of assets, equity and/or debt and the successful exploitation of the Group’s tenements.

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

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

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2022

## 3 New and amended accounting standards

The accounting policies adopted in the preparation of the interim financial statements are consistent with those applied in the preparation of the Company's annual financial statements for the year ended 31 December 2021.

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2022 affected any of the amounts recognised in the current period or any prior period.

The Company has not elected to adopt any new Accounting Standards or Interpretations prior to their applicable date of implementation. Accounting Standards or Interpretations on issue but not yet effective have no effect on Group accounting policies.

## 4 Exploration and evaluation asset

	Note	30 June 2022 \$	31 December 2021 \$
<b>Carrying amount at the beginning of the period</b>		<b>8,263,327</b>	<b>4,951,106</b>
Acquisition of Faleme Gold Project <sup>(1)</sup>		-	165,382
Acquisition of Kofi Quest Permit <sup>(1)</sup>		-	92,064
Acquisition of Kouroufaba Project <sup>(2)</sup>		150,000	1,080,000
Amount capitalised during the period		1,290,278	2,357,294
Exploration expenditure written off <sup>(3)</sup>		-	(337,765)
Foreign exchange movement for the period		(118,770)	(44,754)
<b>Carrying amount at the end of the period</b>		<b>9,584,835</b>	<b>8,263,327</b>

(1) The Group accrued the remaining payment obligations for Faleme Gold Project (BouBou and Bourdala Permits) and the Kofi Quest Permit as at 31 December 2021.

(2) During the year-ended 31 December 2021, the Company entered into an option agreement to acquire 80% of the Kouroufaba Gold Project for the following consideration:

- i) payment of \$200,000; and
- ii) 4,000,000 shares in the Company issued to the vendors on a pro-rata basis with a fair value of \$880,000 based on a closing price of \$0.22 on 5 February 2021 being the date of shareholder approval of the acquisition.

On 22nd February 2022, the Group paid a total of A\$150,000 to the vendors of the Kouroufaba Project being the first annual payment as required under the option agreement.

(3) On 3 July 2021, the Group relinquished the Diokeba Sud and Tintinba Nord Permits in Mali and, accordingly, capitalised exploration costs for these permits was written off as at 30 June 2021.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2022

## 5 Equity

### 5.1 Share Capital

	Number of Shares	\$
<b>At 31 December 2020</b>	<b>76,344,253</b>	<b>2,973,524</b>
Shortfall of non-renounceable rights issue issued at \$0.10 per share	2,438,885	243,888
Part consideration for Kouroufaba Gold Project <sup>(1)</sup>	4,000,000	880,000
Employee incentive shares issued <sup>(2)</sup>	250,000	52,500
Issue of shares via entitlement offer at \$0.10 per share	8,024,706	802,471
Exercise of options at \$0.20 per share	1,450,000	290,000
Shares issued via entitlement offer at \$0.15 per share	19,565,773	2,934,866
Shortfall shares issued from non-renounceable rights issue at \$0.15 per share	6,836,711	1,025,506
Less cost of share issues <sup>(3)</sup>	-	(755,478)
<b>At 31 December 2021</b>	<b>118,910,328</b>	<b>8,447,278</b>
Exercise of options at \$0.20 per share	500,000	100,000
Less cost of share issues	-	(1,375)
<b>At 30 June 2022</b>	<b>119,410,328</b>	<b>8,545,903</b>

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

- (1) 4,000,000 shares in the Company issued to the vendors of the Kouroufaba Gold Project on a pro-rata basis with a fair value of \$880,000 based on a closing price of \$0.22 on 5 February 2021 being the date of shareholder approval of the acquisition.
- (2) 250,000 employee incentive shares at a fair value of \$0.21 per shares being the closing price on the issue date of 22 February 2021.
- (3) The cost of share issues includes \$707,500 being the fair value of 5,000,000 unlisted options issued to Mr Evan Cranston (2,500,000 options) and Mr Tolga Kumova (2,500,000 options), or their nominees, for underwriting the non-renounceable entitlement issue undertaken in December 2020.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2022

## 5.2 Reserves

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

	Share based payments reserve \$	Foreign currency translation reserve \$	Total reserves \$
<b>Balance at 1 January 2021</b>	<b>6,552,545</b>	<b>(39,640)</b>	<b>6,512,905</b>
Foreign currency translation differences	-	(72,761)	(72,761)
<b>Total comprehensive loss</b>	<b>-</b>	<b>(72,761)</b>	<b>(72,761)</b>
<b>Transactions with owners in their capacity as owners:</b>			
Share-based payment transactions	1,134,400	-	1,134,400
Expired performance rights	(65,862)	-	(65,862)
Options issued to underwriters	707,500	-	707,500
<b>Balance at 31 December 2021</b>	<b>8,328,583</b>	<b>(112,401)</b>	<b>8,216,182</b>
Foreign currency translation differences	-	(152,094)	(152,094)
<b>Total comprehensive gain</b>	<b>-</b>	<b>(152,094)</b>	<b>(152,094)</b>
<b>Transactions with owners in their capacity as owners:</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 30 June 2022</b>	<b>8,328,583</b>	<b>(264,495)</b>	<b>8,064,088</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2022

## 5.3 Share based payments

There were no share based payments during the half year ended 30 June 2022.

During the half year ended 30 June 2021, the Company made the following share based payments:

1. Issuing 250,000 employee incentive shares at a fair value of \$0.21 per shares being the closing price on the issue date of 22 February 2021, for a total fair value of \$52,500.
2. Issuing 5,000,000 unlisted options were issued to Mr Evan Cranston (2,500,000 options) and Mr Tolga Kumova (2,500,000 options), or their nominees, for underwriting the non-renounceable entitlement issue undertaken in December 2020. The fair value of these options was \$707,500 and the amount was treated as a capital raising cost and accounted for against Share Capital in the Statement of Financial Position.
3. Expensing an amount of \$67,571 being a proportion of performance rights which were originally issued on 1 November 2018 and are being recognised as an expense on a straight-line basis over the vesting period.

Set out below is a summary of unlisted options outstanding at 30 June 2022:

	Vested	Unvested	Issue Date	Expiry date	Exercise price (cents)	Fair value per unit at issue date (cents)	Total fair value at issue date \$
Unlisted Options	34,150,000	-	20/3/18	17/4/23	0.20	0.1503 <sup>(1)</sup>	5,132,745
Unlisted Options	5,000,000	-	22/2/21	22/2/24	0.20	0.1415 <sup>(1)</sup>	707,500
Unlisted options	6,000,000	-	31/08/21	31/08/24	0.30	0.1187 <sup>(1)</sup>	712,200
Unlisted options	2,000,000	-	31/08/21	31/08/24	0.30	0.0981 <sup>(1)</sup>	196,200
Unlisted options	2,000,000	-	31/08/21	31/08/24	0.30	0.1130 <sup>(1)</sup>	226,000

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

### Share Options on Issue

The Company has determined the fair value of its options awarded using the Black Scholes pricing model. There were no share options issued during the half year ended 30 June 2022.

The following share options were issued during the six months ended 30 June 2021, alongside the key inputs utilised in the pricing model, including the Company's risk-free borrowing rate and volatility of the Company's shares.

5,000,000 unlisted options were issued to Mr Evan Cranston (2,500,000 options) and Mr Tolga Kumova (2,500,000 options), 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.

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 (\$)
5,000,000	5/2/21	23/2/24	0.1415	0.20	0.13%	111.42%	707,500

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2022

## 6 Segment information

The Group reports two segment at the end of the half-year:

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

These are the geographical areas, the results are which reported to the chief operating decision maker, being the Managing Director for the purposes of assessing performance and determining the allocation of resources.

	Mali \$	Cote d'Ivoire \$	Total \$
<b>Six months ended 30 June 2022</b>			
Segment results - Loss after income tax	(341,810)	(332,578)	<b>(674,388)</b>
Unallocated losses after income tax			<b>(355,737)</b>
Loss after income tax			<b>(1,030,125)</b>
<b>30 June 2022</b>			
Segment assets	3,312,621	6,317,664	<b>9,630,285</b>
Unallocated assets			791,625
Total assets			<b>10,421,910</b>
Segment liabilities	(162,800)	(44,354)	<b>(207,154)</b>
Unallocated liabilities			<b>(168,251)</b>
Total liabilities			<b>(375,405)</b>
<b>Six months ended 30 June 2021</b>			
Segment results - Loss after income tax	(381,467)	(44,325)	<b>(425,792)</b>
Unallocated losses after income tax			<b>(470,812)</b>
Loss after income tax			<b>(896,604)</b>
<b>30 June 2021</b>			
Segment assets	2,824,096	4,731,211	<b>7,555,307</b>
Unallocated assets			455,674
Total assets			<b>8,010,981</b>
Segment liabilities	(318,187)	(55,164)	<b>(373,351)</b>
Unallocated liabilities			<b>(61,138)</b>
Total liabilities			<b>(434,489)</b>

## 7 Contingent liabilities

Kouroufaba Gold Project

To exercise the Earn-in Option in relation to the Kouroufaba Gold Project, the Company must either:

- subject to future Shareholder approvals, issue Shares with the value of \$200,000 to the Seller (or its nominee) on each 12 month anniversary of the Initial Payment Date, based on a deemed issue price per Share equal to the 30 Day VWAP prior to the Shareholder meeting (Annual Acquisition Shares). The maximum number of Annual Acquisition Share tranches that must be made under the Terms Sheet is five, however, the number may be lower if the Company satisfies the Expenditure Requirement prior to the end of the fifth anniversary of the Initial Payment; or
- pay \$150,000 cash (on a pro-rata basis) in lieu of the issue of Annual Acquisition Shares.

The decision to issue the Annual Acquisition Shares or make the cash payment is contingent on the results from exploration activities to be undertaken on the project area.

The Company has also agreed to pay a net smelter return royalty of up to 2% of the production from the Kouroufaba Project to the relevant royalty holder in respect of the relevant Tenement.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2022

## 8 Commitments

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 the Group's estimated exploration expenditure on its tenements based on proposed work programs submitted to the government mining departments in Mali and Ivory Coast as at the date of this report. The commitments below exceed the minimum expenditure to keep the tenements in good standing and assume any currently pending tenement renewals are granted.

A total expense of \$24,000 (2021: \$24,000) was recognised during the period under a serviced office agreement. The serviced office agreement does not lead to the recognition of any right-of-use asset or associated lease liability because the serviced office agreement does not specify or effectively require an identified asset.

	30 June 2022 \$	31 December 2021 \$
<b>Exploration commitments</b>		
Due within 1 year	4,846,354	3,937,369
Due greater than 1 year and less than 5	4,806,004	8,014,886
<b>Serviced office commitment</b>		
Due within 1 year	48,000	48,000
Due greater than 1 year and less than 5	-	-
<b>Total</b>	<b>9,700,358</b>	<b>12,000,255</b>

## 9 Post-reporting date events

On 15 August 2022, the Company appointed Phillip Gallagher as Managing Director and announced the resignation of its Chief Executive Officer and Exploration Manager, Glen Edwards.

Other than the above there have not been any events that have arisen between 30 June 2022 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.

## 10 Fair value

The fair value of financial assets and financial liabilities not measured at fair value on a recurring basis approximates their carrying amounts at balance date.

# DIRECTORS' DECLARATION

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In the opinion of the Directors:

- a The half year financial statements and notes of African Gold Ltd are in accordance with the *Corporations Act 2001*, including:
  - i Giving a true and fair view of its financial position as at 30 June 2022 and of its performance for the half year ended on that date; and
  - ii Complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
- b There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board:



Evan Cranston  
Non-Executive Chairman  
Dated 13<sup>th</sup> September 2022

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of African Gold Ltd

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the half-year financial report of African Gold Ltd ("the company"), which comprises the condensed consolidated statement of financial position as at 30 June 2022, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of African Gold Ltd does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### *Material uncertainty related to going concern*

We draw attention to Note 2 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### *Responsibility of the Directors for the Financial Report*

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

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#### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

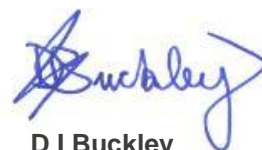
#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



**HLB Mann Judd**  
Chartered Accountants

**Perth, Western Australia**  
**13 September 2022**



**D I Buckley**  
Partner

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