

ASX Announcement

31 October 2023

30 September 2023 Quarterly Report

HIGHLIGHTS

DIDIEVI PROJECT – COTE D'IVOIRE

- A high priority, 900m long zone grading 0.15 g/t+ gold has been delineated within the Poku Trend, which returned a peak gold in auger value of 0.85 g/t on the Didievi Project, Cote d'Ivoire.
- Gold anomalism has been identified across a significant strike length of 6km at a consistent 50ppb+ gold in auger.
- The Poku Trend is a regional-scale structure with a 10km strike length contained within the Didievi exploration permit, highlighting the large-scale potential of the Didievi Project.
- The Poku Trend continues to the southwest, passing into an adjacent permit over which African Gold holds a first right of refusal.
- 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)
- A solitary historical diamond drillhole at Kouassi Prospect (DDD045) returned 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 128m¹
- Total strike length of mineralisation encountered to date at Kouassi is 350m and is expected to increase in the future

SITAKILI PROJECT- MALI

- IP survey confirmed known very high-grade mineralisation including 6.6m at 115.5 g/t from 161.6m corresponding with resistivity and chargeability anomalies
- The survey significantly increased the potential strike extents of the mineralisation
- The survey successfully defined numerous new features with identical form, orientation and IP signature as the known gold lodes
- The results suggest that the Sitakili Project consists of multiple, parallel gold lodes

African Gold Ltd (**African Gold** or the **Company**) (**ASX: A1G**) is pleased to report on the Company's activities for the quarter ended on 30 September 2023. Activities for the quarter focused on the completion of a trenching and channel sampling program at the Kouassi Prospect on the Didievi Project in Cote d'Ivoire and a high-resolution Gradient Array Induced Polarisation (**GAIP**) geophysical survey on the Sitakili Project in Mali.

Didievi Project, Cote d'Ivoire

During the quarter, the Company announced the results from an auger drilling program on Poku Trend as well as a trenching and channel sampling program at the Kouassi Prospect located on the Didievi Project, Cote d'Ivoire.

Following the completion of a 2,000m auger drilling campaign earlier in the year on the 11km Poku Trend soil anomaly, located approximately 2km to the east of the high grade Blaffo Gueto prospect, the Company was pleased to announce results which further confirmed the gold potential across the Didievi Project.



Figure 1: Auger drilling on the Poku Trend, Didievi Project

The 422-hole auger drilling campaign (for 2,016m) was designed to identify high priority drill targets across a 9km long gold in soil anomaly coincidental with a major 10km structure observable in the regional aeromagnetic data.

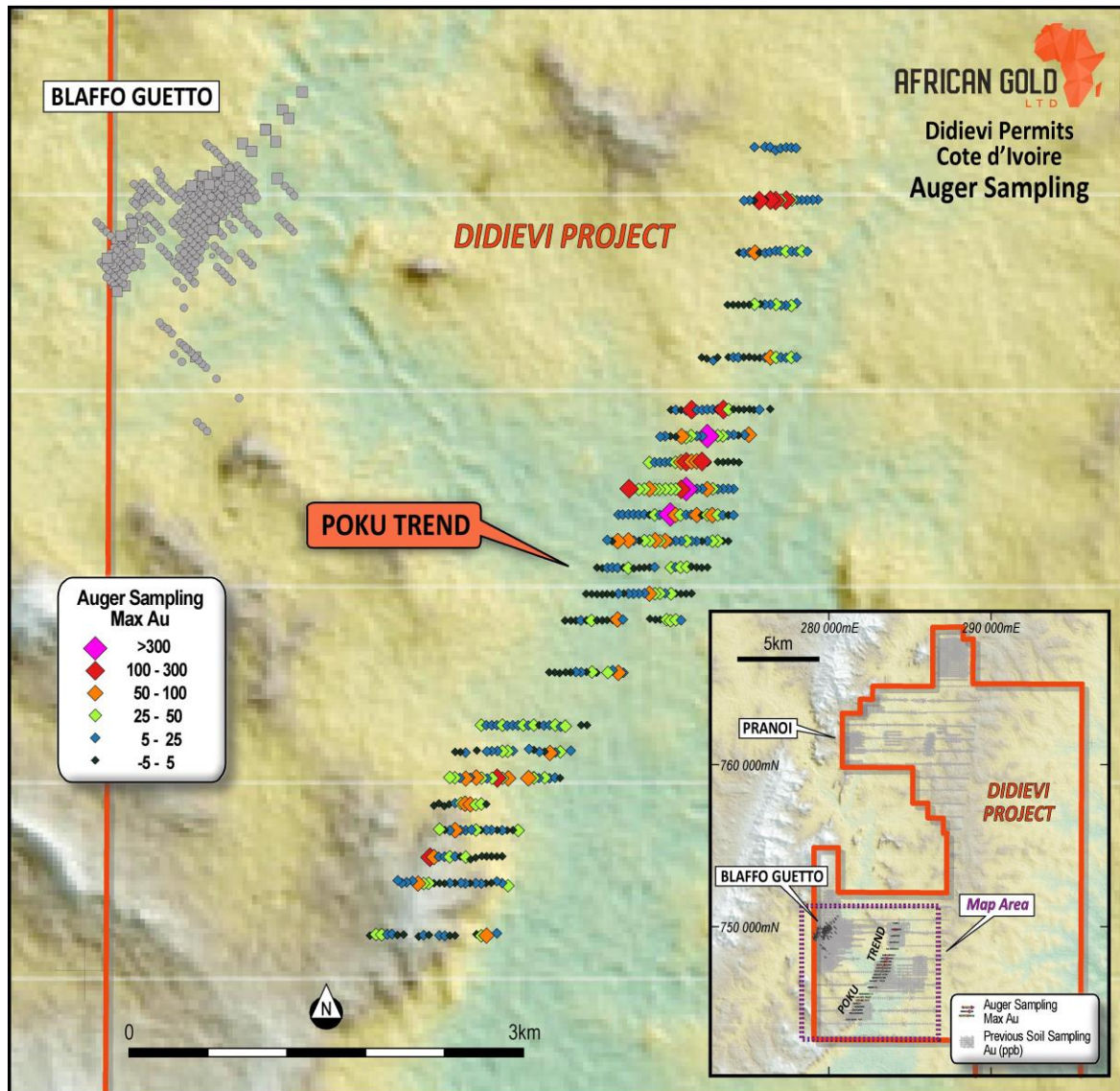


Figure 2: Location of the auger drilling program on the Poku Trend

The auger drilling has identified consistent 50ppb+ gold anomalism across a strike length of 6km on the Poku Trend of the Didievi Project. Within the strike length, a high priority 900m-long zone grading ≥ 0.15 g/t Au was identified, with a peak value of 0.845 g/t Au. In total, 15 holes returned peak gold values ≥ 0.1 g/t Au which is considered highly anomalous in auger drilling.

The Poku Trend lies on a regional-scale geological structure observable in the aeromagnetic imagery with a 10km strike length. Contained within the Didievi exploration permit along with the high-grade Blaffo Guetto and Pranoi prospects, this further highlights the large-scale potential of the Didievi Project. Furthermore, this

structure continues to the southwest, passing into a neighboring permit over which African Gold has a first right of refusal agreement with the original vendors of the Didievi Project.

The Poku auger samples will be analysed in-house by the Company's portable X-ray fluorescence (pXRF) machine. This will provide multi-element geochemical data to further enhance understanding of the geology and mineralization at Poku and feed back into the drill targeting process.

At Kouassi, 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 high-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.

Trench **22_TR04** was excavated for a length of 80m over the projected surface expression of mineralisation encountered in drillhole DDD045, which it successfully intercepted, confirming that the mineralisation is subvertical and outcrops. The same lithologies and intense stockwork quartz veining as logged in drillhole DDD045 were observed. Best intercepts in trench 22_TR04 include **3m at 3.53 g/t Au** and **13m at 4.03 g/t Au** for 15m, including **2m at 16.04 g/t Au** and **1m at 10.62 g/t Au**. As mineralisation is subvertical, these intercepts can be considered true thicknesses.

Trench **22_TR20** was excavated for a length of 50m, three hundred metres NNW of the collar of drillhole DDD045. In total, 6 metres returned gold grades ≥ 0.1 g/t Au, with a peak value of 0.35 g/t Au (at 26-27m).

Following the conclusion of the wet season, a Gradient Array Induced Polarisation (**GAIP**) survey is scheduled to take place over the Kouassi and adjacent Pranoi and Jimmy Walker Prospects in order to better define the host structures and lithologies prior to further aircore and reverse circulation drill testing.

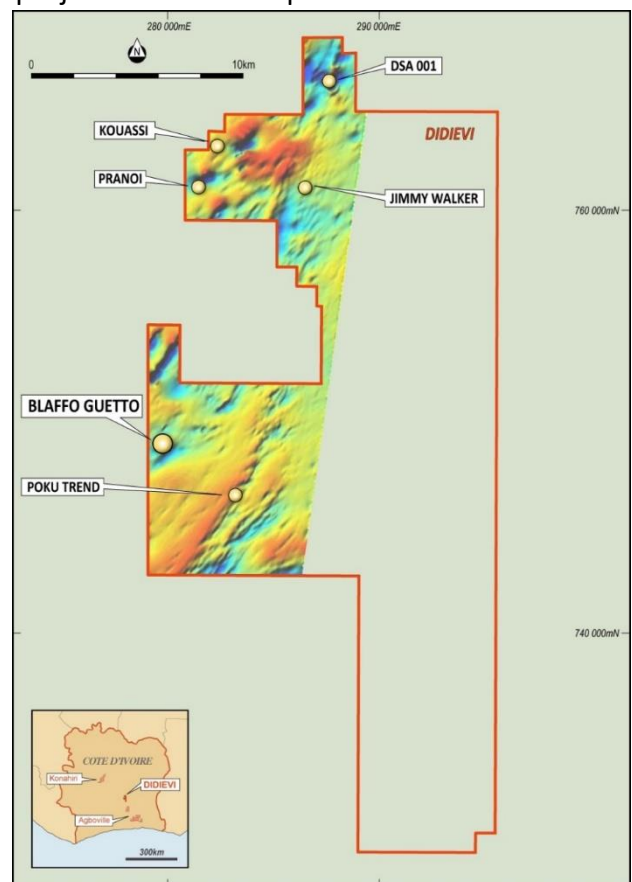


Figure 3: Location map of identified gold prospects on the Didievi Project

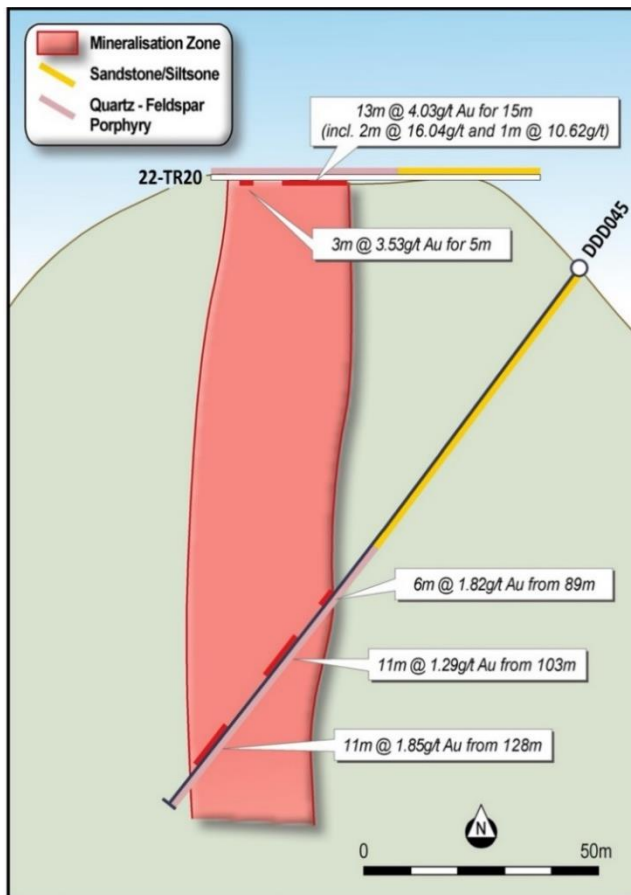


Figure 4: Cross section of trenching and diamond drill results at the Kouassi Prospect

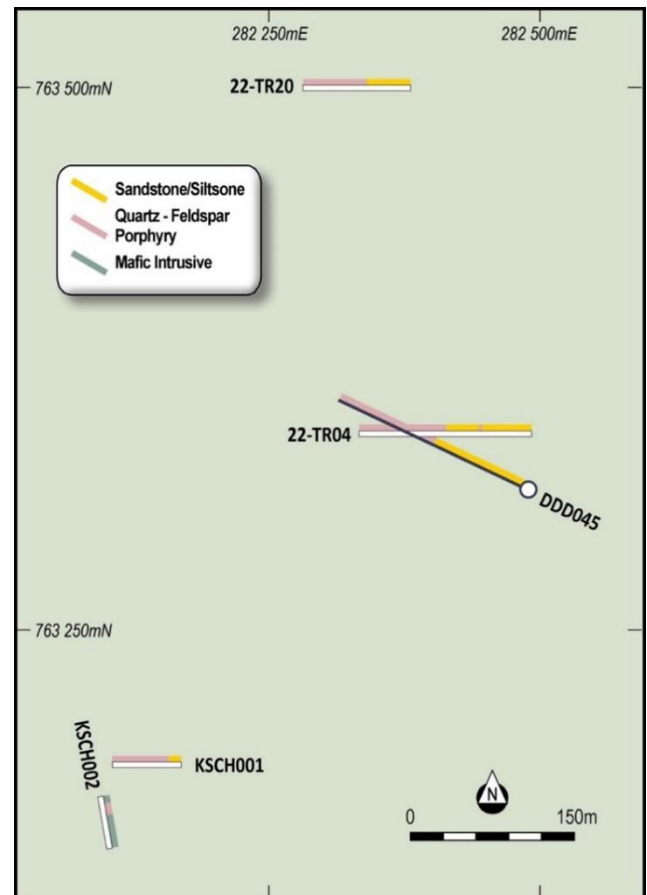


Figure 5: Location of channel sampling at the Kouassi Prospect

Sitakili Project, Mali

During the quarter, the Company announced the results of a large-scale high-resolution Gradient Array Induced Polarisation (GAIP) geophysical survey which was completed at the Company's 100% owned Sitakili Gold Project located in western Mali in July 2023.

A 1,980m RC drill program was previously completed by African Gold in late 2019, with all 16 holes drilled returning significant and shallow anomalous gold intercepts, including:

- **9m @ 5.17 g/t gold** from 54m in 19SIR013
- **3m @ 3.07 g/t gold** from 40m and **2m @ 4.71 g/t gold** from 59m in 19SIRC006
- **6m @ 3.35 g/t gold** from 53m in 19SIRC009
- **6m @ 5.80 g/t gold** from 126m and **3m @ 2.34 g/t gold** from 117m in 19SIRC010
- **6m @ 1.97 g/t gold** from 42m in 19SIRC011

The Sitakili Project hosts extensive active artisanal gold workings, with at least three distinct mineralised quartz-feldspar porphyry documented, the largest of which extends for over 3km. The IP survey successfully mapped-out these known mineralised bodies, confirming that IP is the geophysical tool of choice at Sitakili. In addition, the IP survey has further extended the potential strike length of these mineralised bodies and has revealed several other features with a similar form, orientation and IP response, suggesting that there are other mineralised quartz-feldspar porphyry undercover, waiting to be drill-tested.

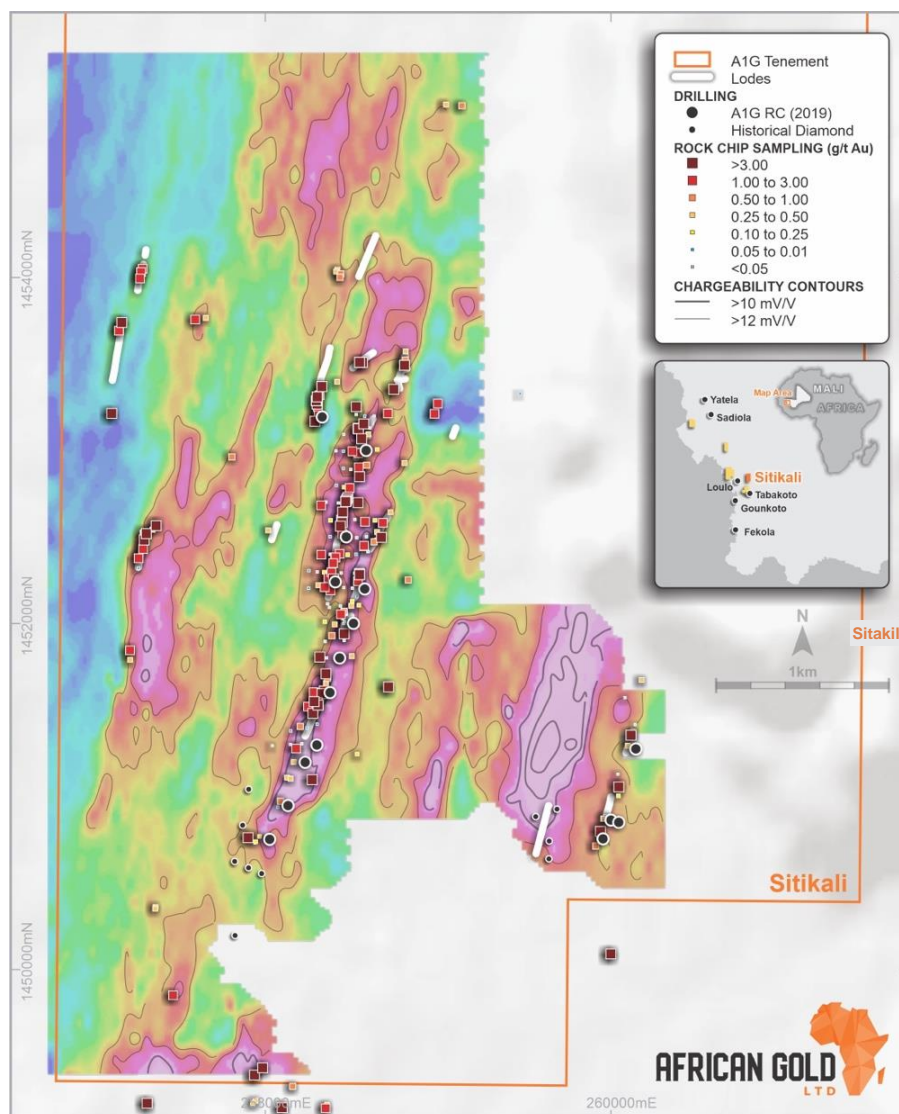


Figure 6: Gridded chargeability image with contoured values ≥ 10 mV/V. Note the excellent correlation between chargeability anomalism and the mapped mineralised gold lodes actively exploited by artisanal gold miners. The chargeability highs are interpreted to be produced by the gold-bearing sulphide minerals. Drill collars and rock chip values are also shown.

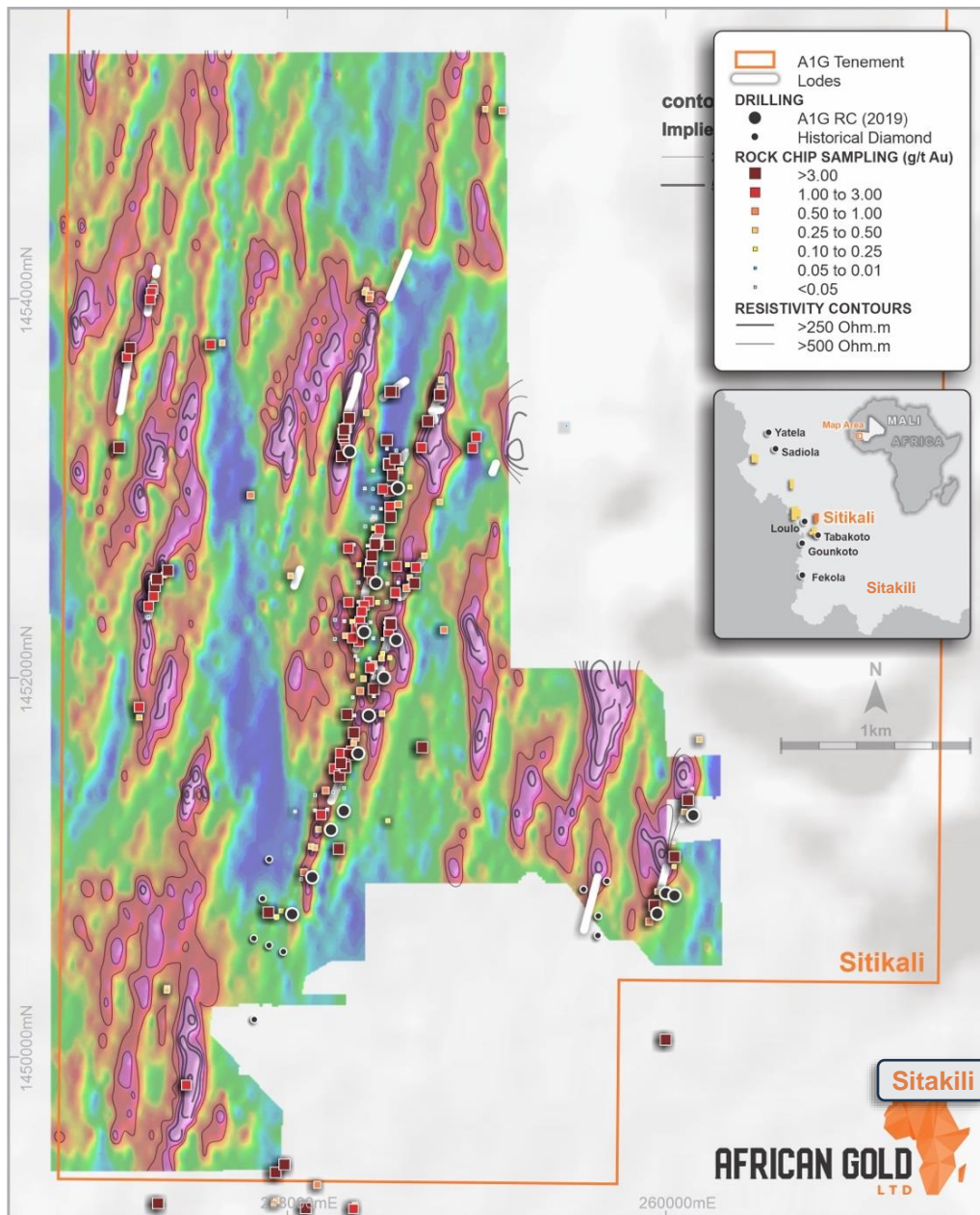


Figure 7: Gridded resistivity image with contoured values ≥ 250 Ohm.m. Note the excellent correlation between resistivity anomalism and the mapped mineralised gold lodes actively exploited by artisanal gold miners. The resistivity highs are interpreted to represent the quartz-feldspar porphyry rock unit, which is preferentially mineralised at Sitakili. Intense quartz veining and silicification which occurs during gold mineralisation will also yield strong resistivity anomalism. Drill collars and rock chip values are also shown.

No other material field activities were undertaken on the Company's other projects during the quarter.



Figure 8: 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 30 September 2023, pertain to director fees, salaries and wages (including superannuation), accounting services and serviced office rent.

During the quarter ended 30 September 2023, the Company spent a total of \$289,000 on project and exploration activities. The majority of the project and exploration expenditure relates to costs incurred in relation to the auger drilling assays, trenching and channeling including assays on the Didievi Project and a geophysical survey on the Sitakili 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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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. The Company confirms there are no material changes since the information was first report to the ASX in accordance with Listing Rule 5.7 on 3 February 2020, 12 July 2023, 7 September and 17 October 2023.

Appendix 1

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 30 September 2023. There were no changes to claims held during the quarter ended 30 September 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

African Gold Limited

ABN

29 624 164 852

Quarter ended ("current quarter")

30 September 2023

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	(144)	(511)
(e) administration and corporate costs	(44)	(380)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	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)	-	-
1.9 Net cash from / (used in) operating activities	(187)	(884)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(72)
(d) exploration & evaluation	(289)	(968)
(e) investments	-	-
(f) other non-current assets	-	-

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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(289)	(1,040)

3.	Cash flows from financing activities		
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	-	-
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)	-	-
3.10	Net cash from / (used in) financing activities	-	651

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	650	1,445
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(187)	(884)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(289)	(1,040)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	651

Appendix 5B

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	3
4.6	Cash and cash equivalents at end of period	175	175

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	175	650
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)	175	650

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	117
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 comprise of payments to related parties (or their associates) for director fees, salaries and wages (including superannuation), accounting services and serviced office rent 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.	
	<i>Post quarter end, the Director's made available to the Company a loan amount of \$150,000 to be used, if required, until a capital raising is completed. This loan has zero interest rate, no fixed term and is an unsecured loan.</i>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(187)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(289)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(476)
8.4 Cash and cash equivalents at quarter end (item 4.6)	175
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	175
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	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?	
Answer: <i>The Company expects to have lower net operating cashflows in the near term as during the quarter ended 30 September 2023, all Non-Executive Directors and the Company Secretary agreed to put their fees on hold, including related party payments for accounting services and serviced office rent, until a capital raising is completed. The Company therefore expects to have a lower level of net operating cash flows for the next quarter at a minimum. 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. In the short-term, and until a capital raising can be completed, the Directors of the Company have made available a \$150,000 loan for working capital purposes (refer Item 7.6). 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 October 2023**

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.