



ASX: A1G



15 September 2021

Stephanie Patchell
Adviser, Listings Compliance
Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

Dear Stephanie,

AFRICAN GOLD LTD (ASX: A1G) – RESPONSE TO AWARE QUERY

African Gold Ltd (the **Company** or **A1G**) refers to your Aware Query dated 10 September 2021 and provides the following responses:

1. *Noting the significant price and volume increase following the release of the Announcement, does A1G consider the following information to be information that a reasonable person would expect to have a material effect on the price or value of its securities:*

- 1.1 *the Exploration Results?*

Yes.

- 1.2 *the Rights Issue?*

Yes.

2. *If the answer to question 1 is “no”, please advise the basis for that view.*

Not applicable.

3. *When did A1G first become aware of the:*

- 3.1 *the Exploration Results?*

Screen fire assay results were received via email by the Company's CEO and competent person, Glen Edwards, in batches commencing at 7.26 pm (WST) on Tuesday 17 August 2021 with the final batch of screen fire assay results at 3.31 pm (WST) on Monday 30 August 2021.

- 3.2 *the Rights Issue?*

The Company engaged a legal advisor to assist with undertaking a rights issue on Wednesday 25 August 2021 and then commenced preparation of a non-renounceable pro-rata entitlement issue prospectus on Tuesday 31 August 2021.



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4. *If the answer to question 1 is “yes” and A1G first became aware of the Exploration Results before the request of the trading halt on 6 September 2021, did A1G make any announcement prior to the trading halt request which disclosed the Exploration Results? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe A1G was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps A1G took to ensure that the information was released promptly and without delay.*

On 11 August 2021, the Company announced the results from standard fire assaying of its Didievi reverse circulation and diamond drilling program. Following the release of these results, the Company resubmitted intercepts reporting +5g/t gold from the standard fire assays to undergo screen fire assay, AAS finish / gravimetric analysis to check for potential coarse gold as part of its standard operational procedures. These results were reported for the first time in the announcement lodged with the ASX on Wednesday 8 September, subsequent to the Company’s trading halt.

The results were released to the market as soon as the Company was in a position to validate and analyse the results and report them with confidence and in accordance with the requirements of the JORC Code 2012.

During the period from receipt of the first screen fire assay results, the competent person was liaising with the laboratory, Bureau Veritas in Abidjan, Cote d’Ivoire, to seek additional information and data regarding QA/QC to ensure that the usual rigorous procedures had applied given the very high grade screen fire assay results from some of the samples. A number of checks and balances were confirmed to have been undertaken to ensure the validity of the results.

Upon receipt of the full set of assay results through to Tuesday 7 September, the competent person was working with the Company’s external database manager to merge the validated results into the database allowing for interpretation and comparison with the original fire assay results. This included preparation of the comparative graph to show the correlation with the initial fire assay results and the tables for inclusion in the Company’s announcement to ensure balanced reporting was adhered to.

Upon receipt of the final gram metre table from the database manager on 7 September 2021, the announcement was finalised by the competent person and circulated to the full Board for their review and comment.

During the period that the Company was in receipt of the results, the Company continuously monitored movements in the price and volume of A1G shares. Given the low volume of shares traded and with the variance in price in keeping with historical trading, the Company was confident that confidentiality surrounding the results had been maintained.



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The Company believed it prudent to enter into a trading halt on the morning of 6 September 2021 as the results had now been validated and the announcement was in the final stages of preparation, although the Company remained confident that confidentiality had not been breached.

5. *If the answer to question 1 is “yes” and A1G first became aware of the Rights Issue before the request of the trading halt on 6 September 2021, did A1G make any announcement prior to the trading halt request which disclosed the Exploration Results? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe A1G was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps A1G took to ensure that the information was released promptly and without delay.*

Further to the Appendix 5B lodged with the ASX on 30 July 2021 which noted the Company was monitoring its available cash going forward (see section 8.8.2 of the Appendix 5B), the Company determined that an appropriate mechanism to raise additional capital that was not dilutionary to existing shareholders would be to undertake a pro-rata Rights Issue. The Company had preliminary discussions with its legal advisor on Wednesday 25 August 2021 and then commenced preparation of a non-renounceable pro-rata entitlement issue prospectus on Tuesday 31 August 2021 and sought approval from the ASX for its proposed timetable.

From that time until the Company advised the market of the Rights Issue, the Company was undertaking the appropriate due diligence activities associated with the preparation of a prospectus. The Company determined the timetable on the basis that it allowed sufficient time for optionholders to exercise their options and for the market to trade with the full knowledge of the exploration results reported in the announcement of 8 September prior to the record date of 22 September 2021.

6. *Please confirm that A1G is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

A1G confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

7. *Please confirm that A1G’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of A1G with delegated authority from the board to respond to ASX on disclosure matters.*

A1G confirms that its responses to the questions above have been authorised and approved by its Board in accordance with the Company’s continuous disclosure policy.

Yours sincerely


Oonagh Malone

Company Secretary



10 September 2021

Reference: 39546

Ms Oonagh Malone
Company Secretary
African Gold Limited

By email: omalone@konkera.com.au

Dear Ms Malone

African Gold Limited ('A1G'): Aware Query

ASX refers to the following:

- A. The increase in price of A1G's securities from a low of \$0.18 on 1 September 2021 to a high of \$0.205 at the close of trading on 3 September 2021.
- B. A1G's request for a trading halt pending release of an announcement regarding high grade assay results and a capital raising provided to ASX and released on the ASX Market Announcements Platform ('MAP') at 9.37am AEST on 6 September 2021.
- C. A1G's announcement entitled "SCREEN FIRE ASSAYS RETURNS 10m AT 123g/t GOLD AT DIDIEVI" lodged on the ASX Market Announcements Platform and released at 9.31am AEST on 8 September 2021 (the 'Announcement'), disclosing:
 - (a) exploration results from the Didievi Gold Project ('Exploration Results'); and
 - (b) a non-renounceable pro-rata offer of ordinary fully paid shares at an issue price of \$0.15 each to eligible shareholders on the basis of 2 new shares for every 7 shares held on the record date ('Rights Issue').
- D. The increase in price of A1G's securities from a low of \$0.205 at the close of trading on 3 September 2021 to an intraday high of \$0.43 on 8 September 2021, and the increase in volume of securities traded on 8 September 2021.
- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."
- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied:
 - "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:
 - 3.1A.1 One or more of the following applies:
 - It would be a breach of a law to disclose the information;

- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

H. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for information

Having regard to the above, ASX asks A1G to respond separately to each of the following questions and requests for information:

1. Noting the significant price and volume increase following the release of the Announcement, does A1G consider the following information to be information that a reasonable person would expect to have a material effect on the price or value of its securities:
 - 1.1 the Exploration Results;
 - 1.2 the Rights Issue?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did A1G first become aware of the:
 - 3.1 the Exploration Results;
 - 3.2 the Rights Issue?
4. If the answer to question 1 is "yes" and A1G first became aware of the Exploration Results before the request of the trading halt on 6 September 2021, did A1G make any announcement prior to the trading halt request which disclosed the Exploration Results? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe A1G was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps A1G took to ensure that the information was released promptly and without delay.
5. If the answer to question 1 is "yes" and A1G first became aware of the Rights Issue before the request of the trading halt on 6 September 2021, did A1G make any announcement prior to the trading halt request which disclosed the Rights Issue? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe A1G was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps A1G took to ensure that the information was released promptly and without delay.
6. Please confirm that A1G is complying with the Listing Rules and, in particular, Listing Rule 3.1.

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7. Please confirm that A1G's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of A1G with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3.00pm WST on Wednesday, 15 September 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, A1G's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require A1G to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in A1G's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in A1G's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to A1G's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that A1G's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Stephanie Patchell

Adviser, Listings Compliance (Perth)