

AFRICAN GOLD LTD
ACN 624 164 852

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of two (2) Shares for every five (5) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.05 per Share to raise up to \$2,388,207 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 27 October 2022 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, France, Germany or the Isle of Man.

For further information on overseas Shareholders please refer to Section 2.9.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.african-gold.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian, New Zealand, France, Germany or Isle of Man resident and must only access this Prospectus from within Australia, New Zealand, France, Germany or Isle of Man.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 (8) 6143 6749 during office hours or by emailing the Company at info@african-gold.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 (8) 6143 6749.

CORPORATE DIRECTORY

Directors

Evan Cranston
Non-Executive Chairman

Phillip Gallagher
Managing Director

Simon Bolster
Non-Executive Director

Tolga Kumova
Non-Executive Director

Mathew O'Hara
Non-Executive Director

Peter Williams
Non-Executive Director

Company Secretary

Oonagh Malone

Registered Office

Suite 23, 513 Hay Street
SUBIACO WA 6008

Telephone: + 61 8 6143 6749
Email: info@african-gold.com
Website: www.african-gold.com

Auditor*

HLB Mann Judd
4/130 Stirling Street
PERTH WA 6000

Share Registry*

Automic Registry Services
Level 5, 126 Phillip Street
SYDNEY NSW 2000

Telephone (within Aus): 1300 288 664
Telephone (outside Aus): +61 2 9698 5414

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

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1. KEY OFFER INFORMATION

1.1 Timetable*

Lodgement of Prospectus with the ASIC	Thursday, 27 October 2022
Lodgement of Prospectus and Appendix 3B with ASX	Thursday, 27 October 2022
Ex date	Tuesday, 1 November 2022
Record Date for determining Entitlements	Wednesday, 2 November 2022
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Monday, 7 October 2022
Last day to extend the Closing Date	Friday, 18 November 2022
Closing Date as at 5:00pm**	Wednesday, 23 November 2022
Securities quoted on a deferred settlement basis	Thursday, 24 November 2022
ASX notified of under subscriptions	Monday, 28 November 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	Wednesday, 30 November 2022
Quotation of Shares issued under the Offer**	Wednesday, 30 November 2022

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

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

1.2 Key statistics of the Offer

Shares

	Maximum Subscription (\$2,388,207)²
Offer Price per Share	\$0.05
Entitlement Ratio (based on existing Shares)	2:5
Shares currently on issue	119,410,328
Shares to be issued under the Offer	47,764,131
Gross proceeds of the issue of Shares	\$2,388,207
Shares on issue Post-Offer	167,174,460

Notes:

1. Assuming the Maximum Subscription of \$2,388,207 is achieved under the Offer.
2. Refer to Section 4.1 for the terms of the Shares.

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

1.4 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options	Share Entitlement	\$
Evan Cranston	2,788	2,500,000 ¹	1,116	56
Simon Bolster	642,858	2,000,000 ²	257,144	12,857
Mathew O'Hara	230,359	2,000,000 ³	92,144	4,607
Peter Williams	1,157,143	2,000,000 ⁴	462,858	23,143
Tolga Kumova	11,954,821	12,500,000 ⁵	4,781,929	239,096
Phillip Gallagher	80,000	0 ⁶	32,000	\$1,600

Notes:

1. Exercisable at \$0.20 on or before 22 February 2021.
2. Exercisable at \$0.30 on or before 31 August 2024.
3. Exercisable at \$0.30 on or before 31 August 2024.
4. Exercisable at \$0.30 on or before 31 August 2024.
5. Comprising of:
 - (a) 2,500,000 options exercisable at \$0.20 on or before 22 February 2024; and
 - (b) 10,000,000 options exercisable at \$0.20 on or before 17 April 2023.
6. As announced on 16 August 2022, the Company will seek shareholder approval to issue Mr Gallagher 4,000,000 Options comprising of:
 - (a) 2,000,000 Options exercisable at \$0.15 on or before the date that is three years from the date of issue; and
 - (b) 2,000,000 Options exercisable at \$0.20 on or before the date that is three years from the date of issue.

The Board recommends all Shareholders take up their Entitlements. All Directors intend to take up their full Entitlements.

1.5 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Tolga Kumova	11,954,821	10.01
Kingslane Pty Ltd <Cranston Super Pension A/C>	9,006,428	7.54

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

1.6 Effect on Control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 2.6, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Offer.

1.7 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 28.57% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	8.37%	4,000,000	10,000,000	5.98%
Shareholder 2	5,000,000	4.19%	2,000,000	5,000,000	2.99%
Shareholder 3	1,500,000	1.26%	600,000	1,500,000	0.90%
Shareholder 4	400,000	0.33%	160,000	400,000	0.24%
Shareholder 5	50,000	0.04%	20,000	50,000	0.03%
Total	119,410,328		47,764,132		167,174,460

Notes:

1. Assumes that the Maximum Subscription of 47,764,131 Shares has been achieved.
2. This is based on a share capital of 119,410,328 Shares as at the date of the Prospectus and assumes no other Shares are issued including Options exercised.
3. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of two (2) Shares for every five (5) Shares held by Shareholders registered at the Record Date at an issue price of \$0.05 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, approximately 47,764,132 Shares may be issued under the Offer to raise up to \$2,388,207.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

2.2 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	• Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Please read the instructions carefully. • Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	Section 2.3 and Section 2.4.
Take up all of your Entitlement and also apply for Shortfall Securities	• Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which accompanies this Prospectus. Please read the instructions carefully. • Payment can be made by the methods set out in Section 2.3.	Sections 2.3, 2.4 and 2.6.

Option	Key Considerations	For more information
	Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. - If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Securities may be scaled-back. - The Company's decision on the number of Shortfall Securities to be allocated to you will be final.	
Take up a proportion of your Entitlement and allow the balance to lapse	If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus for the number of Securities you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	Section 2.3 and Section 2.4
Allow all or part of your Entitlement to lapse	If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse.	N/A

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.3 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;

- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00 pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) By Electronic Funds Transfer (overseas applicants)

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

(c) By Cheque

Payment by cheque or cash will not be accepted.

2.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.5 Minimum subscription

There is no minimum subscription.

2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.05 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Sections 2.3.

The Board presently intends to allocate Shortfall Securities as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to other parties identified by the Directors, which may include parties who are not currently Shareholders.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall,

the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Securities under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

2.7 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

2.8 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.9 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the

cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, France, Germany or Isle of Man.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the Shares be offered for sale, in any member state of the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (**Prospectus Regulation**).

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Shares in each member state of the European Union is limited:

- (a) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (b) to fewer than 150 natural or legal persons (other than qualified investors); or
- (c) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Isle of Man

No offer or invitation to subscribe for Securities may be made to the public in the Isle of Man.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand, France, Germany or Isle of Man without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the offer

The purpose of the Offer is to raise up to \$2,388,207 before costs.

The funds raised from the Offer are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Offer	Maximum Subscription (\$)	%
1.	Exploration – Cote d'Ivoire and Mali ¹	1,200,000	50
2.	Corporate Administration ²	600,000	25
3.	Working capital ³	555,725	23
4.	Expenses of the Offer ⁴	32,482	2
	Total	2,388,207	100

Notes:

1. Comprises exploration activities including drilling, trenching, soil sampling and associated costs.
2. Corporate administration may be applied towards Directors' fees or executive fees and other general administration expenses including ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.
3. Working capital includes but is not limited to operating costs and may be applied to review of other opportunities.
4. In the event less than the Maximum Subscription is raised the above use of funds will be reduced in line with the amount to which the Offers fall short of full subscription
5. Refer to Section 6.7 for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, funds will be first applied proportionally between Item 1 and 2 in the table above and then towards Item 3 in the table above (after first accounting for the Item 4).

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities, business operations and available capital.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Shares are issued including on exercise of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$2,355,725 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and

- (a) increase the number of Shares on issue from 119,410,328 as at the date of this Prospectus to 167,174,460 Shares.

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise of other Securities on issue prior to the Record Date, is set out below.

Shares¹

	Number
Shares currently on issue	119,410,328
Shares offered pursuant to the Offer ²	47,764,132
Total Shares on issue after completion of the Offer	167,174,460

Notes:

1. Refer to Section 4.1 for the terms of the Shares.
2. Assuming the Maximum Subscription is achieved under the Offer.

Options

	Number
Options currently on issue ¹	47,150,000
Total Options on issue as at the date of this Prospectus	47,150,000
Options to be issued pursuant to the Offer	Nil
Total Options on issue after completion of the Offer	47,150,000

Notes:

1. Comprising of:
 - (a) 8,000,000 unlisted Options exercisable at \$0.30 on or before 31 August 2025;
 - (b) 34,150,000 unlisted Options exercisable at \$0.20 on or before 17 April 2023; and
 - (c) 5,000,000 unlisted Options exercisable at \$0.20 on or before 22 February 2024.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 166,560,328 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 214,324,460 Shares.

3.4 Pro-forma balance sheet

The reviewed balance sheet as at the 30 June 2022 and the unaudited pro-forma balance sheet as at the 30 June 2022 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

30-Jun-22 Pro-forma Balance Sheet	Reviewed African Gold Limited	Unaudited Pro forma
	A\$	A\$
CURRENT ASSETS		
Cash assets	761,261	3,116,986
Trade and other receivables	15,548	15,548
Prepayments	30,266	30,266
Other current assets	30,000	30,000
TOTAL CURRENT ASSETS	837,075	3,192,800
NON-CURRENT ASSETS		
Exploration & Evaluation assets	9,584,835	9,584,835
TOTAL NON-CURRENT ASSETS	9,584,835	9,584,835
TOTAL ASSETS	10,421,910	12,777,635
CURRENT LIABILITIES		
Trade and other payables	330,792	330,792
Provisions	44,613	44,613
TOTAL CURRENT LIABILITIES	375,405	375,405
TOTAL LIABILITIES	375,405	375,405
NET ASSETS	10,046,505	12,402,230
EQUITY		
Share capital	8,545,903	10,901,628
Reserves	8,064,088	8,064,088
Accumulated losses	(6,563,486)	(6,563,486)
TOTAL EQUITY	10,046,505	12,402,230

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meeting and notices

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Ranking of Shares

At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

(c) Voting rights

Subject to any rights or restrictions, at general meetings of Shareholders or classes of shareholders:

- (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder, has one vote for every fully paid Share held and a fraction of one vote for each partly paid up Share held, equal to the proportion which the amount paid up on that Share (excluding amounts credited) is to the total amounts paid up and payable (excluding amounts credited) on that Share.

(d) Dividend rights

Subject to the rights of the holders of any shares with special rights to dividends, the Directors may determine or declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid is of the total amounts paid and payable in respect of such Shares.

No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend. The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(e) **Variation of rights**

If at any time the share capital is divided into different classes of shares, the rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares in that class.

(f) **Transfer of Shares**

Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien. The Company must refuse to register a transfer of Shares where the Corporations Act, Listing Rules or ASX Settlement Operating Rules or a law about stamp duty requires the Company to do so.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Board of the Company as appointed from time to time. Subject to restrictions on the issue or grant of Securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of shares), the Directors may issue Shares and other Securities as they shall, in their absolute discretion, determine.

(h) **Unmarketable parcels**

The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

(i) **Rights on winding up**

If the Company is wound up, the liquidator may with the sanction of special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set

such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(j) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

Risk Category	Risk
Potential dilution for	Upon completion of the Offer, assuming all Entitlements are accepted, no other Shares are issued including Options are exercised prior to the Record Date, the number of Shares in the Company will increase from 119,410,328 currently on issue to 167,174,460. This means that immediately after the Offer each Share will represent a significantly lower proportion of the ownership of the Company. Shareholders should not that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 28.57% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus). It is not possible to predict what the value of the Company, a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters. The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.095 is not a reliable

Risk Category	Risk
	indicator as to the potential trading price of Shares after implementation of the Offer.
Going Concern	The Company's financial report for the half year ended 31 December 2021 (Financial Report), the Company's auditor noted the following: <i>"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.</i> <i>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.</i> <i>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.</i> <i>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."</i> Notwithstanding the 'going concern' qualification included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company. In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.
Exploration costs	The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and,

Risk Category	Risk
	accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.
Funding and future capital needs	As at the date of this Prospectus, the Company has no income producing assets and will generate losses for the foreseeable future. Until it is able to develop a project and generate appropriate cash flow, it is dependent upon being able to obtain future equity debt funding to support long term exploration (including exploration associated with the Acquisition), after the expenditure of the net proceeds raised under the Offers. Further funding will be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Further, if additional funds are raised by issuing equity securities, this may result in dilution for some or all of the Shareholders. Neither the Company nor any of the Directors or any other party can provide any guarantee or assurance that if further funding is required, such funding can be raised on terms favourable to the Company. Any additional equity funding will dilute existing Shareholders. Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate cash flow. As such, a project would be dependent on many factors, for example exploration success, subsequent mine development, commissioning and operational performance.
New projects and acquisitions	The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation. The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company. If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due

Risk Category	Risk
	diligence, the usual risks associated with the new project/business activities will remain.

5.3 Risks specific to doing business in Cote D'Ivoire and Mali

Risk Category	Risk
Risks associated with operating in West Africa	The Company's Projects lie within the West African countries of Côte d'Ivoire and Mali and the Company will be subject to the risks associated with operating there. Such risks can include economic, social or political instability or change, disease outbreak, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local residents or contractors or require other benefits to be provided to local residents. In addition, changes to exploration, mining or investment policies and legislation or a shift in political attitude in the jurisdictions in which the Company operates may adversely affect the Company's proposed operations and profitability. The Company may also be required by local authorities to invest in social projects for the benefit of the local community. Additional social expenditures in the future may have a negative impact on the Company's profitability.
Legal system	The legal systems of Côte d'Ivoire and Mali are less developed than those in more established countries and this could result in the following risks: (a) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute; (b) a higher degree of discretion held by various government officials or agencies; (c) the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights; (d) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (e) relative inexperience of the judiciary and courts in matters affecting the Company. The commitment from local business people, government officials and the judicial system to abide by legal

Risk Category	Risk
	requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that the Company will not be adversely affected by the actions of the government authorities or others. As such, the effectiveness and enforcement of such arrangements cannot be assured.
Enforcing liabilities against assets outside of Australia may be difficult	The majority of the Company's assets are located outside Australia. As a result, it may be difficult to enforce judgments obtained in Australian courts against those assets. In addition, there is uncertainty as to whether the courts of Côte d'Ivoire, Mali or any other jurisdictions in which the Company operates would recognise or enforce judgments of Australian courts obtained against the Company based on provisions of the laws of Australia. Furthermore, because the majority of the Company's assets are or will be located outside Australia, it may also be difficult to access those assets to satisfy an award entered against the Company in Australia. As a result of all of the above, Shareholders may have more difficulty in protecting their interests in the face of actions taken by management, the Board or controlling Shareholders than they would as shareholders of a company with assets in Australia.

5.4 Mining Industry Risks

Risk Category	Risk
Title	The exploration licences in which the Company has now, or may, in the future, acquire an interest, including its applications for permits, are subject to the applicable local laws and regulations. The ownership of mineral exploration licences in Côte d'Ivoire and Mali are governed primarily by the relevant Mining Codes. Although the Company has taken steps to verify the title to the resource properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or other stakeholder rights. All of the tenements in which the Company has an interest will be subject to application for licences renewal from time to time. Renewal of the term of each licence is subject to applicable legislation. There is no guarantee that any licences, applications or conversions in which the Company has a current or potential interest will be granted. If the licence is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral

Risk Category	Risk
	resources on that licence.
Exploration and development risks	Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the Company's tenements will result in the discovery of an economic resource deposit. Even if an apparently viable deposit is identified there is no guarantee that it can be economically exploited. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and many other factors beyond the control of the Company. The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the case reserves of the Company and possible relinquishment of the tenements.
Operating risk	The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenements, or any other tenements that may be acquired by the Company in the future. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.
Metallurgy	Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as: (a) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate; (b) developing an economic process route to produce a metal and/or concentrate; and (c) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting

Risk Category	Risk
	the economic viability of the project.
Payment obligations	The Company will become subject to payment and other obligations. In particular, holders are required to expend the funds necessary to meet the minimum work commitments attaching to the Projects. Failure to meet these work commitments may render the Projects subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in the Projects.
Metals currency volatility and price	The Company's ability to proceed with the development of its projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of gold and base metals. Consequently, any future earnings are likely to be closely related to the price of this commodity and the terms of any off-take agreements that the Company enters into. The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for gold and base metals that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Mineral prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Metals are principally sold throughout the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.
Competition risk	The industry in which the Company will be involved is subject to domestic and global competition, including major mineral exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating

Risk Category	Risk
	and financial performance of the Company's projects and business.
Land access risk	Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. Access to land for exploration purposes can be affected by small non-mechanised mining operations or land ownership, including registered and unregistered land interests and regulatory requirements within the jurisdiction where the Company operates.
Third party risks	The Company acknowledges that exploration success may result in extended work programs on the Tenements that may require further third party consents and/or compliance with compensation obligations with respect to the private landholders, underlying petroleum tenure, native title processes and pastoralist activities. As part of the process of submitting a program of works for any ground disturbing activities, pastoralists and other third parties will be notified and the Company will work to minimise disturbance in relation to the proposed activities in accordance with applicable law. The Directors acknowledge that delays may be caused to commencement of exploration programs.
Environmental risk	As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws. The costs and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits. Activities on the Company's tenements must comply with the conditions of their respective environmental authorities. The Company may be required to obtain further approvals from the relevant authorities before it can undertake particular activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. Environmental issues may compromise the exploration and development of the Company's tenements.
Licences, permits and approvals	The Company holds all material authorisations required to undertake the current exploration programs of the Company. However, many of the mineral rights and interests to be held by the Company are subject to the

Risk Category	Risk
	need for ongoing or new government approvals, licences and permits. These requirements, including work permits and environmental approvals, will change as the Company's operations develop. Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.
Reliance on key management	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.
Conflicts of interest	Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company. Although these Directors have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.

5.5 General risks

Risk Category	Risk
Securities investments	There are risks associated with any securities investment. The prices at which the securities of the Company trade may fluctuate in response to a number of factors. Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the securities of the Company regardless of its operational performance.
Economic risks	General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential exploration and development programs, as well as on its ability to fund those activities. As with any exploration or mining project, the economics are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors

Risk Category	Risk
	include supply and demand fluctuations for minerals, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of the Company to commodity price and exchange rate risks.
Force majeure	The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Market conditions	The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) currency fluctuations; (e) changes in investor sentiment toward particular market sectors; (f) the demand for, and supply of, capital; and (g) terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to Shareholders.
Coronavirus disease	The presence of the coronavirus disease (COVID-19) continues to impact global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company continues to remain uncertain. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Directors are monitoring the situation

Risk Category	Risk
	closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market regarding the impact of COVID-19 on its operations, exploration activities and any adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.
Climate change risks	There are a number of climate-related factors that may affect the Company's business or its assets, including its tenements. For instance: (a) climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access and utilise its tenements and/or on the Company's ability to transport or sell mineral commodities; and (b) changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy or the value of its assets (including its tenements), or may result in less favourable pricing for mineral commodities, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.
Ukraine conflict	The current conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economies and financial markets. The nature and extent of the effect the Ukraine Conflict may have on the Company's operations remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the economic uncertainty caused by the Ukraine Conflict and the wider effect the conflict has on global economies and financial markets. The Directors are monitoring the potential secondary and tertiary macroeconomic impacts of the Ukraine Conflict, including the fluctuations in commodity and energy prices and the potential risk of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict on the

Risk Category	Risk
	Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.
Taxation	The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.
Government and legal risk	Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine. The Company is not aware of any reviews or changes that would affect the Projects. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its projects. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.
Litigation	The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.
Insurance	The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be available or of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a

Risk Category	Risk
	legitimate claim by the Company.

5.6 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
27 October 2022	Change of Director's Interest Notice – P Gallagher
21 October 2022	Late Lodgement of Appendices 3Y
20 October 2022	Proposed Issue of Securities

Date	Description of Announcement
20 October 2022	African Gold to Undertake Rights Issue
18 October 2022	African Gold Highlight Significant Gold Potential
12 October 2022	African Gold and Resolute Mining sign Earn-In Agreement
4 October 2022	Notification of cessation of securities – A1G
13 September 2022	Half Year Accounts
12 September 2022	Change of Auditor
23 August 2022	Broad High-Grade Gold Intercepts at Didievi Project
18 August 2022	Initial Director's Interest Notice – Phillip Gallagher
16 August 2022	Proposed Issue of Securities
16 August 2022	Phillip Gallagher Appointed as Managing Director of A1G
29 July 2022	Quarterly Activities/Appendix 5B Cash Flow Report
25 July 2022	Regional Programs Confirm Extensive Gold Mineralisation
04 July 2022	Auger Drilling and Soil Geochem Define Targets at Walia
31 May 2022	Results of Meeting
02 May 2022	Letter to Shareholders regarding Notice of AGM
02 May 2022	Notice of Annual General Meeting/Proxy Form
29 April 2022	Quarterly Activities/Appendix 5B Cash Flow Report
31 March 2022	Appendix 4G
31 March 2022	Corporate Governance Statement
31 March 2022	Annual Report to Shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.african-gold.com.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.125	27 October 2022
Lowest	\$0.06	20 October 2022

	(\$)	Date
Last	\$0.095	26 October 2022

6.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (i) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2021 Annual Report.

Director	FY ending 31 December 2022	FY ending 31 December 2021
Evan Cranston	\$65,700 ¹	\$65,700 ¹
Simon Bolster	\$44,000 ¹	\$274,669 ²
Mathew O'Hara	\$44,000 ³	\$285,400 ⁴
Peter Williams	\$44,000 ¹	\$274,669 ⁵
Tolga Kumova	\$44,000 ¹	\$52,560 ⁶
Phillip Gallagher	\$97,625 ⁷	Nil

Notes:

1. Consists solely of Salary, Fees, and Annual Leave.
2. Comprises of Salary, Fees, and Annual Leave (\$37,269) and Options and Rights (\$237,400).
3. Comprises of Salary, Fees, and Annual Leave (\$43,736) and Superannuation (\$4,264)
4. Comprises of Salary, Fees, and Annual Leave (\$43,736), Superannuation (\$4,264) and Options and Rights (\$237,400).
5. Comprises of Salary, Fees, and Annual Leave (\$37,269) and Options and Rights (\$237,400).
6. Comprises of Salary, Fees, and Annual Leave (\$52,560).
7. Comprises of Salary, Fees and Annual Leave (\$89,375) and Superannuation (\$8,250).

6.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offer; or
- the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$669.50 (excluding GST and disbursements) for legal services provided to the Company.

HLB Mann Judd has been paid \$15,525 (excluding GST) for auditing the Company's 30 June 2022 balance sheet. During the 24 months preceding lodgement of this Prospectus with the ASIC, HLB Mann Judd has not received any fees from the Company for any other services.

6.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

HLB Mann Judd has consented to the inclusion of the audited financial information of the Company as at the 30 June 2022 used for the purpose of the pro-forma balance sheet set out in Section 3.4.

6.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$32,482 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	9,776
Legal fees	10,000
Printing and distribution	7,500
Miscellaneous	2,000
Total	32,482

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Evan Cranston
Non-Executive Chairman
African Gold Limited

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company means African Gold Ltd (ACN 624 164 852).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares Performance Rights and/or Options as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.6.

Shortfall Securities means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

WST means Western Standard Time as observed in Perth, Western Australia.