

26 March 2020

Mr Sean Maloney
Advisor, Listings Compliance
Australian Securities Exchange Limited
Level 40, Central Park
152–158 St Georges Terrace
PERTH WA 6000

By email: ListingsCompliancePerth@asx.com.au

Dear Sir,

RESPONSE TO AWARE QUERY

I refer to your letter dated 24 March 2020 with regard to a request for information in relation to the Notice of General Meeting that was lodged on the ASX Market Announcements Platform on 21 February 2020 for the meeting that was held on 25 March 2020. Your request for information specifically related to Resolution 2 "Issue of Shares under a Placement to Shining Mining Limited", and so the decision was made by the Board to adjourn consideration by Shareholders of this resolution until all information relevant to Shareholders in making their decision had been provided.

Background

I firstly want to provide some clarity to the understanding formed by ASX in relation to the relevant background information to Resolution 2.

On the formation of the Giro Gold Project Joint Venture in 2012 and as part of the agreed terms of the agreement with joint venture partner Societe Miniere De Kilo Moto SA (**Sokimo**), Amani Gold Limited (**ANL**) was required to make a USD 5.0 million payment. ANL paid Sokimo USD 1.8 million on signing the joint venture agreement in 2012. Since that time, ANL and Sokimo have negotiated that the remainder of the USD 5.0 million be paid over time on reaching certain milestones, including completion of a feasibility study for the Project and a consequent decision to mine. To date, ANL has made 3 payments under the agreement totalling USD 2.65 million (including the USD 1.8 million payment), with the current amount outstanding of USD 2.35 million recorded as a contingent liability in the audited 2019/20 half-year accounts given a final feasibility study and decision to mine has yet to be made.

The sole director of Shining Mining Limited, who is a significant investor in a number of projects in the Democratic Republic of Congo (**DRC**), provided a personal loan to Sokimo of approximately USD 1.45 million in 2018 under an arrangement that has no association with ANL and its activities in the DRC. Shining Mining Limited is a shareholder of ANL and is aware of the current contingent liability to Sokimo under the Giro Gold Project.

The director of Shining Mining made a confidential approach to ANL in July 2019 to propose an arrangement whereby the amount he lent to Sokimo is settled by the issue of ANL shares to Shining Mining at an issue price of A\$0.003 per share and that the amount of USD 1.45 million would be offset against the USD 2.35 million contingent amount currently outstanding to Sokimo. This would have the advantage of reducing the amount due by ANL to Sokimo through the issue of shares rather than in cash, which for junior exploration company such as Amani is of significant benefit.

The ANL Board considered the confidential proposal made by Shining Mining and considered that it may present a good opportunity to reduce the contingent liability while conserving the Company's cash resources. A draft agreement was prepared to reflect the proposal to issue shares to Shining Mining but has not as yet been agreed or executed. The Board of ANL considered it appropriate to seek Shareholder approval of the issue, which is the subject of Resolution 2, prior to entering into any agreement with Shining Mining. Hence at this point there is no legally binding obligation on the Company to issue the shares as an agreement with Shining Mining has not been agreed or executed.

Based on this information, we provide the following responses to your questions:

1. *Does ANL consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

No. As described above, ANL considers that the Information summarised by ASX in the Aware Query does not correctly reflect the position with respect to the amount due to Sokimo and the loan made to it by Shining Mining. ANL intends to provide additional information to Shareholders for consideration of Resolution 2 which has been adjourned to 8 April 2020.

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

As explained above, there is currently no agreement in place between ANL and Shining Mining.

3. *When did ANL first become aware of the Information?*

Not applicable.

4. *If the answer to question 1 is "yes" and ANL first became aware of the Information before the relevant date, did ANL make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ANL was obliged to release the information under the Listing Rules 3.1 and 3.1A and what steps ANL took to ensure that the information was released promptly and without delay.*

Not applicable.

5. *Please summarise the material terms of the Giro Gold Agreement and SML Agreement.*

Giro Gold Agreement

- On 3 January 2012, Sokimo and ANL formed a joint venture for the Giro Goldfields Exploration SPRL comprising 4 exploration permits under which ANL will hold 65% and Sokimo 35%
- ANL is required to pay a total of USD 5.0 million to the DRC State and Sokimo as a "Pas de Porte" payment on execution of the agreement. A total of USD 1.8 million was paid at that time with an agreement that the balance would be paid in the future.
- ANL was to submit one or more feasibility studies to Sokimo within 24 months of execution of the joint venture agreement that supports a view that the Project contains at minimum 1.5Mozs of economical and exploitable gold resources.

- Should an economic feasibility study not be completed within 24 months, both parties would consider extending the period for completion of the study. If there is no agreement, Sokimo has the right to terminate the joint venture agreement with 6 months notice.
- On 4 October 2013, both parties agreed that the remaining "Pas de Porte" payment owed to Sokimo by ANL be deferred until one or more deposits of economically exploitable mineral resources are supported by a feasibility study.
- In November 2016, it was agreed by the joint venture parties that the outstanding amount be payable by ANL within 15 business days following the first drawdown of the development funds for a commercial mining operation.

SML Agreement

- It is important to firstly note that the document is a proposal only and the agreement has not been executed by ANL.
- The proposal is to issue 699,047,035 ANL fully paid ordinary shares to SML at an issue price of \$0.003 per share, which is equivalent to AUD 2,097,141 being the equivalent amount of the loan in USD provided by SML to Sokimo.

6. *Please provide a copy of the Giro Gold Agreement and the SML Agreement (in draft if not yet finalised) to ASX.*

See attached. Please note that as mentioned above, the so called "SML Agreement" is a draft and is not in agreed form. Any agreement that may eventually be executed may differ, possibly significantly, from the draft provided.

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

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

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

Confirmed. This response has been properly authorised and confirmed.

Yours sincerely



Nick Harding
Company Secretary

For personal use only



24 March 2020

Reference: 15916

Mr Nick Harding
Company Secretary
Amani Gold Limited

By email: hardingnj@optusnet.com.au

Dear Mr Harding

Amani Gold Limited ('ANL'): Aware Query

ASX refers to the following:

A. ANL's announcement entitled "Notice of General Meeting/Proxy Form" lodged on the ASX Market Announcements Platform on 21 February 2020 (the 'Notice') and Mr Nick Harding's email on behalf of ANL sent to ASX on 24 March 2020 responding to various queries from ASX relating to the Notice, disclosing (amongst other things) the following:

- (i) that ANL entered into an agreement with Shining Mining Limited ('SML'), subject to shareholder approval and formal execution of documentation ('SML Agreement'); and
- (ii) that under the SML Agreement, SML paid USD \$1.45 million to Société Minière de Kilo Moto sa ('Sokimo') on ANL's behalf to be offset against an outstanding loan payment due by ANL to Sokimo under a joint venture/acquisition agreement in relation to the Giro Gold Project ('Giro Gold Agreement').

(together 'Information')

B. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

C. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*

- The information is generated for the internal management purposes of the entity; or
 - The information is a trade secret; and
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- 3.1A.3 A reasonable person would not expect the information to be disclosed.”
- E. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

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

Request for Information

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

1. Does ANL consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did ANL first become aware of the Information?
4. If the answer to question 1 is “yes” and ANL first became aware of the Information before the relevant date, did ANL make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ANL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ANL took to ensure that the information was released promptly and without delay.
5. Please summarise the material terms of the Giro Gold Agreement and SML Agreement.
6. Please provide a copy of the Giro Gold Agreement and the SML Agreement (in draft if not yet finalised) to ASX.
7. Please confirm that ANL is complying with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that ANL’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ANL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **10:00 AM AEDT Friday, 27 March 2020**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ANL’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require ANL to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

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

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

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

Listing Rules 3.1 and 3.1A

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

Suspension

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

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Sean Maloney
Adviser, Listings Compliance (Perth)