

AMANI GOLD LIMITED

(ABN 14 113 517 203)



AMANI GOLD
LIMITED

ANNUAL REPORT
2020

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Securities trade on the Australian Securities Exchange – ANL

Amani Gold Limited
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Amani Gold Limited
Chairman's Message
For the year ended 30 June 2020

Dear Shareholders,

I am pleased to present the 2020 Annual Report for Amani Gold Limited (ASX: ANL).

This year has seen your Company focus on growing the resources at our flagship Giro Gold Project in the Democratic Republic of Congo.

During the year Amani completed a substantial upgrade of the Kebigada gold deposit Mineral Resource to 124Mt @ 1.03g/t Au, for 4.1Moz gold (0.5g/t Au cut-off grade), within the Giro Gold Project which represents a 28% or 0.8Moz increase in contained gold over previous estimate of 75Mt @ 1.18g/t Au, for 2.9Moz gold (0.6g/t Au cut-off grade). The new Mineral Resource for Kebigada to over 4Moz gold is a milestone for Amani and confirms our strategy of targeted deeper drilling. Kebigada, even now, remains open at depth along the entire strike of the orebody.

Giro Gold Project global resource for Kebigada and Douze Match deposits now exceeds 4.4Moz contained gold; with a total Indicated and Inferred Mineral Resource Estimate of 132Mt @ 1.04g/t Au, for 4.4Moz gold (0.5g/t Au cut-off grade).

We believe we have a major gold deposit here at Giro, Amani now has a very solid resource base to move to our aim of significant gold production from a new African gold mine.

During the later part of 2020 Amani plans to complete deep 200m spaced drilling at Kebigada. The planned drilling campaign will involve 4 core holes, each nominally 500m in length for a total of 2,000m. Previous planned drilling campaigns have been delayed due to the availability of diamond core drill rigs in DRC because of border crossing closures (i.e. Covid-19 related closures).

I look forward to more exploration successes at Giro Project this year.

I take this opportunity to thank all our staff and contractors for their dedicated work in substantially advancing our gold projects this year.

The Company takes this opportunity to acknowledge the ongoing support of our long term shareholders and welcomes new shareholders that have invested in Amani over the past year.



Klaus Eckhof
Chairman

REVIEW OF OPERATIONS

GIRO GOLD PROJECT, DEMOCRATIC REPUBLIC OF CONGO (Amani 55.25%)

The Giro gold project comprises two exploration permits covering a surface area of 497km² (PE's 5046 and 5049) and lies within the Kilo-Moto Belt of the DRC, a significant under-explored greenstone belt which hosts Randgold Resources' 17 million-ounce Kibali group of deposits within 35kms of Giro (Figure 1). The nearby Kibali gold project produces more than 600,000 oz gold per annum.

The Giro gold project area is underlain by highly prospective volcano-sedimentary lithologies in a similar structural and lithological setting as the Kibali gold deposits. Both primary and alluvial gold was mined from two main areas, the Giro and Tora areas, during Belgian rule and today these areas are mined extensively by artisanal miners.

Infrastructure wise, Giro gold project is well situated, gifted with easy access to the well-maintained road to Kampala, Uganda which is highly developed.

Amani has outlined a global gold resource for Kibigada and Douze Match deposits at Giro gold project of 4.4Moz contained gold; with a total Indicated and Inferred Mineral Resource Estimate of 132Mt @ 1.04g/t Au, for 4.4Moz gold (0.5g/t Au cut-off grade, Figures 1 and 2, Table 5 and refer ASX Announcement 19 March 2020).

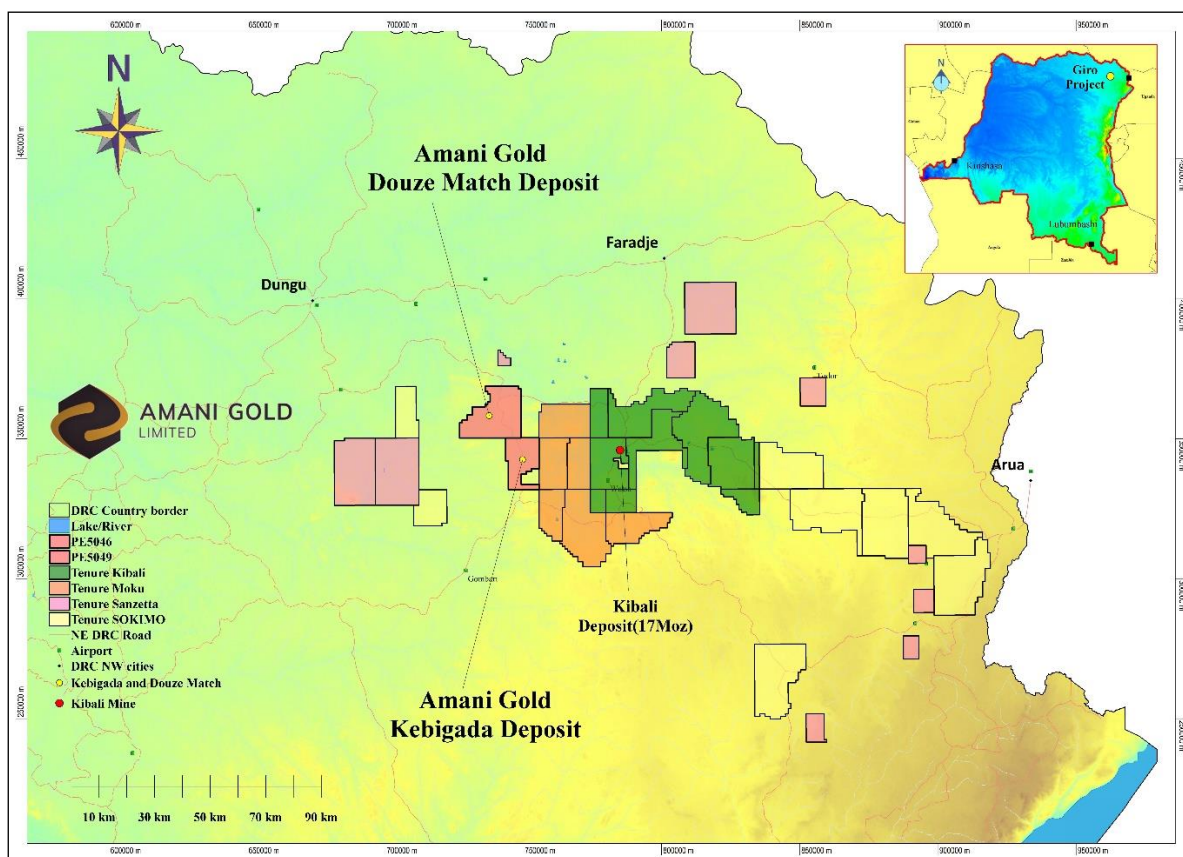


Figure 1. Map of Haute Uele Province of the Democratic Republic of Congo, showing the location of the Kibigada and Douze Match gold deposits and tenement, Giro Gold Project

On 19 March 2020, Amani announced a substantial upgrade of the Kibigada gold deposit Mineral Resource (MRE) to 124Mt @ 1.03g/t Au, for 4.1Moz gold (0.5g/t Au cut-off grade), within the Giro gold project (Figures 1 and 2, Table 1, see ASX Announcement 19 March 2020). The new MRE represents a 28% or 0.8Moz increase in contained gold over previous estimate of 75Mt @ 1.18g/t Au, for 2.9Moz gold (0.6g/t Au cut-off grade, Table 3, see ASX Announcement 27 August 2017).

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The new Kebigada resource estimate follows diamond core drilling results (Priority One holes GRDD034 and GRDD035, Figure 2, see ASX Announcement 16 December 2019) which successfully targeted deeper high-grade sulphide associated gold mineralisation within the central core of the Kebigada deposit. Drillholes GRDD034 and GRDD035 are 240m apart and both outlined high-grade gold mineralisation deeper than previously intersected at the Kebigada deposit. These gold assay results indicate the potential for the Kebigada deposit to substantially grow via targeted deeper and along strike drilling.

The new updated Kebigada mineral resource estimate incorporates the assay results from drillholes GRDD034 and GRDD035 in addition to the following diamond core drillholes that were completed post the maiden Kebigada maiden resource estimate;

- GRDD029 - 6.8m @ 3.62g/t Au from 70.3m, 6.6m @ 7.75g/t Au from 90.4m and 3.35m @ 5.55g/t Au from 146.65m (incl. 0.7m @ 23.2g/t Au from 146.65m).
- GRDD031 - 35.4m @ 1.07g/t Au from 188.1 and 38.4m @ 1.17g/t Au from 231m .
- GRDD032 - 10m @ 4.36g/t Au from 102m (incl. 4.05m @ 9.3g/t Au from 103.75m) and 88.1m @ 2.13g/t Au from 221.4m (incl. 3m at 35.86g/t Au from 238m).
- GRDD034 - 58m @ 1.61g/t Au from 204m (including 11m @ 2.75g/t Au from 208m and 10m @ 3.26g/t Au from 228m and 4m @ 1.82g/t Au from 254m), 23.65m @ 1.183g/t Au from 299m (including 1m @ 10.5g/t Au from 303m and 1m @ 3.72g/t Au from 308m) and 21m @ 0.76g/t Au from 335m (including 4m @ 1.48g/t Au from 335m and 1m @ 2.02g/t Au from 355m).
- GRDD035 - 10.5m @ 1.08g/t Au from surface, 4.5m @ 4.63g/t Au from 31.5m (incl. 0.55m @ 27.3g/t Au from 32.45m), 38.5m @ 2.22g/t Au from 278m (incl. 3m @ 16.93g/t Au from 313m), 3m @ 1.96g/t Au from 477m and 9m @ 1.89g/t Au from 484m (incl. 1m @ 12.9g/t Au from 487m).

Kebigada Resource Estimate - Summary

Amani commissioned H&S Consultants Pty Ltd (H&SC) to generate a Mineral Resource Estimate (MRE) for the Kebigada deposit (Figures 1 and 2, see ASX Announcement 19 March 2020), which forms part of the Giro gold project, located in northeast Democratic Republic of Congo (DRC).

The area assessed in the MRE contains 243 drillholes totalling 29,358m, including 29 diamond core (DD) holes and 214 reverse circulation (RC) holes. Typically for Kebigada deposit the DD core was sawn longitudinally in half, producing samples with an average weight of between approximately 3 and 4 kg. The same half was continuously sampled on nominal 1 m intervals. The sample interval was adjusted in order to honour geological contacts. The RC samples were passed through a riffle splitter three times, after which approximately 5 kg was taken as a reference sample and 2 kg was weighed and labelled for laboratory dispatch. The samples were crushed and split in an accredited laboratory to produce a 50g charge for fire assay with an Atomic Absorption (AA) finish.

The mineralisation at Kebigada strikes at approximately 335° so the block model and data were rotated clockwise by 25° to best align model block with mineralisation. Wireframe surfaces were generated for base of laterite and base of saprolite using the drill hole logs and used to divide the mineralisation into three zones – laterite, saprolite and fresh rock. Mineralisation dips 70° west (in rotated space) in the saprolite and fresh rock but is flat in the laterite zone. Barren intrusives occur within the mineralised zone and were assumed to be parallel to the gold mineralisation. H&SC produced a wireframe surface representing topography based on the drill hole collars.

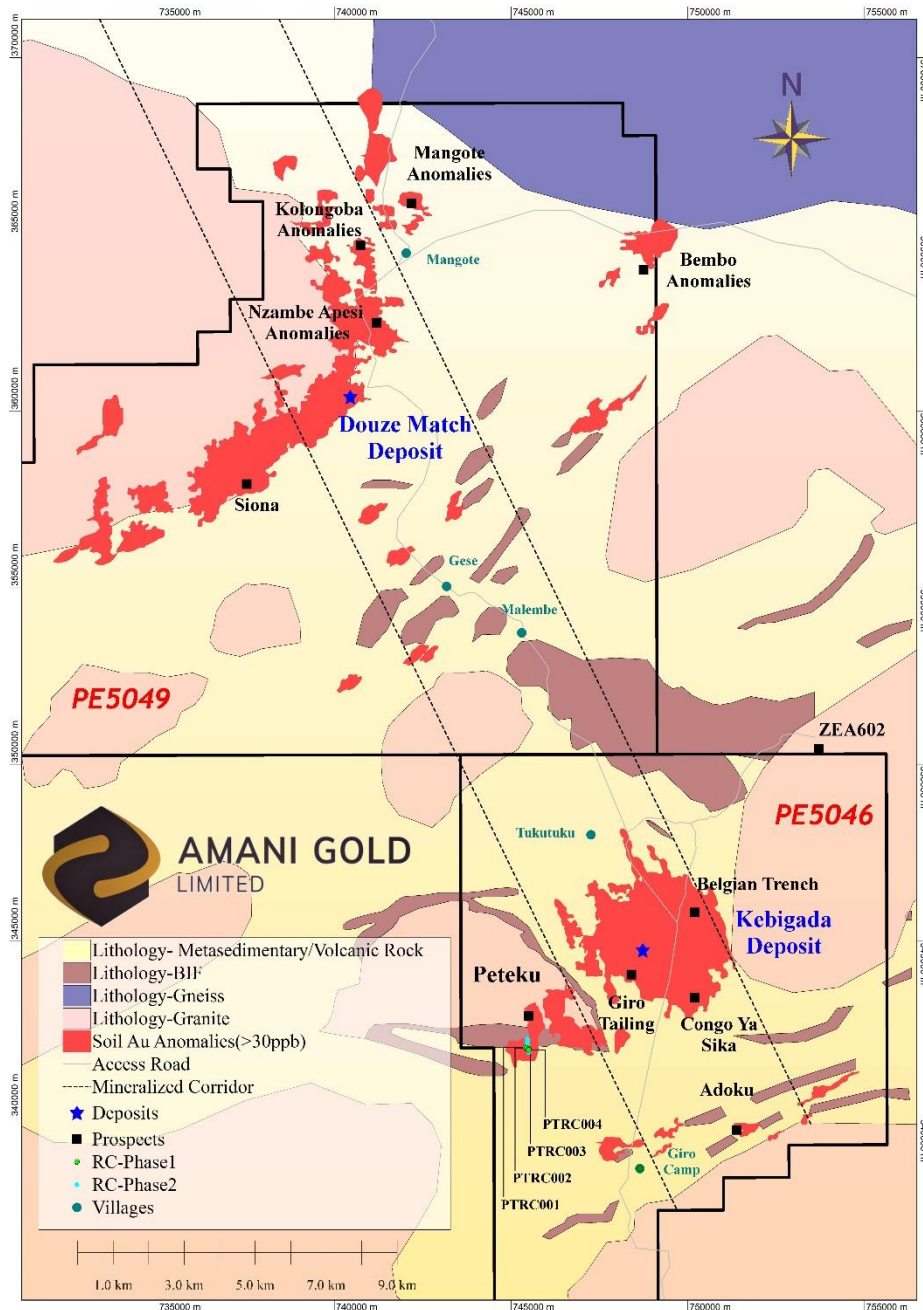


Figure 2. Map of Giro Gold Project, showing Kebigada and Douze Match deposits, tenement, surface geology, prospect locations, Au in soil anomalies and Peteku RC drillholes PTRC001-PTRC004

Gold concentration was estimated by recoverable MIK (multiple indicator kriging) on rotated composite data and model blocks using GS3 software, then compiled and evaluated in Datamine. H&SC assumed that Kebigada will be selectively mined by open pit and the estimates reflect a selective mining unit (SMU) of 5x5x5m.

The majority of drilling at Kebigada is on a grid with a nominal spacing of 50 m between drill lines and 50 m along the drill lines. The dominant sample length is 1.0 m and a nominal composite length of 2.0 m was chosen for data analysis and resource estimation.

A three-pass search strategy was used for the resource estimates, with initial radii of 70x70x14m, and the search ellipse rotated parallel to the orientation of each zone. Blocks estimated in the first search pass and restricted to the central part of the deposit were classified as Indicated (effectively 50x50m drill hole spacing), while all other estimated blocks were classified as Inferred. The MRE is restricted to an elevation of 560m, which is a nominal depth of 300m below surface.

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The weathering zones - laterite, saprolite and fresh rock - were used to assign average measured densities to the block model and all tonnages are estimated on a dry weight basis.

There has been limited mining of the upper part of the Kebigada deposit in the Belgian colonial era and by artisanal miners. This is reflected in “No Sample” intervals in the drilling, which were used to generate an indicator model that identifies the proportion and location of voids in the model. Tonnage and grade in the model were then depleted assuming that the highest-grade material was preferentially removed.

The Kebigada MRE at a gold cut-off grade of 0.5 g/t has a strike length of approximately 1,400 m and a horizontal width up to 400 m. The MRE starts at surface and is reported to a maximum depth of 300 m. The resource estimates at a gold cut-off of 0.5 g/t are shown in Table 1 and resource estimates at a range of gold cut-offs in Table 2.

The preferred gold cut-off grade of 0.5 g/t assumes that mineralisation can be mined economically at this grade in an open pit, based on the current metal price.

Table 1. Kebigada H&SC MRE at 0.5 g/t Au Cut-off Grade

Classification	Tonnes (Mt)	Au (g/t)	Au (Moz)
Indicated	69	1.09	2.4
Inferred	54	0.95	1.7
Total	124	1.03	4.1

(significant figures do not imply precision and rounding may occur in totals)

The resource estimate was validated in several ways, including visual and statistical comparison of block and drill hole grades, examination of grade-tonnage data, and comparison with the previous MSA Group (Pty) Ltd (MSA) model (see ASX Announcement 27 August 2017).

As expected, the model represents a smoothed version of the original samples, with less of the local variability present in the sample data. Grade trends within the zone are aligned with the respective search and variogram orientations, and reasonably reflect interpreted trends in the mineralisation.

The new model indicates a several areas where mineralisation is not closed-off and may continue, including at depth along the entire strike of the orebody and the western edge of the deposit.

Table 2. Grade-Tonnage Data for Kebigada MRE (H&SC)

Cut-off (Au g/t)	Tonnes (Mt)	Au (g/t)	Au (Moz)
0.0	429.6	0.45	6.19
0.3	205.8	0.78	5.13
0.4	158.8	0.90	4.61
0.5	123.7	1.03	4.10
0.6	98.2	1.16	3.65
0.7	78.4	1.29	3.24
0.8	62.8	1.42	2.86
0.9	50.5	1.56	2.53
1.0	41.0	1.70	2.24
1.2	27.9	1.98	1.78
1.3	23.4	2.12	1.60
1.5	17.0	2.40	1.31
2.0	8.7	3.04	0.85

(significant figures do not imply precision)

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Limited metallurgical testwork demonstrates that higher grade mineralisation from Kebabada is amenable to CIL only or combined CIL and gravity recovery.

Planned Exploration Activities

Drillholes GRDD034 and GRDD035 are 240m apart (see ASX Announcement 19 March 2020) and have both outlined high-grade gold mineralisation deeper than previously intersected at the Kebabada deposit. These gold assay results and the current Kebabada MRE indicate the potential for the Kebabada deposit to substantially grow via targeted deeper drilling along the entire strike of the orebody.

During the later part of 2020 Amani plans to complete 200m spaced drilling north and south of drillholes GRDD034 and GRDD035 and similar spaced drillholes along the western edge of the deposit. This planned drilling campaign will involve 4 core holes, each nominally 500m in length for a total of 2,000m.

Giro Gold Project - Global Mineral Resource Estimates

Amani has previously outlined a gold resource at Kebabada within the Giro gold project of 45.62Mt @ 1.46g/t Au, for 2.14Moz gold (0.9g/t Au cut-off grade) or 24.76Mt @ 1.27g/t Au, for 1.01Moz gold (0.6g/t Au cut-off grade, Table 3, see ASX Announcement 7 August 2017).

Table 3. Grade-Tonnage Data for Kebigada MRE (MSA, August 2017)

Classification	Cut-Off (Au g/t)	Tonnes (Mt)	Au (g/t)	Au (Moz)
Indicated	0.6	24.76	1.27	1.01
	0.9	16.48	1.53	0.81
	1.3	7.56	2.08	0.50
	1.5	5.21	2.38	0.40
Inferred	0.6	50.40	1.14	1.84
	0.9	29.14	1.42	1.33
	1.3	11.78	1.94	0.74
	1.5	8.63	2.15	0.60
Total	0.6	75.16	1.18	2.85
	0.9	45.62	1.46	2.14
	1.3	19.34	2.00	1.24
	1.5	13.84	2.24	0.99

(significant figures do not imply precision and rounding may occur in totals)

Amani has previously outlined a gold resource at Douze Match within the Giro Gold Project of 8.1Mt @ 1.2g/t Au for 320Koz gold at a cut-off grade of 0.5g/t Au (Table 4, see ASX Announcement 10 December 2018).

Table 4. Grade-Tonnage Data for Douze Match MRE (H&SC, December 2018)

Cut-off (Au g/t)	Tonnes (Mt)	Au (g/t)	Au (Moz)
0.0	73.0	0.3	0.59
0.1	42.2	0.4	0.54
0.2	20.5	0.7	0.44
0.3	12.9	0.9	0.38
0.4	10.0	1.1	0.35
0.5	8.1	1.2	0.32
0.6	6.6	1.4	0.29
0.7	5.5	1.5	0.27
0.8	4.7	1.7	0.25
0.9	4.0	1.8	0.23
1.0	3.5	1.9	0.22

(significant figures do not imply precision)

Giro Gold Project global resource for Kebigada and Douze Match deposits now exceeds 4.4Moz contained gold using the upgrade Kebigada MRE; with a total Indicated and Inferred Mineral Resource Estimate of 132Mt @ 1.04g/t Au, for 4.4Moz gold (0.5g/t Au cut-off grade, Figure 1, Table 5 and see ASX Announcement 10 December 2018).

Table 5. Giro Gold Project Global MRE at 0.5 g/t Au Cut-off Grade

Classification	Kebigada Deposit			Douze Match Deposit			Combined		
	Tonnes (Mt)	Au (g/t)	Au (Moz)	Tonnes (Mt)	Au (g/t)	Au (Moz)	Tonnes (Mt)	Au (g/t)	Au (Moz)
Indicated	69	1.09	2.4	2.2	1.2	0.09	71	1.10	2.5
Inferred	54	0.95	1.7	5.8	1.2	0.23	60	0.98	1.9
Total	124	1.03	4.1	8.1	1.2	0.32	132	1.04	4.4

(significant figures do not imply precision and rounding may occur in totals)

Peteku Prospect

On 6 January 2020, Amani announced that Reverse Circulation drilling operations (holes PTRC001 - PTRC004) at Peteku prospect, Giro Gold Project, had returned the following significant high-grade gold assay results (refer ASX Announcements 4 November 2019 and 6 January 2020);

- PTRC004: 3m @ 3.18 g/t Au from 36m, 6m @ 1.13 g/t Au from 62m and 1m @ 3.39 g/t Au from 102m
- PTRC003: 2m @ 1.53 g/t Au from 9m and 1m @ 1.59 g/t Au from 55m
- PTRC002: 2m @ 3.45 g/t Au from 46m and 1m @ 1.56 g/t Au from 80m
- PTRC001: 8m @ 1.24 g/t Au from 63m

Peteku prospect is located approximately 4km southwest of Kebigada gold deposit within Exploration Permit PE5046 (Figure 2) and is currently an active artisanal gold mining site. Peteku pit is located within granite and mafic volcanic rocks. Primary target for the artisanal miners is oxide gold hosted by quartz veins. The Peteku quartz veins and structures strike east-west and dip steeply to the north. Peteku is currently an active artisanal gold mining site with the pit approximate dimensions of 50m X 40m and 20m deep.

RC holes PTRC001 - PTRC004 were completed at depths of 77m to 120m and all have successfully targeted near surface gold mineralisation below a regional gold in soil anomaly (Figure 2).

Drillhole PTRC004 was collared in granite and drilled with an inclination of 60° and an azimuth of 180° and targeted near surface gold mineralisation (Figure 2, Table 6). PTRC004 intersected intervals of carbonate-silica-chlorite altered mafic volcanic with pyrite mineralization from 47m to 49m (2m interval containing <1% pyrite), from 53m to 57m (4m interval containing <1% pyrite), from 60m to 70m (10m interval containing 1-2% pyrite), from 82m to 87m (5m interval containing <1% pyrite) and 96m to 99m (3m interval containing <1% pyrite) and intervals of quartz veins with pyrite mineralisation from 99m to 103 (4m interval containing 1% pyrite) m. This style of alteration and sulphide mineralisation of mafic volcanic and quartz veins are typically good indicators of gold mineralisation at Giro, specifically the Kebigada deposit. Best gold assay results; 3m @ 3.18 g/t Au from 36m, 6m @ 1.13 g/t Au from 62m and 1m @ 3.39 g/t Au from 102m (Figure 4).

Drillhole PTRC003 was collared in granite and drilled with an inclination of 60° and an azimuth of 180° and targeted near surface gold mineralisation (Figure 2, Table 6). PTRC003 did not intersect intervals of altered granite or quartz veins. Best gold assay results; 2m @ 1.53 g/t Au from 9m Au and 1m @ 1.59 g/t Au from 55m (Figure 4).

Drillhole PTRC002 was collared in granite and drilled with an inclination of 60° and an azimuth of 180° and targeted near surface gold mineralisation (Figure 2, Table 6). PTRC002 intersected intervals of silica altered granite with pyrite mineralization from 54m to 58m (4m interval containing <1% pyrite) and from 62m to 66m (4m interval containing 1% pyrite) and intervals of quartz veins with pyrite mineralisation from 8m to 10m (2m interval containing <1% pyrite) and from 83m to 84m (1m interval containing <1% pyrite). This style of alteration and sulphide mineralisation of granite and quartz veins are typically good indicators of gold mineralisation at Giro. Best gold assay results; 2m @ 3.45 g/t Au from 46m and 1m @ 1.56 g/t Au from 80m (Figure 5).

Drillhole PTRC001 was collared in granite and drilled with an inclination of 60° and an azimuth of 180° and targeted near surface gold mineralisation (Figure 2, Table 6). PTRC001 intersected intervals of silica altered granite with

pyrite mineralization from 43m to 71m (28m interval containing 1% pyrite) and from 91m to 98m (7m interval containing 1% pyrite) and an interval of quartz vein with pyrite mineralisation from 98m to 103m (5m interval containing 1% pyrite). This style of alteration and sulphide mineralisation of granite and quartz veins are typically good indicators of gold mineralisation at Giro. Best gold assay results; 8m @ 1.24 g/t Au from 63m (Figure 6).

As significant gold mineralisation has been intersected in these initial four drillholes, a further drilling program of circa 10 RC holes, each nominally 150m in length is planned. This drilling will target mineralisation along strike and deeper below the Peteku open pit.

Table 6. Peteku Drillhole Summary

Drillhole No.	Easting UTM WGS85 Zone 35N	Northing UTM WGS84 Zone 35N	Elevation (m)	Dip (Degrees)	Azimuth (Magnetic)	EoH (m)	Commenced Date	Completed Date
PTRC001	745406	341988	856	-60	180	120	12-Oct-19	14-Oct-19
PTRC002	745445	341973	855	-60	180	88	15-Oct-19	16-Oct-19
PTRC003	745494	341976	855	-60	180	77	18-Oct-19	18-Oct-19
PTRC004	745494	341944	853	-60	180	112	19-Oct-19	20-Oct-19

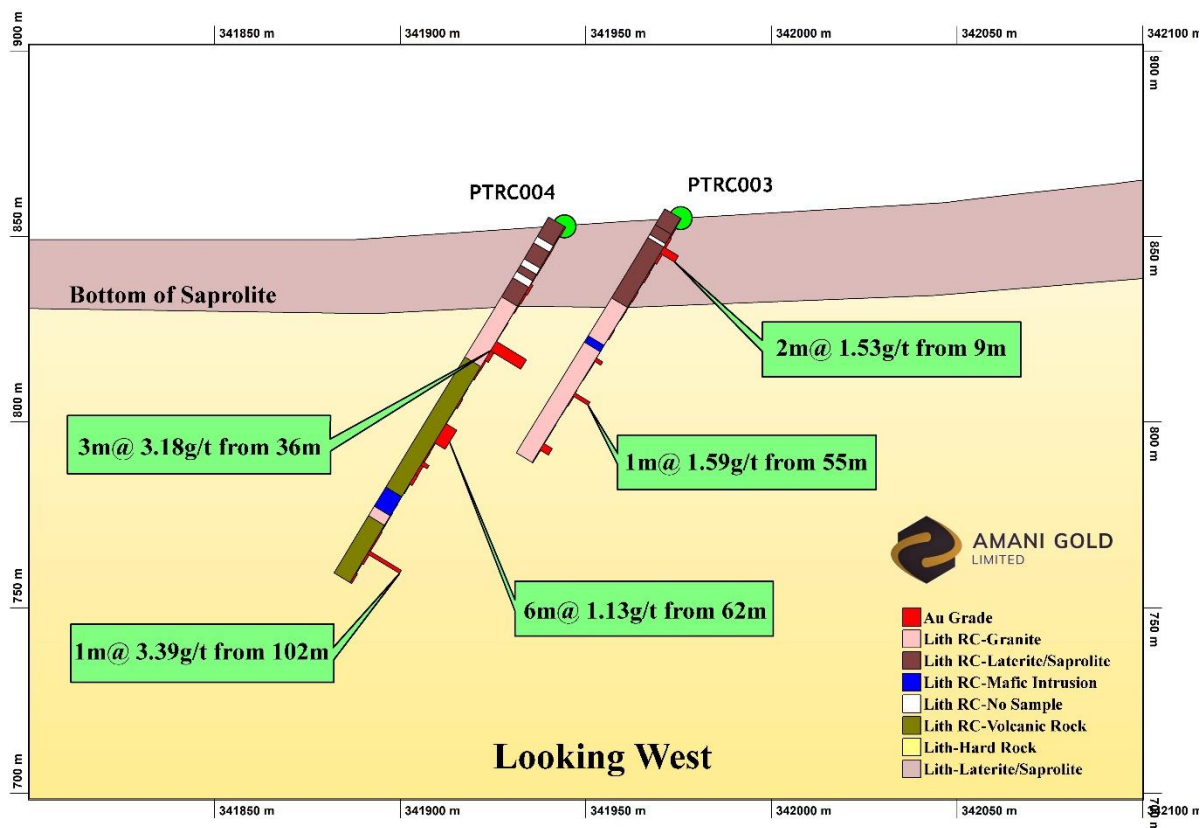


Figure 4. Peteku Prospect drillhole section PTR003 and PTR004, showing lithologies and gold assays

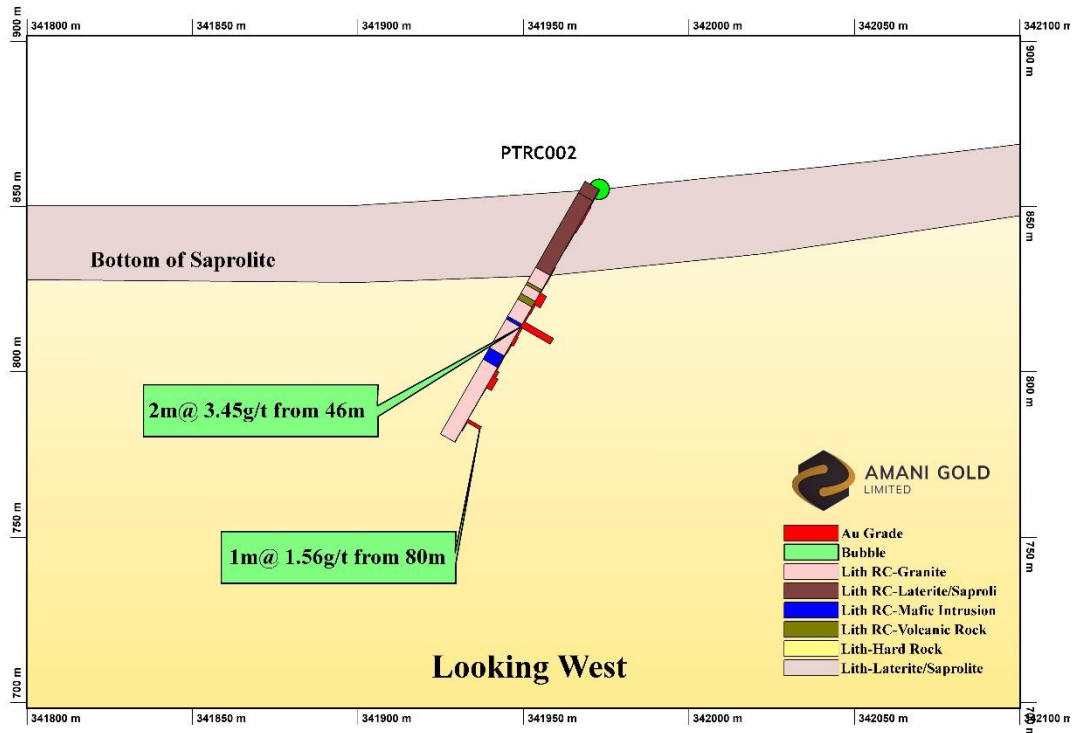


Figure 5. Peteku Prospect drillhole section PTR002, showing lithologies and gold assays

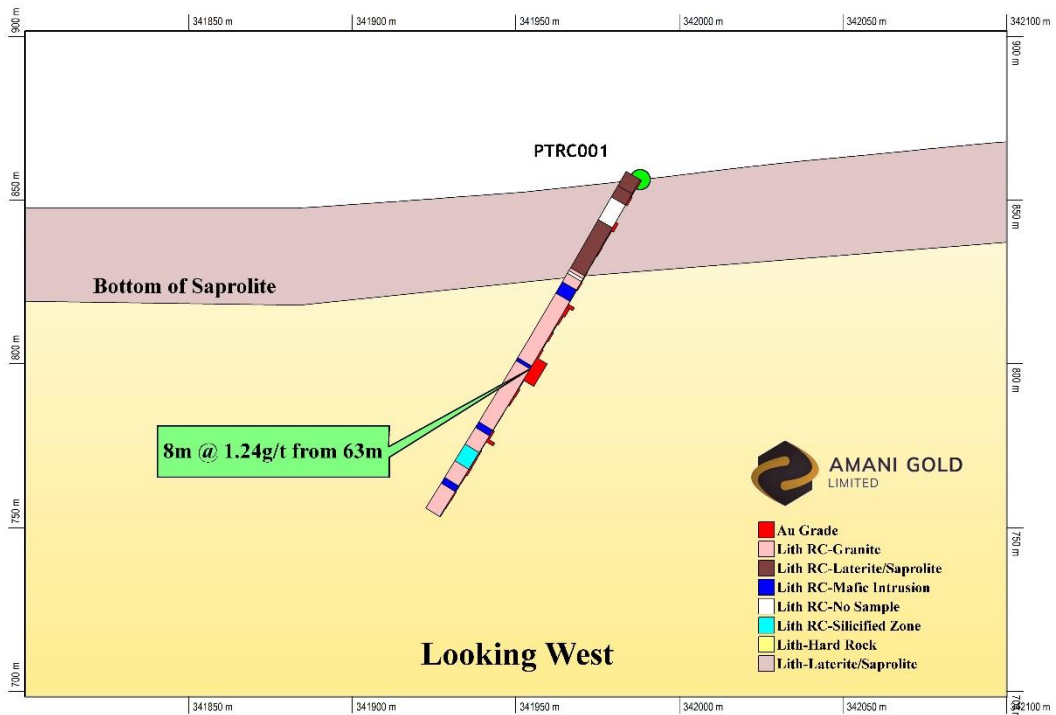


Figure 6. Peteku Prospect drillhole section PTR001, showing lithologies and gold assays

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GADA GOLD PROJECT, DEMOCRATIC REPUBLIC OF CONGO (Amani 75%)

Amani completed a Memorandum of Understanding in August 2019 with project owner SOCIÉTÉ MINIÈRE DE KILO-MOTO SA (“SOKIMO”), to acquire six (6) highly prospective gold Exploration Permits in the DRC. LA SOCIÉTÉ MINIÈRE DE KILO-MOTO SA (“SOKIMO”), a company incorporated under the law of the Democratic Republic of Congo, holds 100% of Exploration Permits 11796, 11797, 11798, 11800, 11816 and 11817 (“Gada Gold Project”) located in north-east DRC within the Niangara, Dungu and Rungu Territories of the Haut Uele Province (see ASX announcement 19 August 2019, Figure 7).

The Gada Project lies approximately 80kms to the west of Amani’s Giro Gold Project, 382kms by road. The Gada Project can be accessed by air via an unpaved airstrip at Dungu 50km from the Gada Project. The Dungu airstrip is 3kms in length and operated by MONUSCO (United Nations Organisation Stabilisation Mission in the Democratic Republic of Congo). Mobile network communication services with intermittent 3G/2G internet are available with field supplies such as food and fuel available at Dungu.

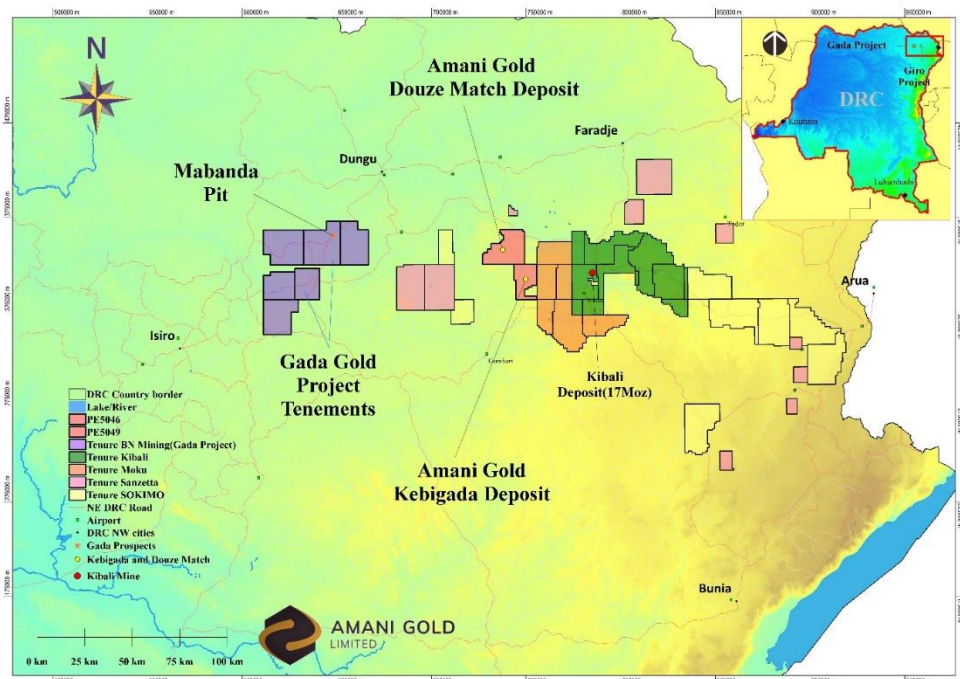


Figure 7. Map of Haute Uele Province of the Democratic Republic of Congo showing the location of the Gada and Giro Gold Projects

Given the location, geology and scale of the Gada tenement package, as well as the early stage assessment carried out across the project, it is clear that the package is highly prospective for gold mineralisation. Local artisanal gold mining has been undertaken for many years within shallow pits of depth to generally less than 10m.

Amani intends to conduct a modern exploration program to determine potential target areas for systematic exploration work, including extensive soil sampling and RC drilling programs over several of the best prospects at Gada. Field teams have already completed channel and rock sampling of several actively worked artisanal pits, returning exceptional gold assay results.

The geology of the Gada Gold Project area consists of porphyritic granites and gneiss intruded by NE-SW trending rocks of the Kibalian volcano-sediments striking between 10 to 55 degrees with mineralised subvertical and occasionally shallow dipping SE structures forming a mineralised open-ended corridor of approximately 10km long and at least 250m wide. In the northern Exploration Permits, there are also variably magnetic outcrops of banded iron formation which trend E-W along the contacts with granites which occur along the eastern contact of Kibalian

volcano-sedimentary rocks with the granites. A second NE-SW trending elongated oval shaped intrusion of Kibalian volcano-sediments also lies within the southern part of the Exploration Permits on either side of the Bomokadi River.

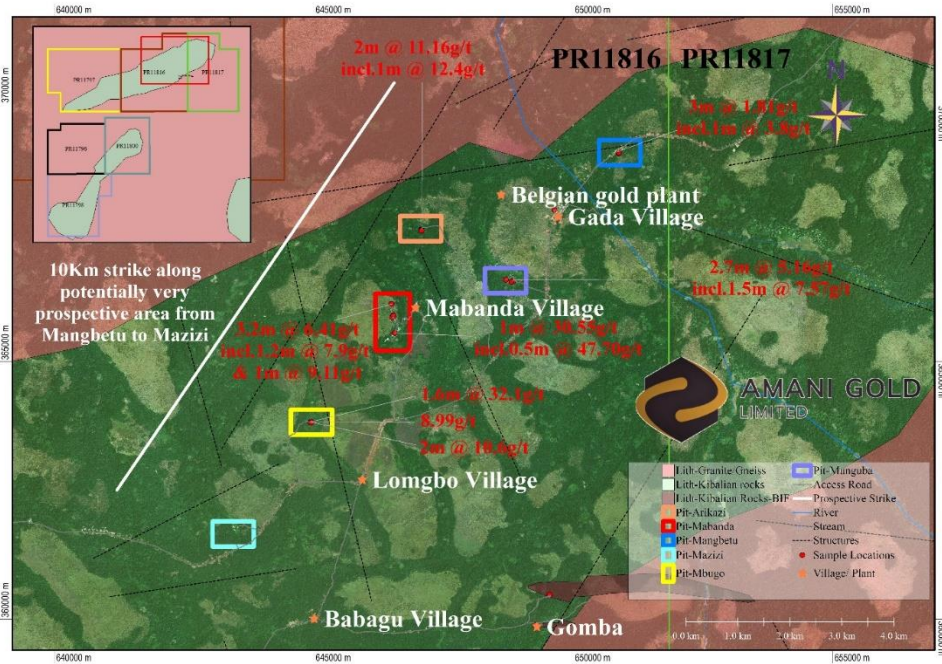


Figure 4. Map showing the potentially prospective strike length of mineralisation and the geology of tenement PR11816 and rock chip and channel sampling results – Gada Gold Project

The Gada Project area has complex with major NE-SW major structures that are cut by NW-SE, NNE-SSW, E-W and ENE-WSW transfer faults which could host gold deposits at the intersections. The porphyritic granites also show some micro-folding and faulting which gives an indication of the general structural setting within the area (Figure 8).

Mineralisation is hosted in quartz veins and structures which are believed to be open at depth. Artisanal miners have mined quartz veins and associated structures at many places within the Gada Project area. Typically, high gold grades are mined by the artisanal miners, but the miners have been unable to carry out mining below approximately 40m due to flooding and inability to dig through hard fresh rock.

Initial exploration of the Gada tenements included site visits and rock chip and channel sampling of known gold occurrences, artisanal pits and mineralised outcrops were completed within tenement PR11816 (see ASX announcement 19 August 2019). The following prospects and artisanal pits were visited; Mazizi, Mbugo, Mabanda, Munguba, Arakaki, Mundial, Mangbetu, Gada, Medi Medi, Gbaka, Ndebi, Elu and Gomba and a total of 51 rock chip and channel samples were collected and assayed. Best assay results include;

- Mbugo Pit - 8.99g/t Au (Rock Chip), 2m @ 10.6g/t Au and 1.6m @ 2.1g/t Au (Channel Samples).
- Mabanda Pit (Dubai) - 0.5m @ 47.7g/t Au and 0.5m @ 13.4g/t Au (Channel Samples).
- Mabanda Pit (Dix Huit 18) - 3.2m @ 6.41g/t Au (Channel Sample).
- Munguba Pit - 1.14g/t Au (Rock Chip), 1.5m @ 7.57g/t Au, 1.2m @ 2.14g/t Au and 1m @ 1.44g/t Au (Channel Samples).
- Arikazi Pit - 2m @ 11.16g/t Au (Channel Sample).
- Mangbetu Pit - 5.12m @ 1.27g/t Au, incl. 1m @ 3.8g/t Au (Channel Sample).

Gada Gold Project - Planned Exploration Activities

Amani plans to rapidly progressed exploration at Gada with Phase 1 soil sampling over previously identified Priority targets (Figure 5). Phase 1 Sampling is expected to start in the later part of 2020 and comprise 200 X 50 spaced

samples (704 samples). Phase 2 sampling will infill the Priority area and comprise 400 X 200 spaced samples (1074 samples, Figure 5).

Soil sampling results at Gada will determine the location of an initial 5,000m Reverse Circulation (RC) drilling campaign. This drilling campaign is expected to commence in the later part of 2020.

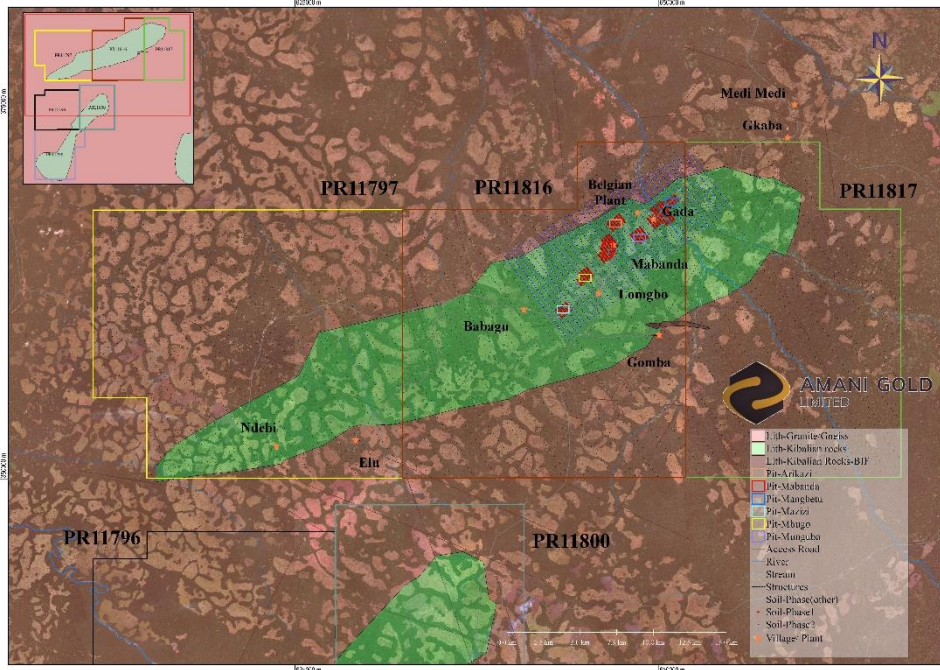


Figure 5. Map showing the geology of tenement PR11816 and rock chip and channel sampling results and Phase 1 (Red) and Phase 2 (Blue) soil sampling locations – Gada Gold Project

GOLD TRADING, TANZANIA (Amani 60%)

Amani secured a Gold Dealer Licence in Tanzania in November 2019 via a 60% equity interest in Amago Trading Limited. The Gold Dealer Licence No. DL013/GTA/2019-2020 was granted to Amago by Ministry of Minerals Mining Commission, The United Republic of Tanzania.

Amago Trading Limited sources gold from local artisanal miners from the Geita region of Tanzania. The gold is smelted at the Amago office and the local miners are paid at an agreed price. The gold is transported to a Hong Kong smelter by a security firm. Amago receives payment for the smelted gold from the Hong Kong gold refinery the same day as is processed. Amago pays the Hong Kong smelter a processing fee of \$8 US per ounce of smelted gold.

Revenue is recognized when control of the goods and services have passed to the gold refinery and costs incurred or to be incurred in respect of the transaction can be measured reliably. Control is considered passed to the gold refinery at the time of “delivery of goods to the customer”, hence revenue is recognized at a point in time.

Amani temporarily ceased gold trading in Tanzania in early 2020 when Covid-19 made it difficult for staff to travel and source gold in the Geita region.

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Competent Person's Statement

The information in this report that relates to exploration results, mineral resources and ore reserves is based on, and fairly represents information and supporting documentation prepared by Mr Grant Thomas, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists. Mr Thomas is an employee and Chief Technical Officer of Amani Gold Limited. He has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Thomas consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Giro Gold Project has been previously reported by the Company in compliance with JORC 2012 in various market releases. The Company confirms that it is not aware of any new information or data that materially affects the information included in those earlier market announcements.

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Amani Gold Limited
Directors' Report
For the year ended 30 June 2020

Your Directors present their report together with the financial statements of Amani Gold Limited and the entities it controlled at the end of, or during, the year ended 30 June 2020 (“the consolidated entity” or “Group”) and the auditor’s report thereon.

DIRECTORS

The names and details of the Directors in office during or since the end of the financial year are as follows. Directors were in office for the entire year unless otherwise stated.

Klaus Eckhof¹

Chairman

Dip. Geol. TU, AusIMM

(appointed Director on 30 January 2019)

¹ With effect from 9 April 2019, Mr Eckhof was appointed as the Company’s Chairman.

² With effect from 28 August 2020, Mr Eckhof was appointed as Executive Chairman.

Mr Eckhof is a geologist with more than 25 years experience identifying, exploring and developing mineral deposits around the world.

Mr Eckhof worked for Mount Edon Gold Mines Ltd as Business Development Manager before it was acquired by Canadian mining company, Teck. In 1994, he founded Spinifex Gold Ltd and Lafayette Mining Ltd, both of which successfully delineated gold and base metal deposits. Mr. Eckhof has spent numerous years developing contacts within the DRC with several mining deals being very successfully executed.

In late 2003, Mr Eckhof founded Moto Goldmines, which acquired the Moto Gold Project in the DRC. There Mr Eckhof and his team raised over \$100 million and delineated more than 12Moz of gold and delivered a feasibility study within four years from the commencement of exploration. Moto Goldmines was subsequently acquired by Randgold Resources for \$488m, who poured first gold in September 2013. The resource now stands at some 22Moz of gold.

Mr Eckhof previously served as Amani’s Managing Director and Chief Executive Officer up to 12 August 2014, and as part-time Executive Chairman up to 27 March 2018.

In the last three years, Mr Eckhof has been a director of Argent Minerals Limited (resigned 23 April 2018), AVZ Minerals Limited (resigned 26 June 2018), Okapi Resources Limited (retired 29 November 2019) and is current a director of and Lachlan Star Limited.

Sik Lap Chan

Managing Director and CEO

MAusIMM, MAIG

(appointed Director on 11 July 2017 and resigned 27 August 2020)

Mr Sik Lap Chan holds a Bachelor of Science degree with first class honors in the Department of Earth Sciences from the University of Hong Kong in 2004. He subsequently obtained a Masters in Philosophy and lectured, both at the University of Hong Kong from 2013 to 2014.

Mr Chan is a professional geologist and valuer with more than 12 years experience in the mining industry. He has been involved in the planning, implementation and supervision of various exploration programs, resources/reserve estimation, open pit and underground production, feasibility studies, JORC report compilation, Engineering/Procurement/Construction (EPC)/Management, valuation and listing preparation for mineral assets in Australia, China, North America, Central and South-East Asia.

Mr Chan has held senior management positions in diverse international exploration and mining companies providing him experience in corporate management, government liaisons, business development and environmental, health and safety. He has also undertaken a number of senior executive roles with mining consulting and valuation companies.

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Grant Thomas
Executive Director

BSc (Hon)

(Director from 1 January 2018 to 16 November 2018. Reappointed as a Director on 21 December 2018 and resigned 17 August 2020)

In the last three years Mr Chan has not been, and is currently not, a director of any other ASX listed companies.

Mr Thomas is a geoscientist and experienced company director having served as Managing Director of ASX listed Tianshan Goldfields Limited, Celsius Coal Limited and ActiveX Limited. He has also held senior positions with Rio Tinto Exploration (Australia, Brazil and China) and Hamersley Iron.

Mr Thomas has over 35 years of professional experience covering project acquisition, mineral exploration and resource project evaluations for several minerals, including diamonds, gold, iron ore, copper, lead, zinc, uranium, fluorspar and coal in Australia, China, South Africa, Tajikistan, Kazakhstan, Brazil, Cambodia and Mongolia.

Mr Thomas has completed several substantial capital raisings in London, Australia, Hong Kong and Singapore. He has also been involved with successful project leadership and exploration discoveries within Australia and China including; Homestead, Mount Sheila and Mount Sylvia (iron ore) and the 2.4Moz Au Xinjiang Gold Mountain and Kuan Gou (gold) discoveries.

In the past three years Mr Thomas has been a director of ASX listed companies ActivEX Limited (resigned 19 February 2018) and Kazakhstan Potash Corporation Limited (resigned 8 May 2019).

Qiuming Yu
Executive Director

(appointed Director on 11 July 2017)

Mr Qiuming Yu holds a Bachelor's degree from Nanjing University of China. He has a wealth of mine investment, development and management experience. In 2006, Mr Yu initiated the creation of China Poly Group Energy Sector (Poly Energy Holdings Limited) (Poly Energy), the main business of which is the development of nonferrous metals and coal resources. He has been instrumental in the development of a number of producing copper-zinc mines in China.

In the last three years Qiuming Yu has not been, and is currently not, a director of any other ASX listed companies.

Maohuai Cong
Non-Executive Director

(appointed Director on 27 August 2020)

Mr Cong Mr Cong is currently General Director of Amani Consulting and Director of Shining Mining Limited, which is the Company's largest shareholder. Mr. Cong brings to the Board over 20 years of mining and construction experience in the DRC.

In the last three years Maohuai Cong has not been, and is currently not, a director of any other ASX listed companies.

King Sun Tsang
Non-Executive Director

(appointed Director on 29 January 2020)

Mr Tsang is a certified public accountant and experienced Company Director. Currently, he is the CFO and Co, Sec of Amber Hill Financial Holdings Limited which is a listed company in HKEX.

Mr Tsang has 10 years of professional experience providing advice to businesses across various industries, with a particular focus on corporate finance and business advisory services. His career has spanned both the professional practice and commercial arenas and he has held executive roles with HKEX listed companies as Executive Director, Chief Financial Officer, and Company Secretary. Those roles aided in the development of a

comprehensive understanding of businesses and provided exposure to management and oversight of significant corporate transactions (M&A), acquisitions and divestments, and financing initiatives.

Mr Tsang holds a Juris Doctor Degree and Bachelor degree in Business and Finance from The Chinese University of Hong Kong and Hong Kong Polytechnic University respectively.

In the last three years King Sun Tsang has not been, and is currently not, a director of any other ASX listed companies.

Antony Truelove²
Non-Executive Director
BSc (Hon)
(Director since 27 March 2018)

² Mr Truelove is considered to be an Independent Non-Executive Director

Mr Truelove is a geologist and experienced company director and is currently technical director of unlisted UK based companies Anglo Saxony Mining Ltd and Brazil Tungsten Holdings Ltd and COO of AIM listed company Panthera Resources Plc. Mr Truelove has previously floated, and served as Managing Director of, ASX listed company Southern Cross Goldfields Limited and has held senior positions with Billiton, Newmont, Newcrest and Delta Gold. Mr Truelove has 35 years of professional experience in the resource industry covering project acquisition, mineral exploration and feasibility studies for gold and tin mineralisation. He has been involved with the discovery and definition of over 15 million ounces of gold and 120,000t tin, plus associated zinc and indium. He also has considerable experience in base metals, iron ore and nickel exploration. Mr Truelove has experience working in Australia, Indonesia, India, China, UK, Germany, Zimbabwe, Brazil and West Africa. Mr Truelove graduated from Adelaide University with a Bachelor of Science with First Class Honors in 1981.

In the last three years Mr Truelove has not been, and is currently not, a director of any other ASX listed companies.

COMPANY SECRETARY

Nick Harding

Mr Harding was appointed as Company Secretary of Amani Gold Limited on 30 November 2019.

Craig McPherson
BCom, CA

Mr. McPherson was appointed as Company Secretary of Amani Gold Limited on 27 March 2018. He resigned as Company Secretary on 30 November 2019.

CORPORATE STRUCTURE

Amani Gold Limited is a limited liability company that is incorporated and domiciled in Australia. During the financial year, it had the following subsidiaries:

- Amani Consulting sarl
- Giro Goldfields sarl
- Amani Minerals (HK) Limited
- Congold sas
- Amago Trading Tanzania Limited
- Amago Resources Kenya Limited - Dissolved 8 May 2020
- Burey Resources Pty Limited

PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity during the course of the year was acquiring and exploring mineral interests, prospective for precious metals and energy in DRC. Gold trading was also carried out in Tanzania.

RESULTS AND DIVIDENDS

The consolidated loss after tax for the year ended 30 June 2020 was \$3,983,939 (30 June 2019: \$32,856,510). No dividends were paid during the year and the Directors do not recommend payment of a dividend.

EARNINGS PER SHARE

Basic loss per share for the year was 0.06 cents (30 June 2019: 1.35 cents).

REVIEW OF OPERATIONS / OPERATING AND FINANCIAL REVIEW

The Group is engaged in mineral exploration in the Democratic Republic of Congo ("DRC") and gold trading in Tanzania.

A review of the Group's operations, including information on exploration activity and gold trading and results thereof, financial position, strategies and projects of the consolidated entity during the year ended 30 June 2020 is provided in this Financial Report and, in particular, in the "Review of Operations" section immediately preceding this Directors' Report. The Group's financial position, financial performance and use of funds information for the financial year is provided in the financial statements that follow this Directors' Report.

The Group is primarily an exploration, although gold trading in Tanzania contributed in a minor way to operating revenue during the year. Gold trading was curtailed in early 2020 due to travel restrictions caused by Covid-19. The Directors consider the Group's performance to be primarily based on the success of exploration activity, acquisition of additional prospective mineral interests and, in general, the value added to the Group's mineral portfolio during the course of the financial year.

Whilst performance can be gauged by reference to market capitalisation, that measure is also subject to numerous external factors. These external factors can be specific to the Group, generic to the mining industry and generic to the stock market as a whole and the Board and management would only be able to control a small number of these factors.

The Group's business strategy for the financial year ahead and, in the foreseeable future, is to continue exploration activity on the Group's existing mineral project, identify and assess new mineral project opportunities in the DRC and review development strategies where individual projects have reached a stage that allows for such an assessment.

Due to the inherent risky nature of the Group's activities, the Directors are unable to comment on the likely results or success of these strategies. The Group's activities are also subject to numerous risks, mostly outside the Board's and management's control. These risks can be specific to the Group, generic to the mining industry and generic to the stock market as a whole. The key risks, expressed in summary form, affecting the Group and its future performance include but are not limited to:

- Geological and technical risk posed to exploration and commercial exploitation success;
- Sovereign risk, change in government policy, change in mining and fiscal legislation;
- Prevention of access by reason of political or civil unrest, disease, outbreak of hostilities, inability to obtain regulatory or landowner consents or approvals, or native title issues;
- force majeure events;
- change in metal market conditions;

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- mineral title tenure and renewal risks; and
- capital requirement and lack of future funding.

Amago Trading Limited sources gold from local artisanal miners from the Geita region of Tanzania. The gold trading activities were ceased in March 2020 when Covid-19 made it difficult for staff to travel and source gold in the Geita region.

This is not an exhaustive list of risks faced by the Group or an investment in it. There are other risks generic to the stock market and the world economy as a whole and other risks generic to the mining industry, all of which can impact on the Group.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, significant changes in the state of affairs of the Group that occurred during the year ended 30 June 2020 were as follows:

- On 16 August 2019, the Company announced a placement to raise up to \$2.5M through the issue of 883M fully paid ordinary shares (New Shares) at a price of \$0.003. On 22 October, the Company announced the completion of the placement.
- On 19 August 2019, the Company announced that it has signed a Memorandum of Understanding (MoU) with LA SOCIÉTÉ MINIÈRE DE KILO-MOTO SA ("SOKIMO"), to acquire six (6) highly prospective gold Exploration Permits in the DRC (Gada Project). The MoU is for an initial six month period during which the company has the right to carry out legal and technical due diligence and to explore the Gada Project tenements. Following the initial six month due diligence period, the Company at its discretion, will negotiate and enter into a definitive agreement with SOKIMO.
- On 29 January 2020, the Company announced that it has issued Convertible Notes with a face value of \$2.1M ('Notes') to a Hong Kong based investment company Neo Gold Limited ('Neo Gold'), with the proceeds available to the Company immediately as the New Shares offered under the Convertible Notes come within the Company's existing placement capacity under ASX Listing Rule 7.1. The Notes have a 24-month maturity from the date of issue ('Maturity Date') and will attract interest at a rate of 2.5% per annum, commencing from the date which is 4 months from the date of issue. Neo Gold may elect to convert all or part of the outstanding Notes at any time prior to the Maturity Date into new shares ("New Shares") at \$0.003 per share. The Company also announced that it has received an additional commitment from Neo Gold that will raise up to a further \$3.0 million through the issue of up to 1 billion fully paid ordinary shares (Placement Shares) at an issue price of \$0.003 per share (Placement). Shareholder approval for the issue was received at a General Meeting held on 25 March 2020. Completion of the Placement was duly approved at a General Meeting of shareholders held on 25 March 2020.
- On 20 April 2020, the Company completed the placement of 699,047,035 shares at \$0.003 per share to Shining Mining Limited as approved by Shareholders at a reconvened General Meeting held on 8 April 2020 to settle a liability of \$2,097,141 to Simon Cong, the sole shareholder of Shining Mining Limited.
- On 11 June 2020, the Company advised that Neo Gold had not completed the Placement and failed to pay the \$3.0M, in breach of its contractual obligations. The Company is currently considering its position which may include the possibility of legal action against Neo Gold.
- The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, gold trading in Tanzania was curtailed in early 2020 due to travel restrictions caused by Covid-19. Planned exploration activities in DRC continued throughout the year and were not significantly interrupted by Covid-19.
-

EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the financial year and to the date of this report no matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those

Amani Gold Limited
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operations or the state of affairs of the consolidated entity in subsequent financial years other than the matters referred to below.

- On 23 June 2020, the Company announced that it had completed a bookbuild for a two tranche placement to sophisticated and professional investors to raise up to \$2.55 million ("Placement") to fund ongoing exploration activities at the Giro and Gada gold projects in the DRC and meet ongoing working capital requirements. Under the fundraising, the Company agreed to issue up to 2,550 million fully paid ordinary shares at an issue price of 0.1 cents per share (Placement Shares), raising up to \$2.55 million (before costs). Subject to receipt of Shareholder approval at a General Meeting scheduled to take place on Friday, 14 August 2020, each Placement Share will include 1.5 free attaching listed options (Options), with each having an exercise price of 0.15 cents and expiry date three years from date of issue. Tranche 1 of the Placement, which comprised 1,003,700,000 Shares, was issued under the Company's existing placement capacity under ASX Listing Rule 7.1, and was completed on 2 July 2020. Tranche 2 of the Placement, for up to 1,548,800,000 shares, is subject to Shareholder approval at the General Meeting. Due to Covid-19 travel restrictions impacting on shareholders ability to physically attend and participate in the General Meeting that was scheduled for 14 August 2020 a motion put to a quorum of shareholders present to adjourn the meeting was carried. On 14 September Company advised shareholders that the adjourned General Meeting of Amani will be reconvened and held on a fully virtual basis on Thursday 15 October 2020 commencing at 11.00am (Adelaide time, ACST).
- On 17 August 2020, Mr Grant Thomas resigned as Technical Director of the Company effective immediately. Mr Thomas has agreed to provide assistance for a three-month period to the Company to ensure a smooth transition to new management.
- On 27 August 2020, Mr Chan Sik Lap resigned as Managing Director of the Company effective immediately. Mr Chan has agreed to provide assistance for a three-month period to the Company to ensure a smooth transition to new management. Mr Klaus Eckhof will assume the role of Executive Chairman in an interim capacity while a new Managing Director is sought.
- On 27 August 2020, Mr Maohuai Cong was appointed to the Board as a Non-Executive Director. Mr Cong is currently General Director of Amani Consulting and Director of Shining Mining Limited, which is the Company's largest shareholder.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company's objective is to maximise shareholder value through the discovery and delineation of significant mineral deposits. The Directors will also continue to assess additional opportunities within the mineral and energy sectors in Central Africa.

The Directors are unable to comment on the likely results from the Company's planned exploration and pre-development activities due to the speculative nature of such activities.

Amani Gold Limited
Directors' Report
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DIRECTORS' MEETINGS

The number of meetings of the Company's Directors and the number of meetings attended by each Director during the year ended 30 June 2020 are:

	Directors' meetings held during period of office	Directors' meetings attended
Klaus Eckhof	9	8
Chan Sik Lap (resigned 27 August 2020)	9	8
Grant Thomas (resigned 18 August 2020)	9	9
Yu Qiuming	9	5
Antony Truelove	9	8
Tsang King Sun (appointed 29 January 2020)	2	2

There were 9 directors' meetings held during the year. However, matters of Board business have also been resolved by circular resolutions of Directors, which are a record of decisions made at a number of informal meetings of the Directors held to control, implement and monitor the Group's activities throughout the period.

At present, the Company does not have any formally constituted committees of the Board. The Directors consider that the Group is not of a size nor are its affairs of such complexity as to justify the formation of special committees.

DIRECTORS' INTERESTS

The interests of each Director in the securities of Amani Gold Limited at the date of this report are as follows:

	Fully Paid Ordinary Shares	Performance Rights (Expiring 11/11/22)	Performance Rights (Expiring 27/5/22)	Performance Rights (Expiring 31/12/20)
Klaus Eckhof (appointed 30 January 2019)	-	137,500,000 ⁽⁴⁾	240,000,000 ⁽²⁾	-
Chan Sik Lap	-	40,000,000 ⁽⁴⁾	135,000,000 ⁽²⁾	30,000,000 ⁽³⁾
Grant Thomas	400,000	30,000,000 ⁽⁴⁾	90,000,000 ⁽²⁾	-
Yu Qiuming	600,000,000 ⁽¹⁾	137,500,000 ⁽⁴⁾	180,000,000 ⁽²⁾	30,000,000 ⁽³⁾
Antony Truelove	-	-	15,000,000 ⁽²⁾	-
Tsang King Sun	-	-	-	-

⁽¹⁾ Mr Yu has a relevant interest in 600 million shares, as directors and controllers of Luck Winner Investment Limited which is the registered holder of 600 million shares in the Company.

⁽²⁾ Performance rights vest over three equal tranches and convert into shares on a one-for-one basis in the event that the company's shares trade at minimum volume weighted average prices (tranche 1: \$0.0075; tranche 2: \$0.01; and tranche 3: \$0.0125) for 10 consecutive trading days.

⁽³⁾ Performance rights vest over three equal tranches and convert into shares on a one-for-one basis in the event that the company's shares trade at minimum volume weighted average prices (tranche 1: \$0.02; tranche 2: \$0.04; and tranche 3: \$0.06) for 20 consecutive trading days.

⁽⁴⁾ Performance rights vest over three equal tranches and convert into shares on a one-for-one basis in the event that the company's shares trade at minimum volume weighted average prices (tranche 1: \$0.0075; tranche 2: \$0.01; and tranche 3: \$0.0125) for 10 consecutive trading days.

SHARE OPTIONS AND PERFORMANCE RIGHTS

As at the date of this report, the following unlisted options were on issue.

	Number	Exercise Price	Expiry Date
Unlisted Options	7,500,000	\$0.03	31 December 2020
	7,500,000	\$0.04	31 December 2020
	7,500,000	\$0.05	31 December 2020
	40,000,000	\$0.0075	27 May 2022
	40,000,000	\$0.01	27 May 2022
	40,000,000	\$0.0125	27 May 2022
	12,000,000	\$0.0075	15 Jan 2023
	12,000,000	\$0.01	15 Jan 2023
	12,000,000	\$0.0125	15 Jan 2023

There were no unlisted options issued to employees during the year under the Employee Option Plan. 36 million unlisted options were issued to a corporate advisor during the year, with such options issued with shareholder approval. No unlisted options were exercised. 19 million unlisted options expired on 2 November 2019.

During the prior year, 120 million unlisted options were issued to a corporate advisor. No unlisted options were exercised.

As at the date of this report, the following performance rights were on issue.

	Number	Vesting Price	Expiry Date
Performance Rights	20,000,000	\$0.02	31 December 2020
	20,000,000	\$0.04	31 December 2020
	20,000,000	\$0.06	31 December 2020
	229,000,000	\$0.0075	27 May 2022
	229,000,000	\$0.01	27 May 2022
	229,000,000	\$0.0125	27 May 2022
	10,000,000	\$0.0075	31 December 2021
	10,000,000	\$0.01	31 December 2021
	10,000,000	\$0.0125	31 December 2021
	116,666,666	\$0.0075	11 November 2022
	116,666,667	\$0.01	11 November 2022
	116,666,667	\$0.0125	11 November 2022

350 million performance rights were granted during the current year, in which all were issued to directors. No performance rights vested during the year.

During the prior year, 777 million performance rights were granted, including 720 million which were issued to directors. No performance rights vested during the year.

This report outlays the remuneration arrangements in place for the Directors of Amani Gold Limited. The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Remuneration Report – Audited

The Directors in office during the period are contained on Page 17 of this report. Other than the Directors there were no Key Management Personnel.

Remuneration philosophy

The Board reviews the remuneration packages applicable to the executive Directors, Managing Director and Chief Executive Officer, and non-executive Directors on an annual basis. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and level of performance and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Independent advice on the appropriateness of remuneration packages is obtained, where necessary, although no such independent advice was sought during the financial year.

Remuneration is not linked to past company performance but rather towards generating future shareholder wealth through share price performance. As a minerals explorer, the Company does not generate operating revenues or earnings and company performance, at this stage, can only be judged by exploration success and ultimately shareholder value. Market capitalisation is one measure of shareholder value but this is subject to many external factors over which the Company has no control. Consequently linking remuneration to past performance is difficult to implement and not in the best interests of the Company. Presently, total fixed remuneration for senior executives is determined by reference to market conditions and incentives for out performance are provided by way of options or performance rights over unissued shares. The Directors believe that this best aligns the interests of the shareholders with those of the senior executives.

Remuneration committee

The Company does not have a formally constituted remuneration committee of the Board. The Directors consider that the Group is not of a size nor are its affairs of such complexity as to justify the formation of a Remuneration committee.

The Board assesses the appropriateness of the nature and amount of remuneration of Directors and senior managers on a periodical basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and management team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive Directors and executive Director remuneration is separate and distinct.

Non-executive Directors remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The present limit of approved aggregate remuneration is \$200,000 per year.

The Board aims to reviews the remuneration packages applicable to the non-executive Directors on a regular basis. The Board considers fees paid to non-executive directors of comparable companies when undertaking its review process. The Board determines the level of remuneration to be paid to non-executive Directors as considered appropriate in the circumstances. Non-executive Directors fees are currently \$40,500 per annum.

The remuneration of the non-executive Directors for the year ending 30 June 2020 is detailed in Table 2 of this report.

Executive Directors remuneration

Objective

The Company aims to reward Executive Directors with a level of remuneration commensurate with their position and responsibilities within the Company and so as to:

- align the interests of the Executive Directors with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

Structure

Remuneration consists of the following key elements:

- Fixed remuneration
- Variable remuneration

Fixed remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. The Board aims to review fixed remuneration annually and the process consists of a review of companywide, business unit and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice on policies and practice.

The fixed component of the Executive Director remuneration for the year ending 30 June 2020 is detailed in Table 2 of this report.

Variable remuneration – Long Term Incentive ('LTI')

Objective

The objective of the LTI plan is to reward executives and senior managers in a manner which aligns this element of remuneration with the creation of shareholder wealth.

As such LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Group's performance.

Structure

LTI grants to executives are delivered in the form of options and performance rights. The issue of options / performance rights as part of the remuneration packages of executive and non-executive directors is an established practice of junior public listed companies and, in the case of the Company, has the benefit of conserving cash whilst properly rewarding each of the directors.

Remuneration is not linked to past group performance but rather towards generating future shareholder wealth through share price performance. Amani Gold Ltd listed on 14 December 2006 at 20c per share and the share price at 30 June 2020 was 0.15 cents (2019: 0.2 cents). With the exception of the 2017 year, the Company has recorded a loss each financial year to date as it carries out exploration activities on its tenements. The profit recorded in the 2017 year was due to the disposal of foreign subsidiaries. No dividends have been paid.

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Service agreements

Mr Eckhof is not employed under a formal employment or services agreement with Amani Gold Limited. The arrangement with Mr Eckhof is verbal and provides for a base payment of \$120,000 per annum. Both parties may terminate the arrangement at any time by giving 1 months notice.

Mr Chan is employed under an employment agreement with Amani Gold Limited which provides for base salary arrangements of HK\$125,000 per month until 31 August 2019 and a base salary of HK\$150,000 per month starting from 1 September 2019. In addition, Amani Gold Limited has paid HK\$358,000 towards insurance for Mr. Chan during the current year. The agreement with Mr Chan provides for 3 months notice of intention to resign. Amani may terminate the agreement by giving 3 months notice. if a change of control event occurs Mr Chan will be entitled to a termination payment equal to 12 months cash salary in lieu of notice.

Mr Thomas is employed under a written employment agreement with Amani Gold Limited which provides for base salary arrangements as follows: i) \$19,500 (plus superannuation) per month for the year ending 31 December 2019; and ii) \$24,000 (plus superannuation) per month from 1 January 2020. The agreement with Mr Thomas provides for 3 months notice of intention to resign. Amani may terminate the agreement by giving 3 months notice. If a change of control event occurs Mr Thomas will be entitled to a termination payment equal to 12 months cash salary in lieu of notice.

Mr. Yu Qiuming is not employed under a formal employment or services agreement with Amani Gold Limited. The arrangement with Mr. Yu Qiuming is verbal and provides for a base payment of \$120,000 per annum. Both parties may terminate the arrangement at any time by the giving 1 months notice.

Mr. Tsang King Sun is not employed under a formal employment or services agreement with Amani Gold Limited. The arrangement with Mr. Tsang King Sun is verbal and provides for a base payment of \$20,000 per month. On 16 May 2020 Mr Tsang agreed to change his remuneration to \$3,000 per month. On 24 June 2020 Mr. Tsang moved to the role of non-executive director.

Table 2: Director and other Executives Remuneration for the year ended 30 June 2020

Director		Short Term		Post Employment Superannuation	Equity Value of Incentive securities	Total	Incentive securities as a Percentage of Remuneration
		Cash Salary/Fees	Non-Cash Benefits				
		\$	\$	\$	\$	\$	%
K P Eckhof (i)	2020	110,000	-	-	199,778	309,778	64%
Chairman	2019	60,000	-	-	11,556	71,556	16%
Chan Sik Lap (ii)	2020	293,845	66,352	29,364	125,778	515,339	24%
Managing Director	2019	241,822	8,079	-	24,000	273,901	9%
G Thomas (iii)	2020	237,000	-	22,515	65,333	324,848	20%
Executive Director	2019	198,920	-	18,897	4,333	222,150	2%
Yu Qiuming (iv)	2020	157,500	-	-	195,111	352,611	55%
Executive Director	2019	30,000	-	-	26,167	56,167	47%
T Truelove (v)	2020	36,000	-	-	8,667	44,667	19%
Non-executive	2019	36,000	-	-	722	36,722	2%
K S Tsang (vi)	2020	59,833	-	-	-	59,833	-
Non-executive	2019	-	-	-	-	-	-
Total	2020	894,178	66,352	51,879	594,667	1,607,076	
	2019	566,742	8,079	18,897	66,778	660,496	

(i) Mr Eckhof was appointed as a director on 30 January 2019. During the current year Mr. Eckhof was issued 137.5 million performance rights valued at \$275,000. The value of the performance rights (including the performance rights issued in previous year) is recognised over the vesting period and the charge to the profit or loss account for the reporting period was \$199,778 (2019: \$11,556). Mr Eckhof agreed to waive one months salary during the year.

Amani Gold Limited
Directors' Report
For the year ended 30 June 2020

- (ii) Mr Chan was appointed as a director on 11 July 2017 and with effect from 1 September 2017 was appointed in an executive role. From 1 April 2018, Mr Chan has been appointed as Managing Director and CEO. During the current year Mr. Chan was issued 40 million performance rights valued at \$80,000. The value of the performance rights (including the performance rights issued in previous year) is recognised over the vesting period and the charge to the profit or loss account for the reporting period was \$125,778 (2019: \$24,000). Mr Chan agreed to waive one months salary during the year.
- (iii) Mr Thomas was appointed as an executive director on 21 December 2018. During the current year Mr Thomas was issued 30 million performance rights valued at \$60,000. The value of the performance rights (including the performance rights issued in previous year) is recognised over the vesting period and the charge to the profit or loss account for the reporting period was \$65,333 (2019: \$ 4,333). Mr Thomas agreed to waive one months salary during the year,
- (iv) Mr. Yu was appointed as a director on 11 July 2017. Mr. Yu did not receive any remuneration from the date of his appointment till 31 March 2019 following which remuneration commenced. During the current year Mr Yu was issued 137.5 million performance rights valued at \$275,000. The value of the performance rights (including the performance rights issued in previous year) is recognised over the vesting period and the charge to the profit or loss account for the reporting period was \$195,111 (2019: \$26,167). Mr Yu was paid a further \$37,500 cash introduction incentive during the year in relation to a referral of placement to the Company. The incentive was approved by Shareholders at the general meeting held 15 October 2019 and the related placement was completed on 22 October 2019.
- (v) Mr Truelove was appointed as a director on 27 March 2018. The value of the performance rights (including the performance rights issued in previous year) is recognised over the vesting period and the charge to the profit or loss account for the reporting period was \$8,667 (2019: \$722).
- (vi) Mr Tsang was appointed as an executive director on the 29 January 2020. On 24 June 2020 Mr Tsang moved to the role of non-executive director. Mr Tsang agreed to waive one months salary during the year and to change his Director's fee from \$20,000 to \$3,000 per month effective on 16 May 2020.

Amani Gold Limited
Directors' Report
For the year ended 30 June 2020

Performance Rights Granted as Compensation

Details on performance rights that were granted as compensation to each key management person during the year ended 30 June 2020 and details on performance rights that vested during the year ended 30 June 2020 are as follows:

Performance Rights	Number granted	Grant Date	Fair value per right at grant date	Exercise price per right	Vesting price	Expiry date	Maximum total value of grant yet to vest
Klaus Eckhof:							
<u>11/11/2022 Rights</u>							
- tranche 1	45,833,333	11/11/2019	0.002	-	\$0.0075	11/11/2022	\$71,296
- tranche 2	45,833,333	11/11/2019	0.002	-	\$0.01	11/11/2022	\$71,296
- tranche 3	45,833,334	11/11/2019	0.002	-	\$0.0125	11/11/2022	\$71,296
<u>27/05/22 Rights</u>							
- tranche 1	80,000,000	27/05/19	\$0.0018	-	\$0.0075	27/05/22	\$92,000
- tranche 2	80,000,000	27/05/19	\$0.00173	-	\$0.01	27/05/22	\$88,422
- tranche 3	80,000,000	27/05/19	\$0.00167	-	\$0.0125	27/05/22	\$85,356
Chan Sik Lap:							
<u>11/11/2022 Rights</u>							
- tranche 1	13,333,333	11/11/2019	0.002	-	\$0.0075	11/11/2022	\$20,741
- tranche 2	13,333,333	11/11/2019	0.002	-	\$0.01	11/11/2022	\$20,741
- tranche 3	13,333,334	11/11/2019	0.002	-	\$0.0125	11/11/2022	\$20,741
<u>27/05/22 Rights</u>							
- tranche 1	45,000,000	27/05/19	\$0.0018	-	\$0.0075	27/05/22	\$51,750
- tranche 2	45,000,000	27/05/19	\$0.00173	-	\$0.01	27/05/22	\$49,738
- tranche 3	45,000,000	27/05/19	\$0.00167	-	\$0.0125	27/05/22	\$48,013
<u>31/12/20 Rights</u>							
- tranche 1	10,000,000	18/12/18	\$0.003	-	\$0.02	31/12/20	\$6,250
- tranche 2	10,000,000	18/12/18	\$0.002	-	\$0.04	31/12/20	\$4,167
- tranche 3	10,000,000	18/12/18	\$0.001	-	\$0.06	31/12/20	\$2,083
G Thomas:							
<u>11/11/2022 Rights</u>							
- tranche 1	10,000,000	11/11/2019	0.002	-	\$0.0075	11/11/2022	\$15,556
- tranche 2	10,000,000	11/11/2019	0.002	-	\$0.01	11/11/2022	\$15,556
- tranche 3	10,000,000	11/11/2019	0.002	-	\$0.0125	11/11/2022	\$15,556
<u>27/05/22 Rights</u>							
- tranche 1	30,000,000	27/05/19	\$0.0018	-	\$0.0075	27/05/22	\$34,500
- tranche 2	30,000,000	27/05/19	\$0.00173	-	\$0.01	27/05/22	\$33,158
- tranche 3	30,000,000	27/05/19	\$0.00167	-	\$0.0125	27/05/22	\$32,008
Yu Qiuming:							
<u>11/11/2022 Rights</u>							
- tranche 1	45,833,333	11/11/2019	0.002	-	\$0.0075	11/11/2022	\$71,296
- tranche 2	45,833,333	11/11/2019	0.002	-	\$0.01	11/11/2022	\$71,296
- tranche 3	45,833,334	11/11/2019	0.002	-	\$0.0125	11/11/2022	\$71,296
<u>27/05/22 Rights</u>							
- tranche 1	60,000,000	27/05/19	\$0.0018	-	\$0.0075	27/05/22	\$69,000
- tranche 2	60,000,000	27/05/19	\$0.00173	-	\$0.01	27/05/22	\$66,317
- tranche 3	60,000,000	27/05/19	\$0.00167	-	\$0.0125	27/05/22	\$64,017
<u>31/12/20 Rights</u>							
- tranche 1	10,000,000	18/12/18	\$0.003	-	\$0.02	31/12/20	\$6,250
- tranche 2	10,000,000	18/12/18	\$0.002	-	\$0.04	31/12/20	\$4,167
- tranche 3	10,000,000	18/12/18	\$0.001	-	\$0.06	31/12/20	\$2,083
T Truelove:							
<u>27/05/22 Rights</u>							
- tranche 1	5,000,000	27/05/19	\$0.0018	-	\$0.0075	27/05/22	\$5,750
- tranche 2	5,000,000	27/05/19	\$0.00173	-	\$0.01	27/05/22	\$5,526
- tranche 3	5,000,000	27/05/19	\$0.00167	-	\$0.0125	27/05/22	\$5,335

Amani Gold Limited
Directors' Report
For the year ended 30 June 2020

Performance rights will vest subject to meeting specific performance conditions. Tranche 1, 2 and 3 performance rights have market vesting conditions being a daily volume weighted average share price at the vesting price outlined in the table above over a minimum of 10 trading days (in the case of the 27/05/22 and 11/11/22 performance rights) and 20 trading days (in the case of the 31/12/20 performance rights). Market vesting conditions have not been met and the rights have not been converted into shares.

Each right is converted to one ordinary share upon vesting. The performance rights vest when the vesting conditions are met. No performance rights will vest if the conditions are not satisfied, hence the minimum value of the performance rights yet to vest is nil. The maximum value of the performance rights yet to vest has been determined as the amount of the grant date fair value of the performance rights that is yet to be expensed.

The fair values at grant date of performance rights issued were determined using a Black-Scholes option pricing model or Barrier model simulation that takes into account the exercise price, the term of the rights, the share price at grant date and expected price volatility of the underlying share, and the risk free interest rate for the term of the rights. The model inputs for performance rights granted in year included:

	Performance rights granted Nov 19	Performance rights granted May 19	Performance rights granted Dec 18
Grant date	15/10/19	30/04/19	30/11/18
Expiry date	15/10/22	27/05/22	31/12/20
Share price at grant	\$0.002	\$0.002	\$0.005
Risk free rate	1.02%	1.28%	2.00%
Volatility rate	210%	140%	110%

Shareholdings of Key Management Personnel

The numbers of shares in the Company held during the financial period by Directors and other Key Management Personnel, including shares held by entities they control, are set out below:

	Balance at 1 July 2019	Acquired	Other Movements	Balance at 30 June 2020
Directors				
Klaus Eckhof	Nil	-	-	Nil
Chan Sik Lap	Nil	-	-	Nil
G Thomas	400,000	-	-	400,000
Yu Qiuming	600,000,000	-	-	600,000,000
A Truelove	Nil	-	-	Nil
K S Tsang	Nil ¹	-	-	Nil

¹Balance represents the shares held at the date of appointment as a director

Performance Rights of Key Management Personnel

The numbers of performance rights in the Company held during the financial period by Directors and other Key Management Personnel, including those held by entities they control, are set out below:

	Balance at 1 July 2019	Received as Remuneration	Exercised / Vested	Expired	Balance at 30 June 2020
Directors					
Klaus Eckhof	240,000,000	137,500,000	-	-	377,500,000
Sik Lap Chan	165,000,000	40,000,000	-	-	205,000,000
Grant Thomas	90,000,000	30,000,000	-	-	120,000,000
Yu Qiuming	210,000,000	137,500,000	-	-	347,500,000
A Truelove	15,000,000	-	-	-	15,000,000
K S Tsang	Nil ¹	-	-	-	Nil

¹Balance represents the shares held at the date of appointment as a director

Amani Gold Limited
Directors' Report
For the year ended 30 June 2020

Loans to key management personnel and their related parties

There were no loans outstanding at the reporting date to key management personnel and their related parties.

Use of Remuneration Consultants

The Company did not use any remuneration consultants during the period.

Voting at the group's 2019 Annual General Meeting

The 2019 Remuneration Report tabled at the 2019 Annual General Meeting received a "yes" vote of 84.82%.

End of Audited Remuneration Report

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company's Constitution requires it to indemnify directors and officers of any entity within the consolidated entity against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. An indemnity is also provided to the Company's auditors under the terms of their engagement. Directors and officers of the consolidated entity have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The insurance premium, amounting to \$18,191 (2019 - \$16,096) relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome;
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

ENVIRONMENTAL REGULATIONS

The consolidated entity's exploration activities in the Democratic Republic of Congo during the year were subject to environmental laws, regulations and permit conditions in that jurisdiction. There have been no known breaches of environmental laws or permit conditions while conducting operations in the Democratic Republic of Congo during the year.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 July 2019 to 30 June 2020 the Directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

NON-AUDIT SERVICES

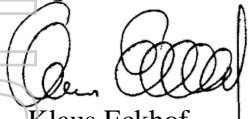
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or consolidated entity is important. During the year ended 30 June 2020 BDO Corporate Finance provided \$1,750 (2019: \$2,500) in non-audit related services. Refer to Note 4 in the financial statements for further details. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act*.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor, BDO Audit (WA) Pty Ltd, has provided the Board of Directors with an independence declaration in accordance with section 307C of the *Corporations Act 2001*.

The independence declaration is located on the next page.

Signed in accordance with a resolution of Directors.



Klaus Eckhof

Chairman

30th September 2020

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DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF AMANI GOLD LIMITED

As lead auditor of Amani Gold Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Amani Gold Limited and the entities it controlled during the period.



Neil Smith
Director

BDO Audit (WA) Pty Ltd
Perth, 30 September 2020

Amani Gold Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Revenue from continuing operations	2	820,448	631
Cost of sales		(970,989)	-
Gross loss		(150,541)	631
Consultants and corporate costs		(1,403,592)	(663,989)
Employee benefits expense		(1,336,927)	(476,326)
Share based payments expense	3, 14	(638,037)	(70,207)
Depreciation expense		(73,136)	(62,846)
Occupancy expenses		(177,897)	(61,331)
Travel expenses		(306,472)	(549,269)
Foreign exchange gain/(loss)		109,327	(26,413)
Impairment of exploration and evaluation assets	11	-	(30,946,760)
Other		(6,664)	
Loss before related income tax		(3,983,939)	(32,856,510)
Income tax (expense)/benefit	5	-	-
Loss for the year after income tax		(3,983,939)	(32,856,510)
Net Loss attributable to:			
Owners of Amani Gold Limited		(3,801,519)	(18,959,098)
Non-controlling interest		(182,420)	(13,897,412)
		(3,983,939)	(32,856,510)
Other comprehensive income/(loss)			
Exchange differences on translation of foreign operations		658,342	1,536,767
Total comprehensive loss for the year		(3,325,597)	(31,319,743)
Total comprehensive loss attributable to:			
Owners of Amani Gold Limited		(3,086,476)	(17,350,534)
Non-controlling interest		(239,121)	(13,969,209)
		(3,325,597)	(31,319,743)
Earnings/(Loss) per share for the year attributable to the members of Amani Gold Limited			
Basic and diluted loss per share	6	(0.06) cents	(1.35) cents

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Amani Gold Limited
Consolidated Statement of Financial Position
As at 30 June 2020

	Notes	2020 \$	2019 \$
Current Assets			
Cash and cash equivalents	8	1,129,978	3,521,896
Other receivables	9	417,785	28,068
Total Current Assets		1,547,763	3,549,964
Non-Current Assets			
Other receivables	9	-	11,000
Property, plant & equipment	10	148,217	257,093
Exploration and evaluation expenditure	11	23,451,883	15,248,690
Total Non-Current Assets		23,600,100	15,516,783
Total Assets		25,147,863	19,066,747
Current Liabilities			
Trade and other payables	12	1,692,476	604,326
Funds received in advance	17	985,884	-
Total Current Liabilities		2,678,360	604,326
Non-Current Liabilities			
Interest-bearing convertible notes	18	2,100,000	-
Total Non-Current Liabilities		2,100,000	-
Total Liabilities		4,778,360	604,326
Net Assets		20,369,503	18,462,421
Equity			
Contributed equity	13	76,642,247	72,101,504
Reserves	15	12,336,495	10,929,517
Accumulated losses		(54,659,846)	(50,858,328)
Capital and reserves attributed to the owners of Amani Gold Limited		34,318,896	32,172,693
Non-controlling interest		(13,949,393)	(13,710,272)
Total Equity		20,369,503	18,462,421

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Amani Gold Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2020

	Contributed Equity	Accumulated Losses	Option Premium Reserve	Share based Reserves	Foreign Currency Translation Reserve	Non-controlling interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	62,868,356	(31,899,230)	1,396,044	5,861,728	1,857,224	258,937	40,343,059
Loss for the year	-	(18,959,098)	-	-	-	(13,897,412)	(32,856,510)
Exchange differences on translation of foreign operations	-	-	-	-	1,608,564	(71,797)	1,536,767
Total comprehensive loss for the year	-	(18,959,098)	-	-	1,608,564	(13,969,209)	(31,319,743)
Transactions with equity holders in their capacity as equity holders							
Share and listed option issue	9,836,728	-	-	-	-	-	9,836,728
Share issue costs	(603,580)	-	-	-	-	-	(603,580)
Share based payments expense – options	-	-	135,750	-	-	-	135,750
Transactions with non-controlling interests	-	-	-	70,207	-	-	70,207
Balance at 30 June 2019	72,101,504	(50,858,328)	1,531,794	5,931,935	3,465,788	(13,710,272)	18,462,421

Amani Gold Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2020

	Contributed Equity	Accumulated Losses	Option Premium Reserve	Share based Reserves	Foreign Currency Translation Reserve	Non-controlling interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	72,101,504	(50,858,328)	1,531,794	5,931,935	3,465,788	(13,710,272)	18,462,421
Loss for the year	-	(3,801,519)	-	-	-	(182,420)	(3,983,939)
Exchange differences on translation of foreign operations	-	-	-	-	715,042	(56,700)	658,342
Total comprehensive loss for the year	-	(3,801,519)	-	-	715,042	(239,120)	(3,325,597)
Transactions with equity holders in their capacity as equity holders							
Share issue	4,797,141	-	53,899	-	-	-	4,851,040
Share issue costs	(256,399)	-	-	-	-	-	(256,399)
Convertible note issues (net of costs)	-	-	-	-	-	-	-
Share based payments expense – options	-	-	-	-	-	-	-
Share based payments expense – rights	-	-	-	638,037	-	-	638,037
Transactions with non-controlling interests	-	-	-	-	-	-	-
Balance at 30 June 2020	76,642,246	(54,659,847)	1,585,693	6,569,972	4,180,830	(13,949,392)	20,369,503

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Amani Gold Limited
Consolidated Statement of Cash Flows
for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Cash Flows from Operating Activities			
Receipts from customers		795,876	-
Payments to suppliers and employees		(2,122,434)	(1,475,714)
Interest received		815	631
Net Cash outflows from Operating Activities	21	(1,325,743)	(1,475,083)
Cash Flows from Investing Activities			
Payments for plant and equipment		(87,383)	(5,450)
Payments for exploration and development expenditure		(7,636,362)	(4,562,740)
Payments for rental bonds		-	-
Net Cash outflows from Investing Activities		(7,723,745)	(4,568,190)
Cash Flows from Financing Activities			
Proceeds from securities issues		4,797,141	7,814,228
Securities issue expenses		(256,399)	(467,830)
Repayment of loan		-	-
Proceeds from borrowings		-	1,348,963
Proceeds from issue of convertible notes	18	2,100,000	-
Net Cash inflows from Financing Activities		6,640,742	8,695,361
Net increase / (decrease) in Cash and Cash Equivalents		(2,408,746)	2,652,088
Cash and cash equivalents at the beginning of the year		3,521,896	867,360
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		16,828	2,448
Cash and Cash Equivalents at End of Year	8	1,129,978	3,521,896

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

The financial statements are for the consolidated entity consisting of Amani Gold Limited and its subsidiaries (the “group” or the “consolidated entity”). Amani Gold Limited is a listed for-profit public company, incorporated and domiciled in Australia. During the year ended 30 June 2020, the consolidated entity conducted operations in Australia, and the Democratic Republic of Congo. The financial statements have also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

Going Concern Basis

The financial report has been prepared on the basis of accounting principles applicable to a “going concern” which assumes the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations.

The Group has operating cash inflows, including gold trading sales and interest income, and has incurred net cash outflows from operating and investing activities for the year ended 30 June 2020 of \$9,049,488 (2019: \$6,043,273).

At 30 June 2020, the Group had cash balances of \$1,129,978 (2019: \$3,521,896).

In addition, on 31 January 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic. These events are having a significant negative impact on world stock markets, currencies and general business activities. The full impact of the COVID-19 outbreak continues to evolve at the date of this report.

As at the date of this report, the Group is not able to estimate the full effects of the COVID-19 outbreak on its results, financial condition, or liquidity for the 2020 financial year. If the pandemic continues, it may have a material adverse effect on the Group’s results, financial position, and liquidity.

The directors have prepared cash flow projections that support the ability of the Group to continue as a going concern. These cash flow projections assume the Group obtains sufficient additional funding from shareholders or other parties. If such funding is not achieved, the Group plans to reduce expenditure significantly, which may result in an impairment loss on the book value of exploration and evaluation expenditure recorded at reporting date.

These conditions give rise to a material uncertainty that may cast doubt upon the Group’s ability to continue as a going concern. The ongoing operation of the Group is dependent upon:

- The Group raising additional funding from shareholders or other parties; and/or
- The Group reducing expenditure in line with available funding.

The Group has the ability to seek to raise funds from shareholders or other investors and intends to raise such funds as and when required to complete its projects. Subsequent to year end, the Group announced that it had completed a bookbuild for a two tranche placement to sophisticated and professional investors to raise up to \$2.55 million to fund ongoing exploration activities at the Giro and Gada gold projects in the DRC and meet ongoing working capital requirements. Under the fundraising, the Company agreed to issue up to 2,550 million fully paid ordinary shares at an issue price of 0.1 cents per share, raising up to \$2.55 million (before costs). Subject to receipt of Shareholder approval at a General Meeting scheduled to take place on Friday, 14 August 2020, each Placement Share will include 1.5 free attaching listed options, with each having an exercise price of 0.15 cents and expiry date three years from date of issue. Tranche 1 of the Placement, which comprised 1,003,700,000 Shares, was issued under the Company’s

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

existing placement capacity under ASX Listing Rule 7.1, and was completed on 2 July 2020. Tranche 2 of the Placement, for up to 1,548,800,000 shares, is subject to Shareholder approval at the General Meeting. Due to Covid-19 travel restrictions impacting on shareholders ability to physically attend and participate in the General Meeting that was scheduled for 14 August 2020 a motion put to a quorum of shareholders present to adjourn the meeting was carried. On 11 September Company advised shareholders that the adjourned General Meeting of Amani will be reconvened and held on a fully virtual basis on Thursday 15 October 2020 commencing at 11.00am (Adelaide time, ACST).

In the longer term, the development of economically recoverable mineral deposits found on the Group's existing or future exploration properties depends on the ability of the Group to obtain financing through equity financing, debt financing or other means. If the Group's exploration programs are ultimately successful, additional funds will be required to develop the Group's properties and to place them into commercial production. The ability of the Group to arrange such funding in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Group. There can be no assurance that the Group will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Group. If adequate financing is not available, the Group may be required to delay, reduce the scope of, or eliminate its current or future exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Group to forfeit its interests in some or all of its properties and reduce or terminate its operations.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the group not continue as a going concern.

Adoption of New and Revised Standards and change in Accounting Standards

Early adoption of accounting standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2019.

New and amended standards adopted by the Group

A new or amended standards became applicable for the current reporting period for which the Group has adopted:

- AASB 16 Leases

AASB 16 Leases

Effective 1 July 2019, AASB 16 has replaced AASB 117 Leases and IFRIC 4 Determining whether an Arrangement Contains a Lease.

AASB16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. AASB 16 substantially carries forward the lessor accounting in AASB 117, with the distinction between operating leases and finance leases being retained. The Group does not have significant leasing activities acting as a lessor.

(a) Transition Method and Practical Expedients Utilised

The Group adopted AASB 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 July 2019), without restatement of comparative figures. The Group elected to apply the practical expedient to not reassess whether a contract is, or contains, a lease at the date of initial application. Contracts entered into before the transition date which were not identified as leases under AASB 17 and IFRIC 4 were not reassessed. The definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

AASB 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Group applied the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if AASB 16 had been applied since the commencement date;
- Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under AASB 36 as at the date of initial application; and
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for most leases. However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

The impact of the adoption of the standard on the group was not material.

New and amended standards not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting year and have not been early adopted by the group. The only significant new accounting standard not yet adopted relates to Interpretation 23 ‘Uncertainty over Income Tax Treatments’, however management do not believe this to have a significant impact on the group’s financial statements.

There are no other significant Australian Accounting Standards and Interpretations that were recently issued or amended but are not yet effective and have not been early adopted by the Group for the year ended 30 June 2020.

Gold Trading

Amani secured Gold Dealer Licence in Tanzania in November 2019 via a 60% equity interest in Amago Trading Limited. The Gold Dealer Licence No. DL013/GTA/2019-2020 was granted to Amago by Ministry of Minerals Mining Commission, The United Republic of Tanzania.

Amago Trading Limited sources gold from local artisanal miners from the Geita region of Tanzania. The gold is smelted at the Amago office and the local miners are paid at an agreed price. The gold is transported to a Hong Kong smelter by a security firm. Amago receives payment for the smelted gold from the Hong Kong gold refinery the same day as is processed. Amago pays the Hong Kong smelter a processing fee of \$8 US per ounce of smelted gold.

Revenue is recognized when control of the goods and services have passed to the gold refinery and costs incurred or to be incurred in respect of the transaction can be measured reliably. Control is considered passed to the gold refinery at the time of “delivery of goods to the customer”, hence revenue is recognized at a point in time.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued
Statement of Compliance

These financial statements were authorised for issue on 30 September 2020.

The consolidated financial statements comprising the financial statements and notes thereto, comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Amani Gold Limited (the “Company”) and subsidiaries. Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity and cease to be consolidated from the date on which control is transferred out of the consolidated entity.

Parent Entity Financial Information

The financial information for the parent entity, Amani Gold Limited, disclosed in Note 23 has been prepared on the same basis as the consolidated financial statements.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments readily convertible to cash.

Foreign currency transactions and balances

The functional and presentation currency of Amani Gold Limited is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period.

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value was determined.

The functional currencies of the overseas subsidiaries are as follows:

Democratic Republic of Congo, Hong Kong, Tanzania and Kenya subsidiaries United States Dollars (USD).

At the end of the reporting period, the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Amani Gold Limited at the closing rate at the end of the reporting period and income and expenses are translated at the weighted average exchange rates for the year. All resulting exchange differences are recognised in other comprehensive income as a separate component of equity (foreign currency translation reserve).

On disposal of a foreign entity, the cumulative exchange differences recognised in foreign currency translation reserves relating to that particular foreign operation is recognised in profit or loss.

Taxes

Income tax

Deferred income tax is provided for on all temporary differences at reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each reporting date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

At the reporting date, the Directors have not made a decision to elect to be taxed as a single entity. In accordance with Australian Accounting Interpretations, “Substantive Enactment of Major Tax Bills in Australia”, the financial effect of the legislation has therefore not been brought to account in the financial statements for the year ended 30 June 2020, except to the extent that the adoption of the tax consolidation would impair the carrying value of any deferred tax assets.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables on the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Property, plant and equipment

Items of plant and equipment are carried at cost less accumulated depreciation and impairment losses (see accounting policy “impairment testing”).

Plant and equipment

Plant and equipment acquired is initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

All assets have limited useful lives and are depreciated using the straight line method over their estimated useful lives commencing from the time the asset is held ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. The estimated useful lives used in the calculation of depreciation for plant and equipment for the current and corresponding period are between three and ten years.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

Mineral interest acquisition, exploration and development expenditure

Mineral interest acquisition, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Group’s rights of tenure to that area of interest are current and either the costs are expected to be recouped through the successful development and commercial exploitation of the area of interest or where exploration activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations, in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy).

Impairment testing

The carrying amount of the consolidated entity's assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. Where such an indication exists, a formal assessment of recoverable amount is then made and where this is in excess of carrying amount, the asset is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. Any resulting impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year that are unpaid and arise when the consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services.

Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Contributions are made by the consolidated entity to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Convertible Notes

Compound financial instruments issued by the Group comprise convertible notes that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition. Interest related to the financial liability is recognised in the statement of profit or loss and other comprehensive income. On conversion the financial liability is reclassified to equity and no gain or loss is recognised.

Earnings per share

Basic earnings per share is determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends), by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and any expenses associated with dividends and interest of dilutive potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) adjusted for any bonus element.

Share based payments

The Group provides compensation benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by a Black Scholes model or similar such market based valuation models.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief decision maker has been identified as the Board of Directors.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas that may have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(a) Exploration and evaluation expenditure

In accordance with accounting policy note described above under "Mineral interest acquisition, exploration and development expenditure" the Board determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, assumptions, including the maintenance of title, ongoing expenditure and prospectivity are made.

As described in Note 19, under existing contractual terms of a shareholder agreement a feasibility study was required to be completed by 31st December 2018 at the Giro Gold Project. Based on the amendment to the shareholder agreement, concluded in December 2017, with Societe Miniere De Kilo Moto SA ("Sokimo"), a company wholly owned by the DRC Government (the original holder of the Giro exploitation permits), an agreement was reached between the parties that the deadline for completion of the feasibility study would be extended up to 31st December 2018. A draft feasibility study is with JV partner SOKIMO and Ministry of Mines for review and a further extension to complete the feasibility study by end 2020 has been agreed with SOKIMO.

Amani has requested a quote from Beijing General Institute of Mining and Metallurgy (BGRIMM) to update the Giro Feasibility Study by end 2020 given that the Giro global resource estimates have substantially increased since the initial Feasibility Study which was based on Kebabada resource estimate of 75Mt @ 1.18g/t Au, for 2.9Moz gold (0.6g/t Au cut-off grade, see ASX Announcement 27 August 2017). New combined Indicated and Inferred Mineral Resource Estimate for Kebabada and Douze Match deposits is 132Mt @ 1.04g/t Au, for 4.4Moz contained gold (0.5g/t Au cut-off grade, see ASX Announcement 19 March 2020).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

At the date of this report, feasibility study discussion have not formally concluded with Sokimo and no decision to mine has been made.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Significant judgment is involved in determining the recoverable amount for an exploration and evaluation, refer to note 11 for details.

(b) Share Based Payments to employees

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options with non-market conditions is determined by an internal valuation using a Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The fair value of performance rights with market conditions is determined by an internal valuation using a Trinomial Barrier option pricing model.

(c) Control Over Subsidiaries

In determining whether the consolidated group has control over subsidiaries that are not wholly owned, judgement is applied to assess the ability of the consolidated group to control the day to day activities of the partly owned subsidiary and its economic outcomes. In exercising this judgement, the commercial and legal relationships that the consolidated group has with other owners of partly owned subsidiaries are taken into consideration. Whilst the consolidated group is not able to control all activities of a partly owned subsidiary, the partly owned subsidiary is consolidated within the consolidated group where it is determined that the consolidated group controls the day to day activities and economic outcomes of a partly owned subsidiary. Changes in agreements with other owners of partly owned subsidiaries could result in a loss of control and subsequently de-consolidation.

During the year ended 30 June 2015, Amani Gold Limited acquired 85% of the issued shares of Amani Consulting sarl (Amani Consulting) by the issue of shares, options and cash. Amani Consulting holds a 65% shareholding in Giro Goldfields sarl (Giro). Giro explores the Giro gold project in the Haut-Uele Province, northeast DRC. Under the terms of shareholders agreements the Company is at this stage solely responsible for funding exploration activities and therefore has control over the day to day activities and economic outcomes of Amani Consulting and Giro. Future changes to the shareholders agreements may impact on the ability of the Company to control Amani Consulting and Giro.

(d) Contingent liabilities

Under the terms of the agreement to acquire an interest in Amani Consulting sarl (Amani Consulting) the Company may be liable in the future to make additional payments subject to certain events occurring as described in Note 19.

After an assessment of the conditions that would require these payments to be made in the future, the Company has judged that these possible future payments are a contingent liability.

Change in circumstances or the future occurrence of specified events may cause liabilities that are currently assessed as being contingent to be reclassified as financial liabilities.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(e) Tax in foreign jurisdictions

The consolidated entity operates in overseas jurisdictions and accordingly is required to comply with the taxation requirements of those relevant countries. This results in the consolidated entity making estimates in relation to taxes including but not limited to income tax, goods and services tax, withholding tax and employee income tax. The consolidated entity estimates its tax liabilities based on the consolidated entity's understanding of the tax law. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact profit or loss in the period in which they are settled.

	Consolidated	
	2020	2019
	\$	\$
2. REVENUE		
Other revenue includes the following:		
Interest - other parties	815	631
Foreign exchange gain	(4,355)	-
Revenue (Sales: Hong Kong and Tanzania)	795,876	-
Other	28,112	-
	820,448	631

(a) During the year Amani secured a Gold Dealer Licence in Tanzania via a 60% equity interest in Amago Trading Ltd. The Gold Dealer Licence permits Amago to buy, sell or deal in gold to produce a revenue stream for Amani.

3. EXPENSES

During the year share based payments expense of \$638,037 (2019: \$70,207) were recorded as an expense with a further \$256,399 (2019: \$135,750) recorded in equity as share issue costs related to a capital raising. \$23,013 (2019: Nil) was recorded as interest expenses on Convertible Notes issued during the year.

4. AUDITOR'S REMUNERATION

Audit services:

- Amounts paid or payable to auditors of the Group – BDO Audit (WA) Pty Ltd	62,247	53,093
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In addition, during the year BDO Corporate Finance provided \$2,500 (2019: \$2,500) in non-audit related services.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

Consolidated	
2020	2019
\$	\$

5. INCOME TAX EXPENSE

(a) The prima facie tax benefit at 27.5% (2019: 27.5%) on loss for the year is reconciled to the income tax provided in the financial statements as follows:

Profit / (loss) before income tax	<u>(3,983,939)</u>	<u>(32,856,510)</u>
Prima facie income tax expense / (benefit) @ 27.5%	<u>(1,095,583)</u>	<u>(9,035,540)</u>
Tax effect of permanent differences:		
Capital raising costs	(124,914)	(130,120)
Legal fees	25,281	32,781
Exploration expenses	(2,093,848)	(1,304,554)
Impairment	-	8,510,359
Employee option expense / share based payments	<u>(175,460)</u>	<u>19,307</u>
	<u>(3,346,452)</u>	<u>(1,907,767)</u>
Income tax benefit not brought to account	<u>3,464,524</u>	<u>1,907,767</u>
Income tax expense	<u>-</u>	<u>-</u>

(b) **The following deferred tax balances have not been recognised:**

Deferred Tax Assets at 27.5%:		
- Carry forward revenue losses	15,011,426	18,107,155
- Capital raising costs	182,584	236,988
- Provisions and accruals	<u>(17,875)</u>	<u>2,400</u>
	<u>15,176,135</u>	<u>18,346,543</u>

The tax benefits of the above deferred tax assets will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the Group in utilising benefits.

Deferred tax liabilities in relation to capitalised exploration costs have been recognised and offset against deferred tax assets above.

Consolidated	
2020	2019
Cents	Cents

6. EARNINGS PER SHARE

Basic and diluted loss per share	<u>(0.06)</u>	<u>(1.35)</u>
	2020	2019
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	<u>5,963,164,059</u>	<u>2,434,620,485</u>

The Company's potential ordinary shares, being its options and performance rights granted, are not considered dilutive as the conversion of these options would result in a decrease in the net profit per share.

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7. SEGMENT INFORMATION

The Directors have determined that the Group has two reportable segments, being mineral exploration and gold trading in Africa. As the Group is focused on mineral exploration and gold trading. The Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest for exploration activities. The Board monitors the Group based on actual versus budgeted gold sales incurred by area of interest (Tanzania).

This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

	Revenue from external sources \$	Reportable segment loss \$	Reportable segment assets \$	Reportable segment liabilities \$
For the year end 30 June 2020				
Gold Trading				
Investment in Gold Trading	795,876	(427,859)	154,658	(490,097)
Mineral Exploration				
Exploration Activity	-	(3,556,080)	24,993,205	(4,278,734)
Total	795,876	(3,983,939)	25,147,863	(4,768,831)
For the year end 30 June 2019				
Gold Trading				
Investment in Gold Trading	-	-	-	-
Mineral Exploration				
Exploration Activity	-	(32,856,510)	19,066,747	(604,326)
	-	(32,856,510)	19,066,747	(604,326)

8. CASH AND CASH EQUIVALENTS

	Consolidated	
	2020	2019
	\$	\$
Cash at bank and in hand	1,129,978	3,521,896

Cash at bank earns interest at floating rates based on daily bank deposit rates. Refer Note 16.

9. OTHER RECEIVABLES

Current

	Consolidated	
	2020	2019
	\$	\$
Other receivables	417,785	28,068
	417,785	28,068

Non-Current

Other receivable	-	11,000
	-	11,000

None of the reported receivables are past due or require impairment.

Refer to Notes 16(a) and 16(b) for information about the Group's exposure to credit and liquidity risk.

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10. PROPERTY, PLANT AND EQUIPMENT

Consolidated

2020
\$

2019
\$

Plant and equipment

At cost	621,962	541,814
Less accumulated depreciation	(473,745)	(284,721)
	148,217	257,093

Reconciliation

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period.

Balance at the beginning of the year	257,093	378,469
Additions	87,384	5,450
Disposals	(8,926)	-
Depreciation expense	(190,256)	(137,571)
Foreign currency translation difference movement	2,922	10,745
Carrying amount at the end of the year	148,217	257,093

11. EXPLORATION AND EVALUATION EXPENDITURE

Consolidated

2020
\$

2019
\$

Exploration and evaluation phase – at cost

Balance at the beginning of the year		15,248,690	39,958,658
Expenditure incurred during the year	(a)	7,613,992	4,743,831
	(b)		
Impairment		-	(30,946,760)
Foreign currency translation difference movement		589,201	1,492,961
Carrying amount at the end of the year		23,451,883	15,248,690

The expenditure above relates principally to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

- (a) During the year, Amani Group has issued 699,047,035 shares to Shining Mining Limited at an issue price of \$0.003 per Share to raise up to \$2,097,141. The raised amount was applied to set off an outstanding amount due the Company's joint venture partner Société Minière de Kilo-Moto SA (SOKIMO).

On the formation of the Giro Gold Project Joint Venture in 2012 and as part of the agreed terms of the agreement with SOKIMO, the Company was required to make a USD 5.0 million payment. The Company has an outstanding amount 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 provided a personal loan to SOKIMO of approximately USD 1.45 million in 2018 under an arrangement that has no association with the Company and its activities in the DRC. The director of Shining Mining made a confidential approach to the Company in July 2019 to propose an arrangement whereby the amount he lent to SOKIMO is settled by the issue of the Company's shares to Shining Mining at an issue price of \$0.003 per share and that the amount of \$2,097,141 would be offset against the above mentioned contingent liability.

The shares were issued to Shining Mining on 20 April 2020 and the amount of \$2,097,141 was to settle a liability to Simon Cong, the sole shareholder of Shining Mining. It has been recognized as exploration and evaluation expenditure during the financial year as this relates to the tenement for the appropriate Giro project.

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Amani Group has also recognized the settlement US\$850,000 outstanding goodwill to SOKIMO in cash during the financial year.

(b) During the year, Amani Group conducted diamond core drilling operations (drillholes GRDD034 and GRDD035) at Kebabada Gold deposit, Giro Gold Project. Drilling targeted deeper high-grade sulphide associated gold mineralisation within the central core of Kebabada deposit. Drillholes GRDD034 and GRDD035 both successfully targeted deeper high-grade sulphide associated gold mineralisation within the central core of Kebabada deposit and these assays are the deepest yet at Kebabada. Reverse circulation drilling was also completed at Peteku prospect, Giro Gold Project targeted near surface gold mineralisation below a regional gold in soil anomaly. These activities, at a cost of approximately 625,092 (direct drilling charges and assay costs) during the reporting period, are included in the above expenditure incurred during the period.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas.

Impairment

For the current year there were no impairment indicators noted and nil impairment recognised.

For the year ended 30th June 2019, the consolidated entity assessed its capitalised exploration and evaluation expenditure assets for impairment and recorded an impairment loss of \$30,946,760 in relation to the DRC project. The recoverable amount was based on the number of fully paid ordinary shares outstanding at balance date as applied to the value per share paid by third party investors under the placement, adjusted for estimated costs of disposal.

Consolidated

2020	2019
\$	\$

12. TRADE AND OTHER PAYABLES

Current

Trade and other payables	1,692,476	604,326
	1,692,476	604,326

Terms and conditions relating to the above financial instruments:

- Trade and other creditors are non-interest bearing and are normally settled on 30 day terms.

Risk exposure:

- Information about the group's risk exposure to foreign exchange risk is provided in Note 16.

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13. CONTRIBUTED EQUITY

	Consolidated	
	2020	2019
	\$	\$
(a) Issued and paid-up share capital		
Ordinary shares, fully paid 6,834,496,747 (2019: 5,213,227,494)	76,642,247	72,101,504
Movements in Ordinary Shares:		
Details	Number of	\$
	Shares	
Balance at 1 July 2018	1,566,163,747	62,868,356
September 2018 placement at \$0.015 per share	45,366,667	680,500
December 2018 placement at \$0.004 per share	100,000,000	400,000
January 2019 placement and convertible note at \$0.015 per share ¹	134,833,333	2,022,500
March 2019 rights issue at \$0.002 per share	1,636,363,747	3,272,727
March 2019 placement at \$0.002	1,730,500,000	3,461,000
Less: Share issue costs	-	(603,580)
Balance at 30 June 2019	<u>5,213,227,494</u>	<u>72,101,504</u>
Balance at 1 July 2019	5,213,227,494	72,101,504
August 2019 placement at \$0.003 per share	833,333,330	2,500,000
January 2020 placement at \$0.00225 per share	88,888,888	200,000
April 2020 placement at \$0.003 per share	699,047,035	2,097,141
Less: Share issue costs	-	(256,399)
Balance at 30 June 2020	<u>6,834,496,747</u>	<u>76,642,246</u>

1. The January 2019 Placement and convertible note was accounted for as outlined in Note 1 on page 46.

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13. CONTRIBUTED EQUITY - continued

Consolidated

	2020	2019
	\$	\$
(b) Listed Share Options		
Options to subscribe for ordinary shares nil (2019: nil)	-	-
Movements in Options:		
Details	Number of Options	\$
Balance at 1 July 2018	-	1,396,044
Exercise of options	-	-
Expiry of options	-	-
Balance at 30 June 2019	-	1,396,044
Balance at 1 July 2019	-	1,396,044
Exercise of options	-	-
Expiry of options	-	-

(c) Unlisted Options

2020 - Options to take up ordinary shares in the capital of the Company have been granted as follows:

Exercise Period	Note	Exercise Price	Opening Balance 1 July 2019	Options Issued 2019/20	Exercised/ Cancelled/ Expired 2019/20	Closing Balance 30 June 2020
			<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
15 Apr 2016 – 31 Dec 2020	(i)	0.03	7,500,000	-	-	7,500,000
15 Apr 2016 – 31 Dec 2020	(i)	0.04	7,500,000	-	-	7,500,000
15 Apr 2016 – 31 Dec 2020	(i)	0.05	7,500,000	-	-	7,500,000
2 Nov 2016 - 2 Nov 2019	(ii)	0.08	9,500,000	-	(9,500,000)	-
2 Nov 2016 - 2 Nov 2019	(ii)	0.1	9,500,000	-	(9,500,000)	-
27 May 2019 – 27 May 2022	(iii)	0.0075	40,000,000	-	-	40,000,000
27 May 2019 – 27 May 2022	(iii)	0.01	40,000,000	-	-	40,000,000
27 May 2019 – 27 May 2022	(iii)	0.0125	40,000,000	-	-	40,000,000
15 Jan 2020 – 15 Jan 2023	(iv)	0.0075	-	12,000,000	-	12,000,000
15 Jan 2020 – 15 Jan 2023	(iv)	0.01	-	12,000,000	-	12,000,000
15 Jan 2020 – 15 Jan 2023	(iv)	0.0125	-	12,000,000	-	12,000,000
			161,500,000	36,000,000	(19,000,000)	178,500,000
Weighted average exercise price (\$)			0.0236			0.0138

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13. CONTRIBUTED EQUITY - continued

2019 - Options to take up ordinary shares in the capital of the Company have been granted as follows:

Exercise Period	Note	Exercise Price	Opening Balance 1 July 2018	Options Issued 2018/19	Exercised/ Cancelled/ Expired 2018/19	Closing Balance 30 June 2019
			Number	Number	Number	Number
15 Apr 2016 - 31 Dec 2020	(i)	0.03	7,500,000	-	-	7,500,000
15 Apr 2016 - 31 Dec 2020	(i)	0.04	7,500,000	-	-	7,500,000
15 Apr 2016 - 31 Dec 2020	(i)	0.05	7,500,000	-	-	7,500,000
2 Nov 2016 - 2 Nov 2019	(ii)	0.08	9,500,000	-	-	9,500,000
2 Nov 2016 - 2 Nov 2019	(ii)	0.1	9,500,000	-	-	9,500,000
27 May 2019 – 27 May 2022	(iii)	0.0075		40,000,000	-	40,000,000
27 May 2019 – 27 May 2022	(iii)	0.01		40,000,000	-	40,000,000
27 May 2019 – 27 May 2022	(iii)	0.0125		40,000,000	-	40,000,000
			41,500,000	120,000,000	-	161,500,000

Weighted average exercise price (\$) 0.06 0.00236

- (i) In the 2016 year, 22.5 million options were issued to a corporate advisor for equity market and strategic advice in market positioning and corporate strategy.
- (ii) In the 2017 year, 19 million options were issued under the Employee Option Plan for nil consideration as part of the remuneration package of employees of the Company. Refer to Note 14 for further details.
- (iii) In the 2019 year, 120 million options were issued to a corporate advisor for equity market and strategic advice in market positioning and corporate strategy.
- (iv) In the 2020 year, 36 million options were issued to a corporate advisor for financial advisory services.

The weighted average contractual life of the unlisted options are 1.50 (2019: 1.42) years.

None of the options have any voting rights, any entitlement to dividends or any entitlement to the proceeds of liquidation in the event of a winding up.

(d) Performance Rights

2020 - Performance Rights over ordinary shares in the capital of the Company have been granted as follows:

Expiry date	Note	Opening Balance 1 July 2019	Issued 2019/20	Exercised/ Cancelled 2019/20	Closing Balance 30 June 2020
		Number	Number	Number	Number
31 December 2020	(i)	60,000,000	-	-	60,000,000
27 May 2022	(ii)	687,000,000	-	-	687,000,000
31 December 2021	(iii)	30,000,000	-	-	30,000,000
31 December 2022	(iv)	-	349,999,998	-	349,999,998
		777,000,000	349,999,998	-	1,126,999,998

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13. CONTRIBUTED EQUITY - continued

2019 - Performance Rights over ordinary shares in the capital of the Company have been granted as follows:

Expiry date	Note	Opening Balance 1 July 2018	Issued 2018/19	Exercised/ Cancelled 2018/19	Closing Balance 30 June 2019
		Number	Number	Number	Number
31 December 2020	(i)	-	60,000,000	-	60,000,000
27 May 2022	(ii)	-	687,000,000	-	687,000,000
31 December 2021	(iii)	-	30,000,000	-	30,000,000
		-	777,000,000	-	777,000,000

(i) Performance rights vest subject to meeting specific performance conditions. 60 million performance rights were issued comprising three tranches of 20 million each. All tranches of performance rights have market vesting conditions being share prices of \$0.02 (tranche 1); \$0.04 (tranche 2); and \$0.06 (tranche 3) or more over a consecutive 20 day business period. Each right is converted to one ordinary share upon vesting. No performance rights vested during the year.

(ii) Performance rights vest subject to meeting specific performance conditions. 687 million performance rights were issued comprising three tranches of 229 million each. All tranches of performance rights have market vesting condition being share prices of \$0.0075 (tranche 1); \$0.01 (tranche 2); and \$0.0125 (tranche 3) or more over a consecutive 10 day business period. Each right is converted to one ordinary share upon vesting. No performance rights vested during the year.

(iii) Performance rights vest subject to meeting specific performance conditions. 30 million performance rights were issued comprising three tranches of 10 million each. All tranches of performance rights have market vesting condition being share prices of \$0.0075 (tranche 1); \$0.01 (tranche 2); and \$0.0125 (tranche 3) or more over a consecutive 10 day business period. Each right is converted to one ordinary share upon vesting. No performance rights vested during the year.

(iv) Performance rights vest subject to meeting specific performance conditions. 350 million performance rights were issued comprising three tranches of 117 million each. All tranches of performance rights have market vesting condition being share prices of \$0.0075 (tranche 1); \$0.01 (tranche 2); and \$0.0125 (tranche 3) or more over a consecutive 10 day business period. Each right is converted to one ordinary share upon vesting. No performance rights vested during the year.

(e) Terms and conditions of contributed equity

Ordinary Shares:

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

14. SHARE BASED PAYMENTS EXPENSE

Employee Option Plan

In August 2007, the Company adopted the Amani Gold Limited Employee Option Plan ("Plan"). The Plan allows Directors from time to time to invite eligible employees to participate in the Plan and offer options to those eligible persons. The Plan is designed to provide incentives, assist in the recruitment, reward, retention of employees and provide opportunities for employees (both present and future) to participate directly in the equity of the Company. The contractual life of each option granted is three years or as otherwise determined by the Directors. There are no cash settlement alternatives. During the current and prior year no options were issued to employees of the Company (refer to Note 13(c)).

Non Plan based payments

The Company also makes share based payments to consultants and / or service providers from time to time, not under any specific plan. The Amani Gold Limited Employee Option Plan does not allow for issue of options to the directors of the parent entity. Hence, specific shareholder approval is obtained for any share based payments to directors of the parent entity. 36 million options (2019: 120 million) were issued during the year under an engagement letter with a corporate advisor for services related to raising of new capital.

The expense recognised in the statement of profit or loss and other comprehensive income in relation to share-based payments is disclosed in Note 3.

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14. SHARE BASED PAYMENTS EXPENSE – continued

Expenses arising from share-based payment transactions

Other share based payments, not under any plans, are as follows (with additional information provided in Note 13 above):

	2020	2020	2019	2019
	Number	\$	Number	\$
2019 Performance rights to director, Mr Yu (i)	30,000,000	30,000	30,000,000	17,500
2019 Performance rights to director, Mr Chan (i)	30,000,000	30,000	30,000,000	17,500
2019 Performance rights to director, Mr Yu (ii)	180,000,000	104,000	180,000,000	8,667
2019 Performance rights to director, Mr Chan (ii)	135,000,000	78,000	135,000,000	6,500
2019 Performance rights to director, Mr Eckhof (ii)	240,000,000	138,667	240,000,000	11,556
2019 Performance rights to director, Mr Thomas (ii)	90,000,000	52,000	90,000,000	4,333
2019 Performance rights to director, Mr Truelove (ii)	15,000,000	8,667	15,000,000	722
2019 Performance rights to other parties (ii)	27,000,000	15,600	27,000,000	1,300
2019 Performance rights to other parties (iii)	30,000,000	25,548	30,000,000	2,129
2020 Performance rights to director, Mr Yu (iv)	137,500,000	61,111	-	-
2020 Performance rights to director, Mr Chan (iv)	40,000,000	17,778	-	-
2020 Performance rights to director, Mr Eckhof (iv)	137,500,000	61,111	-	-
2020 Performance rights to director, Mr Thomas (iv)	30,000,000	13,333	-	-
2020 Performance rights to other parties (iv)	4,999,998	2,222	-	-
Total	1,126,999,998	638,037	777,000,000	70,207

- (i) 60 million performance rights were granted during the year ended 30 June 2019 (refer to Note 13(d) for more information). The fair value of the performance rights estimated at that time was \$120,000. None of the performance rights vested during the current year. A balance of \$60,000 was recognised as a share based payment expense in the current year.

The fair value per Performance Right and the following inputs were used in the valuation model:

Performance Rights	Tranche 1	Tranche 2	Tranche 3
Grant Date	30/11/2018	30/11/2018	30/11/2018
Expiry Date	31/12/2020	31/12/2020	31/12/2020
Fair Value per Performance Right (\$)	0.003	0.002	0.001
Barrier (\$)	0.02	0.04	0.06
Exercise Price	Nil	Nil	Nil
Expected volatility	110%	110%	110%
Risk-free rate	2.00%	2.00%	2.00%
Life of rights	2.09 years	2.09 years	2.09 years
Underlying security price at issue (\$)	0.005	0.005	0.005

- (ii) 687 million performance rights were granted during the year ended 30 June 2019 (refer to Note 13(d) for more information). The fair value of the performance rights estimated at that time was \$1,190,800. None of the performance rights vested during the current year. A balance of \$396,934 was recognised as a share based payment expense in the current year.

The fair value per Performance Right and the following inputs were used in the valuation model:

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14. SHARE BASED PAYMENTS EXPENSE – continued

Performance Rights	Tranche 1	Tranche 2	Tranche 3
Grant Date	30/04/19	30/04/19	30/04/19
Expiry Date	27/05/22	27/05/22	27/05/22
Fair Value per Performance Right (\$)	0.0018	0.00173	0.00167
Barrier	0.0075	0.01	0.0125
Exercise Price	Nil	Nil	Nil
Expected volatility	140%	140%	140%
Risk-free rate	1.28%	1.28%	1.28%
Life of rights	3.00 years	3.00 years	3.00 years
Underlying security price at issue (\$)	0.002	0.002	0.002

(iii) 30 million performance rights were granted during the year ended 30 June 2019 (refer to Note 13(d) for more information). The fair value of the performance rights estimated at that time was \$66,000. None of the performance rights vested during the current year. A balance of \$25,548 was recognised as a share based payment expense during the year.

The fair value per Performance Right and the following inputs were used in the valuation model:

Performance Rights	Tranche 1	Tranche 2	Tranche 3
Grant Date	30/4/19	30/04/19	30/04/19
Expiry Date	31/12/21	31/12/21	31/12/21
Fair Value per Performance Right (\$)	0.0023	0.0022	0.0021
Barrier (\$)	0.0075	0.01	0.0125
Exercise Price	Nil	Nil	Nil
Expected volatility	140%	140%	140%
Risk-free rate	1.13%	1.13%	1.13%
Life of rights	2.6 years	2.6 years	2.6 years
Underlying security price at issue (\$)	0.0025	0.0025	0.0025

(iv) 350 million performance rights were granted during the year ended 30 June 2020 (refer to Note 13(d) for more information). The fair value of the performance rights estimated at that time was \$700,000. None of the performance rights vested during the current year. A balance of \$155,556 was recognised as a share based payment expense during the year.

The fair value per Performance Right and the following inputs were used in the valuation model:

Performance Rights	Tranche 1	Tranche 2	Tranche 3
Grant Date	15/10/19	15/10/19	15/10/19
Expiry Date	15/10/22	15/10/22	15/10/22
Fair Value per Performance Right (\$)	0.002	0.002	0.002
Exercise Price	Nil	Nil	Nil
Expected volatility	210%	210%	210%
Risk-free rate	1.02%	1.02%	1.02%
Life of rights	2.9 years	2.9 years	2.9 years
Underlying security price at issue (\$)	0.0025	0.0025	0.0025

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The fair value of the equity-settled share options and performance rights granted is estimated as at the date of grant using the Black Scholes model or the Barrier pricing model as appropriate, and taking into account the terms and conditions upon which the options and rights were granted, including by reference to the market value of the shares trading on the Australian Securities Exchange (ASX) on or around the date of grant.

The model inputs for options granted during the reporting period included:

30 June 2020	36m unlisted options		
Model Inputs	Tranche 1	Tranche 2	Tranche 3
Quantity	12,000,000	12,000,000	12,000,000
Exercise price (cents)	\$0.0075	\$0.01	\$0.0125
Grant date	15/10/2019	15/10/2019	15/10/2019
Expiry date	15/10/2022	15/10/2022	15/10/2022
Share price at grant date (cents)	\$0.0025	\$0.0025	\$0.0025
Expected volatility (%)	268.6	268.6	268.6
Risk free rate (%)	1.28	1.28	1.28
Fair value per option	\$0.00159	\$0.00149	\$0.00141

The share based payment expense of \$53,899 (2019: \$135,750) relating to the 36 million options issued during the year ended 30 June 2020 was recognised as a cost of issuing shares expensed direct to equity.

15. RESERVES

The following table shows a breakdown of the statement of financial position line item 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Consolidated	
	2020	2019
	\$	\$
Share based payments reserve (Note 15a)	6,569,972	5,931,935
Option premium reserve (Note 15b)	1,585,693	1,531,794
Foreign currency translation reserve (Note 15c)	4,180,830	3,465,788
	12,336,495	10,929,517
Non-controlling interest reserve (Note 15d)	(13,949,392)	(13,710,272)
(a) Movement During the Year – Share based payment		
Opening balance	5,931,935	5,861,728
Issue of options and performance rights	638,037	70,207
Closing balance	6,569,972	5,931,935
(b) Movement During the Year – Option premium		
Opening balance	1,531,794	1,396,044
Issue of options	53,899	135,750
Closing balance	1,585,693	1,531,794
(c) Movement During the Year – Foreign Currency Translation		
Opening balance	3,465,788	1,857,224
Foreign currency translation differences	715,042	1,608,564
Closing balance	4,180,830	3,465,788
(d) Movement During the Year – Non-controlling interest		
Opening balance	(13,710,272)	258,937
NCI share of loss for the year	(182,420)	(13,897,412)
Foreign currency translation differences	(56,700)	(71,797)
Closing balance	(13,949,392)	(13,710,272)

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Nature and purpose of reserves

Share based payment Reserve

The share based payments reserve is used to record the fair value of options and performance rights issued but not exercised.

Option Premium Reserve

Option premium reserves are amounts received in consideration for the issue of options to subscribe for ordinary shares in the Company.

Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

Non-controlling interest's Reserve

The non-controlling interest's reserve records the net profit/loss of the appropriate subsidiary.

16. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

(i) Investments

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

(ii) Receivables

As the Group operates in the mineral exploration sector rather than trading, it does not have receivables.

Presently, the Group undertakes exploration and evaluation activities in the DRC. At the reporting date there were no significant concentrations of credit risk.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group does not have any material risk exposure to any single debtor or group of debtors. A very large proportion of the bank deposits are held in Australia with leading banks and a minor percentage of the Group's bank deposits is held in well established DRC banks.

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

16. FINANCIAL RISK MANAGEMENT – continued

Due to the nature of the Group's activities and the present lack of operating revenue, the Group has to raise additional capital from time to time in order to fund its exploration activities. The decision on how and when the Group will raise future capital will depend on market conditions existing at that time and the level of forecast activity and expenditure.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of at least three to six months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following table details the Group's expected maturity for its non-derivative financial liabilities. These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date on which the Group can be required to pay.

	Less than 6 months	6 – 12 months	Over 1 year	Total
	\$	\$	\$	\$
Group at 30 June 2020				
Financial Liabilities:				
Current:				
Trade and other payables	1,591,561	100,914	-	1,692,476
Short-term borrowings	-	-	2,100,000	2,100,000
Total Financial Liabilities	1,591,561	100,914	2,100,000	3,792,476
	Less than 6 months	6 – 12 months	Over 1 year	Total
Group at 30 June 2019				
Financial Liabilities:				
Current:				
Trade and other payables	604,326	-	-	604,326
Short-term borrowings	-	-	-	-
Total Financial Liabilities	604,326	-	-	604,326

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to mitigate market risk exposures such as predicting the amount of foreign currencies on a quarterly basis and monitoring closely exchange rates fluctuations.

The company's assets include 4.65 million shares in Blox Inc. The Company is exposed to fluctuations in the share price of Blox Inc. The investment will be recorded at fair value at each reporting date, with changes in value recognised directly in other comprehensive income. As at 30 June 2019 and 2020, the investment has been impaired to nil.

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk on investments, purchases and borrowings that are denominated in a currency other than the respective functional currency of Group entities, primarily the Australian dollar (AUD). The currencies in which these transactions are primarily denominated are AUD and USD.

The Group has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

16. FINANCIAL RISK MANAGEMENT – continued

(ii) Exposure to foreign exchange risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date explained in Australian dollars are as follows:

Notes	30 June 2020		30 June 2019	
	Assets \$	Liabilities \$	Assets \$	Liabilities \$
United States Dollar	456,796	665,454	653,679	352,054
Hong Kong Dollar	2,304	-		
Tanzania Shilings	88,760	684		
	547,860	666,138	653,679	352,054

The following significant exchange rates applied during the year:

Notes	Average rate		Reporting date spot rate	
	2020 \$	2019 \$	2020 \$	2019 \$
United States Dollar	0.67	0.71	0.69	0.70
Hong Kong Dollar	0.19	-	0.19	-
Tanzania Shilings	0.00065	-	0.00063	-

There has been no material exposure to non functional currency amounts during the financial year.

(iii) Sensitivity analysis

A 10 percent strengthening (based on forward exchange rates) of the Australian dollar against the above currencies at 30 June would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Notes	Consolidated	
		2020 \$	2019 \$
+10% Strengthening of the Australian Dollar			
(Profit) or loss	(i)	(12,686)	(57,811)
Equity	(ii)	10,962	(27,420)
-10% Weakening of the Australian Dollar			
(Profit) or loss	(i)	15,505	70,658
Equity	(ii)	(13,398)	33,514

(i) this is mainly attributable to the exposure on USD cash

(ii) this is mainly related to the translation of foreign operations at reporting date

(iv) Interest Risk

The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's cash and cash equivalents. At 30 June 2020 the weighted average interest rate on cash and cash equivalents was \$Nil (2019: \$Nil).

Sensitivity analysis

An increase of 50 basis points in interest rates would not have had a material impact on the Consolidated Entity's profit or loss.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

16. FINANCIAL RISK MANAGEMENT – continued

(d) Net fair values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

(e) Capital risk management

Management controls the capital of the Group in order to ensure that the Group can fund its operations on an efficient and timely basis and continue as a going concern.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's cash projections up to twelve months in the future and any associated financial risks. Management will adjust the Group's capital structure in response to changes in these risks and in the market.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

17. FUNDS RECEIVED IN ADVANCE

The Company has completed a bookbuild for a two tranche placement to sophisticated and professional investors to raise up to \$2.55 million ("Placement") to fund ongoing exploration activities at the Giro and Gada gold projects in the DRC and meet ongoing working capital requirements.

Under the fundraising, the Company has agreed to issue up to 2,550 million fully paid ordinary shares at an issue price of 0.1 cents per share (Placement Shares), raising up to \$2.55 million (before costs).

A total of \$985,884 was received from investors as at 30 June 2020 and was recognized as funds received in advance.

Tranche 1 of the Placement, which comprises 1,003,700,000 Shares, was issued under the Company's existing placement capacity under ASX Listing Rule 7.1, was completed on 2 July 2020.

Tranche 2 of the Placement is subject to shareholder approval in the upcoming general meeting on 15 October 2020.

18. CONVERTIBLE NOTES

During the year the Company issued unsecured convertible notes with a face value of \$2,100,000 as part of a capital raising exercise.

Terms of the convertible note are as follows:

- i. Maturity date – 24 months from the date of advance;
- ii. Interest payable – 2.5% per annum, commencing 4 months from the date of issue;
- iii. Repayment: The Company could elect to repay all or part of the outstanding convertible notes at any time prior to the maturity date. In addition, the Subscriber could elect to convert any of the convertible notes into new shares at \$0.003 per share.

The issue of shares upon conversion of the notes was approved at a meeting of shareholders convened on 25 March 2020.

During the reporting period the subscriber has not elect to convert any convertible notes to shares.

The convertible notes are classified as liability as NeoGold has the sole discretion to convert and if NeoGold does not elect to convert, the Company has the obligation to repay the principal.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

19. CONTINGENCIES

If 3moz (measured and indicated category) gold resources at a cut-off grade of 2.5g/t Au are estimated at the Giro Project, Amani will be required to pay US\$5,350,000 to the former shareholders of Amani Consulting sarl (“Amani Consulting”) from whom Amani acquired its 85% interest in the capital of Amani Consulting. At Amani’s election, 50% of this amount can be settled by an issue of Amani shares at the then market value of Amani shares. In any case, the liability for this amount of US\$5.35M only falls due for payment upon drawdown of development funds. At the date of this report, the condition has not been met.

Under existing contractual terms of a shareholder agreement a feasibility study was required to be completed by 31st December 2018 at the Giro Gold Project. Based on the amendment to the shareholder agreement, concluded in December 2017, with Societe Miniere De Kilo Moto SA (“Sokimo”), a company wholly owned by the DRC Government (the original holder of the Giro exploitation permits), an agreement was reached between the parties that the deadline for completion of the feasibility study would be extended up to 31st December 2018. A draft feasibility study is with JV partner SOKIMO and Ministry of Mines for review and a further extension to complete the feasibility study by end 2020 has been agreed with SOKIMO.

Amani has requested a quote from Beijing General Institute of Mining and Metallurgy (BGRIMM) to update the Giro Feasibility Study by end 2020 given that the Giro global resource estimates have substantially increased since the initial Feasibility Study which was based on Kebigada resource estimate of 75Mt @ 1.18g/t Au, for 2.9Moz gold (0.6g/t Au cut-off grade, see ASX Announcement 27 August 2017). New combined Indicated and Inferred Mineral Resource Estimate for Kebigada and Douze Match deposits is 132Mt @ 1.04g/t Au, for 4.4Moz contained gold (0.5g/t Au cut-off grade, see ASX Announcement 19 March 2020).

At the date of this report, feasibility study discussion have not formally concluded with Sokimo and no decision to mine has been made.

On conclusion of feasibility studies and a decision to mine at the Giro Project, payments of US\$ 897,605.75 will be required to be made by Amani to Societe Miniere De Kilo Moto SA (Sokimo).

In view of the nature of the trigger events and the early stage of exploration activity at the Giro Gold Project, these liabilities are contingent in nature and no values were allocated as liabilities in this financial report (2019: Nil).

On 14 October 2019 Amani Gold provided an update in relation to the Gada Gold Project. The update provided background to the acquisition of the Gada Gold Project and that it had been made aware that BN Mining had commenced proceedings against SOKIMO for the wrongful termination of an Option Agreement over the Gada Gold Project. Amani Gold also advised that it understood that BN Mining had, or intended to, commence proceedings against the Company. Amani Gold has now confirmed that proceedings have also been commenced against the Company for purportedly causing SOKIMO to terminate the Option Agreement and has sought damages amounting to USD\$100m as a result of the termination of the Option Agreement. The court case with Amani Gold and BN Mining is continuing. On 29 January 2020 the Kinshasa Court gave a decision stating that SOKIMO had not wrongfully terminated their Option Agreement with BN Mining. The next court hearing for Amani Gold and BN Mining was expected on 25th March 2020 but court proceedings in the DRC have been continually delayed in 2020 due to Covid-19 issues.

In view of the nature of the trigger events relating to the Giro Gold Project and unlikelihood of a successful claim by BN Mining on Gada Gold Project legal proceedings, these liabilities are contingent in nature and no values were allocated as liabilities in this financial report (30 June 2019: Nil).

20. COMMITMENTS

(a) Capital commitments

There were no capital commitments, not provided for in the financial statements as at 30 June 2020.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

(b) Lease commitments: non-cancellable operating lease

Amago Trading Tanzania Limited entered into a lease agreement for the use of office space at its corporate office expiry date of 30th November 2020.

	Consolidated	
	2020	2019
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	899	33,750
One year to five years	-	-
Total	899	33,750

21. STATEMENTS OF CASH FLOWS

	2020	2019
	\$	\$
(a) Reconciliation of loss after income tax to net cash outflow from operating activities		
Profit / (loss) after income tax	(3,983,939)	(32,856,510)
Add back non-cash items:		
Depreciation	73,135	62,846
Share based payments expense	638,037	70,207
Impairment	-	30,946,760
Net exchange differences	(16,828)	(2,448)
Change in assets and liabilities:		
(Increase) / Decrease in receivables	(74,538)	14,160
Increase / (Decrease) in operating payables	2,038,389	289,902
Net cash outflow from operating activities	(1,325,743)	(1,475,083)

(b) Non-Cash Financing and Investing Activities

Share based payments of \$Nil (2019: \$Nil) were classified and capitalised under exploration expenditure for incentive securities awarded to exploration staff. In addition, no share based payment expenses (2019 - \$135,750) were classified as share issue costs and recorded directly in equity.

During the year, the company has issued 699,047,035 shares at \$0.003 per share to Shining Mining Limited as approved by Shareholders at a reconvened General Meeting held on 8 April 2020 to settle a liability of \$2,097,141 (2019: Nil) to Simon Cong, the sole shareholder of Shining Mining Limited

During the year the company has not repaid any loan outstanding from the prior year (2019: \$675,054).

22. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

	2020	2019
	\$	\$
Short term remuneration	960,530	574,821
Post Employment Superannuation	51,879	18,897
Share based payments	594,667	66,778
	1,607,076	660,496

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

	Consolidated	
	2020	2019
	\$	\$
Accounting, and corporate service fees paid or payable to Mrs Miao Wang, a spouse of Technical Director Mr Grant Thomas .	56,940	-
Payment of introduction incentive to Mr. Yu Qiuming, non-executive director. The incentive was approved by Shareholders at the general meeting held 15 October 2019	37,500	-

(b) Parent entity

Amani Gold Limited is the ultimate parent entity.

23. PARENT ENTITY DISCLOSURES

Financial position

	Parent	
	2020	2019
	\$	\$
Assets		
Current assets	996,322	2,896,285
Non-current assets (note i)	23,557,952	15,099,366
Total assets	<u>24,554,274</u>	<u>17,995,651</u>
Liabilities		
Current liabilities	2,012,222	407,746
Non-current liabilities	2,100,000	-
Total liabilities	<u>4,112,222</u>	<u>407,746</u>
Net Assets	<u>20,442,052</u>	<u>17,587,905</u>
Equity		
Issued capital	76,642,246	72,101,504
Accumulated losses	(65,452,640)	(63,150,237)
Reserves		
Share based reserves	6,569,972	5,931,935
Option premium reserve	1,585,693	1,531,794
Foreign current translation reserve	1,096,781	1,172,909
Total equity	<u>20,442,052</u>	<u>17,587,905</u>

Financial performance

	Parent	
	2020	2019
	\$	\$
Loss for the year	2,353,269	29,136,550
Total comprehensive loss	<u>2,353,269</u>	<u>29,136,550</u>

- (i) The recoupment of the parent entity's investments and loans to its subsidiaries is dependent upon the successful development and commercial exploitation or sale of the underlying exploration assets.

Contingent liabilities of the parent entity

The parent entity's contingent liabilities are noted in Note 19.

For details on commitments, see Note 20.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

Commitments for the acquisition of property, plant and equipment by the parent entity

The parent entity has not made any commitments for the acquisition of property, plant and equipment.

Interest in Subsidiaries

	Place of Incorporation	Consolidated Entity Interest 2020 %	Consolidated Entity Interest 2019 %	Class of Shares
Parent Entity				
Amani Gold Limited	Australia			
Subsidiary				
Amani Consulting SARL ¹	DRC	85%	85%	Ord
- Giro Goldfields SARL	DRC	65%	65%	Ord
Burey Resources Pty Ltd	Australia	100%	100%	Ord
Amani Minerals (HK) Limited	Hong Kong	100%	100%	Ord
Congold SASU	DRC	100%	100%	Ord
Amago Resources Kenya Limited ²	Kenya	100%	-	Ord
Amago Trading Tanzania Limited	Tanzania	60%	-	Ord

1. Amani Consulting SARL is the parent entity of Giro Goldfields SARL with a 65% interest.
2. Amago Resources Kenya Limited was dissolved on 8 May 2020.

24. EVENTS OCCURRING AFTER THE REPORTING DATE

Since the end of the financial year and to the date of this report no matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years other than the matters referred to below.

- On 23 June 2020, the Company announced that it had completed a bookbuild for a two tranche placement to sophisticated and professional investors to raise up to \$2.55 million (“Placement”) to fund ongoing exploration activities at the Giro and Gada gold projects in the DRC and meet ongoing working capital requirements. Under the fundraising, the Company agreed to issue up to 2,550 million fully paid ordinary shares at an issue price of 0.1 cents per share (Placement Shares), raising up to \$2.55 million (before costs). Subject to receipt of Shareholder approval at a General Meeting scheduled to take place on Friday, 14 August 2020, each Placement Share will include 1.5 free attaching listed options (Options), with each having an exercise price of 0.15 cents and expiry date three years from date of issue. Tranche 1 of the Placement, which comprised 1,003,700,000 Shares, was issued under the Company’s existing placement capacity under ASX Listing Rule 7.1, and was completed on 2 July 2020. Tranche 2 of the Placement, for up to 1,548,800,000 shares, is subject to Shareholder approval at the General Meeting. Due to Covid-19 travel restrictions impacting on shareholders ability to physically attend and participate in the General Meeting that was scheduled for 14 August 2020 a motion put to a quorum of shareholders present to adjourn the meeting was carried. On 11 September Company advised shareholders that the adjourned General Meeting of Amani will be reconvened and held on a fully virtual basis on Thursday 15 October 2020 commencing at 11.00am (Adelaide time, ACST).
- On 17 August 2020, Mr Grant Thomas resigned as Technical Director of the Company effective immediately. Mr Thomas has agreed to provide assistance for a three-month period to the Company to ensure a smooth transition to new management.
- On 27 August 2020, Mr Chan Sik Lap resigned as Managing Director of the Company effective immediately. Mr Chan has agreed to provide assistance for a three-month period to the Company to ensure a smooth transition to new management. Mr Klaus Eckhof will assume the role of Executive Chairman in an interim capacity while a new Managing Director is sought.
- On 27 August 2020, Mr Maohuai Cong was appointed to the Board as a Non-Executive Director. Mr Cong is currently General Director of Amani Consulting and Director of Shining Mining Limited, which is the Company’s largest shareholder.

Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

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Amani Gold Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2020

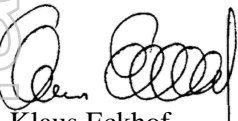
In the opinion of the Directors:

- a) The financial statements and the notes and the additional disclosures included in the directors' report designated as audited of the consolidated entity are in accordance with the Corporations Act 2001, including:
- (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
 - (ii) Complying with Accounting Standards (including Australian Accounting Standards) and *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- c) The financial statements and notes thereto include an explicit and unreserved statement of compliance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2020.

Signed in accordance with a resolution of the Directors made pursuant to s 295(5) of the Corporations Act 2001.

On behalf of the Board



Klaus Eckhof
Chairman

Dated 30th day of September 2020

INDEPENDENT AUDITOR'S REPORT

To the members of Amani Gold Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Amani Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Exploration and Evaluation Expenditure

Key audit matter	How the matter was addressed in our audit
<p>At 30 June 2020 the Group held a significant carrying value of Exploration and Evaluation Assets as disclosed in Note 11.</p> <p>As the carrying value of the Exploration and Evaluation Asset represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources (AASB 6), the recoverability of exploration and evaluation expenditure requires significant judgment by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>As a result, this is considered a key audit matter.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group’s exploration budgets, ASX announcements and director’s minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 1, Note 1(a) and Note 11 to the financial report.

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Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 31 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Amani Gold Limited, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to be 'Neil Smith', written over a small, faint BDO logo.

Neil Smith

Director

Perth, 30 September 2020

Amani Gold Limited
Annual Report 2020
Additional Shareholder Information

The shareholder information set out below was applicable as at 24 September 2020.

Corporate Governance Statement

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Amani Gold Limited support and adhere to the principles of corporate governance. Please refer to the Company's website for details of the Corporate Governance Statement effective for the year ended 30 June 2020: <https://www.amanigold.com/corporate/corporate-governance/>

Substantial shareholders

An extract of the Company's register of substantial shareholders is set out below (24 September 2020).

Shareholders	Number of Shares
SHINING MINING COMPANY LIMITED	833,880,368
MCNEIL NOMINEES PTY LIMITED	748,125,130
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	654,342,211
LUCK WINNER INVESTMENT LIMITED	600,000,000
MAX ASSET HOLDINGS PTY LTD	500,000,000

Distribution of equity security holders

Spread of Holding	Number of Holders	Number of Units
1 - 1,000	64	9,050
1,001 - 5,000	85	274,364
5,001 - 10,000	145	1,216,767
10,001 - 100,000	791	35,842,349
100,001 - 999,999,999,999	1,721	7,800,854,217
TOTAL	2,806	7,838,196,747

The number of shareholdings comprising less than a marketable parcel was 2,806.

Twenty Largest Shareholders	Number of Shares	% Held
SHINING MINING COMPANY LIMITED	833,880,368	10.64
MCNEIL NOMINEES PTY LIMITED	748,125,130	9.54
GROUP # 57277	654,342,211	8.35
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	654,342,211	8.35
LUCK WINNER (# 982499)	600,000,000	7.65
LUCK WINNER INVESTMENT LIMITED	600,000,000	7.65
MAX ASSET HOLDINGS PTY LTD	500,000,000	6.38
GROUP # 56006	424,901,461	5.42
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	25,000	0
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,491,854	0.06
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	127,193,539	1.62
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	293,191,068	3.74
HON HAK KA	250,000,000	3.19
OKAPI RESOURCES LIMITED	150,000,000	1.91
NOTRE DAME INVESTMENT LIMITED	136,000,000	1.74
GROUP # 59015	112,408,645	1.43
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	67,570	0
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	47,441,910	0.61
BNP PARIBAS NOMS PTY LTD <DRP>	64,899,165	0.83
MR MAOSEN ZHONG	97,281,455	1.24
MR MAOSEN ZHONG	95,129,803	1.21
S3 CONSORTIUM HOLDINGS PTY LTD <NEXTINVESTORS DOT COM A/C>	88,888,888	1.13

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MS CHUNYAN NIU	88,684,210	1.13
MR JEAN MARC ALLEGRET	80,000,000	1.02
PERSEUS MINING LIMITED	57,530,199	0.73
YARANDI INVESTMENTS PTY LTD <GRIFFITH FAMILY NO 2 A/C>	51,066,774	0.65
MAX ASSET HOLDINGS PTY LTD	49,990,846	0.64
SEVENTY THREE PTY LTD <KING SUPER NO 3 A/C>	49,000,000	0.63
TIME STRONG LIMITED	45,367,334	0.58
TOTAL	5,112,597,324	65.23

Voting Rights

The voting rights attaching to ordinary shares are governed by the Constitution. On a show of hands every person present who is a member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options has any voting rights.

On-market buy-back

There is no current on-market buy-back.

Unquoted equity securities

Class	Number
Unlisted Options – exercisable at \$0.0075 to \$0.125 each on or before 22 May 2022	120,000,000
Unlisted Options – exercisable at \$0.03 to \$0.05 each on or before 31 December 2020	22,500,000
Unlisted Options – exercisable at \$0.0075 to \$0.0125 each on or before 15 January 2023	36,000,000

Note 1: Holders of more than 20% of this class of options:
Hartleys Limited – 142,500,000

Mineral Interests

<i>Location</i>	<i>Concession name and type</i>	<i>Registered Holder</i>	<i>Amani's current equity interest</i>	<i>Maximum equity interest capable of being earned</i>	<i>Notes</i>
DRC	Giro Exploitation Permits PEs 5046 & 5049	Giro Goldfields SARL	55.25%	55.25%	1

DRC - Democratic Republic of Congo

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Notes:

1. In September 2014 Amani Gold completed the acquisition of 85% of the share capital in Amani Consulting sarl (“Amani Consulting”), which entity owns 65% of the capital in Giro Goldfields sarl (“Giro sarl”), a DRC registered company and the registered holder of the two exploitation permits comprising the Giro Project. Amani Gold is responsible for sole funding exploration on the Giro Project. Societe Miniere De Kilo Moto SA (“Sokimo”), a limited liability company wholly owned by the DRC Government holds the other 35% interest in Giro sarl.

Under existing contractual terms with Sokimo a feasibility study was required to be completed by 31st December 2018 at the Giro Gold Project. Based on the amendment to the shareholder agreement, concluded in December 2017, with Sokimo, an agreement was reached between the parties that the deadline for completion of the feasibility study would be extended up to 31st December 2018, a further 12-month extension could be requested if Amani shows that the work to complete the feasibility study is progressing positively.

Amani has requested a quote from Beijing General Institute of Mining and Metallurgy (BGRIMM) to update the Giro Feasibility Study by end 2020 given that the Giro global resource estimates have substantially increased since the initial Feasibility Study which was based on Kebabada resource estimate of 75Mt @ 1.18g/t Au, for 2.9Moz gold (0.6g/t Au cut-off grade, see ASX Announcement 27 August 2017). New combined Indicated and Inferred Mineral Resource Estimate for Kebabada and Douze Match deposits is 132Mt @ 1.04g/t Au, for 4.4Moz contained gold (0.5g/t Au cut-off grade, see ASX Announcement 19 March 2020).

At the date of this report, feasibility study discussion have not formally concluded with Sokimo and no decision to mine has been made. The company is also under negotiation with Sokimo to extend the date for submission of the final feasibility study.