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Amani Gold Limited

and its controlled entities

(ABN 14 113 517 203)

**Half Year Report
31 December 2020**

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DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity, comprising Amani Gold Limited (the "Company") and its controlled entities (collectively "Amani" or the "Group") for the half year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the half year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Klaus Eckhof	Executive Chairman and Managing Director (appointed Managing Director 25 February 2021)
Chan Sik Lap	Managing Director (resigned 27 August 2020)
Grant Thomas	Technical Director (resigned 18 August 2020)
Tsang King Sun	Non-Executive Director
Antony Truelove	Non-Executive Director
Maohuai Cong	Non-Executive Director (appointed 27 August 2020)
Qiuming Yu	Executive Director (removed 15 October 2020)

Results

The consolidated loss for the half year after tax was \$2,723,583 (2019: \$2,316,130).

Review of Operations

Giro Gold Project, Democratic Republic of Congo (55.25%)

The Giro Gold Project comprises two exploration permits covering a surface area of 497km² 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 35km 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.

Giro Gold Project global resource for Kibigada and Douze Match deposits 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, Figures 1 and 2, Table 2 and refer ASX Announcement 19 March 2020).

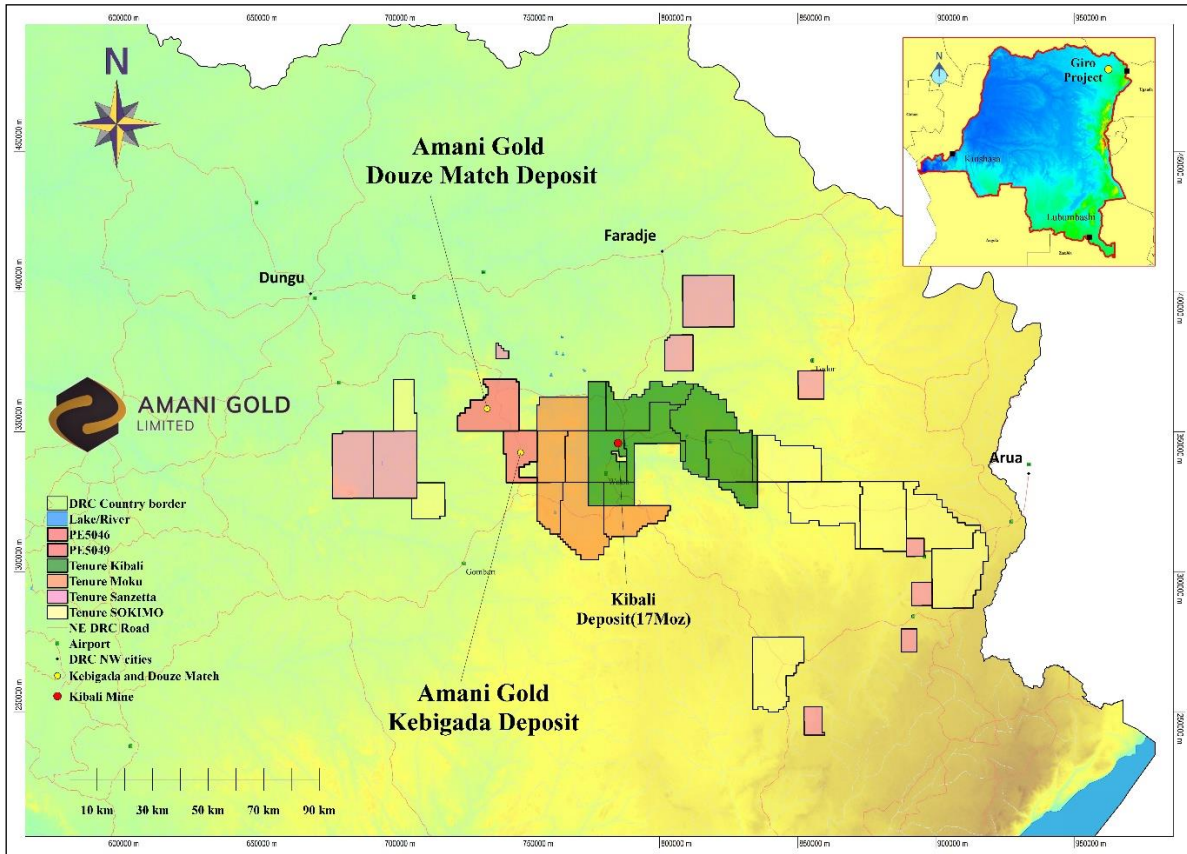


Figure 1 - Map of Haute Uele Province of the Democratic Republic of Congo, showing the location of the Kebigada and Douze Match gold deposits and tenement, Giro Gold Project

The Kebigada resource followed diamond core drilling results 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 and the current Kebigada MRE indicate the potential for the Kebigada deposit to substantially grow via targeted deeper drilling along the entire strike of the orebody (refer ASX Announcement 19 March 2020).

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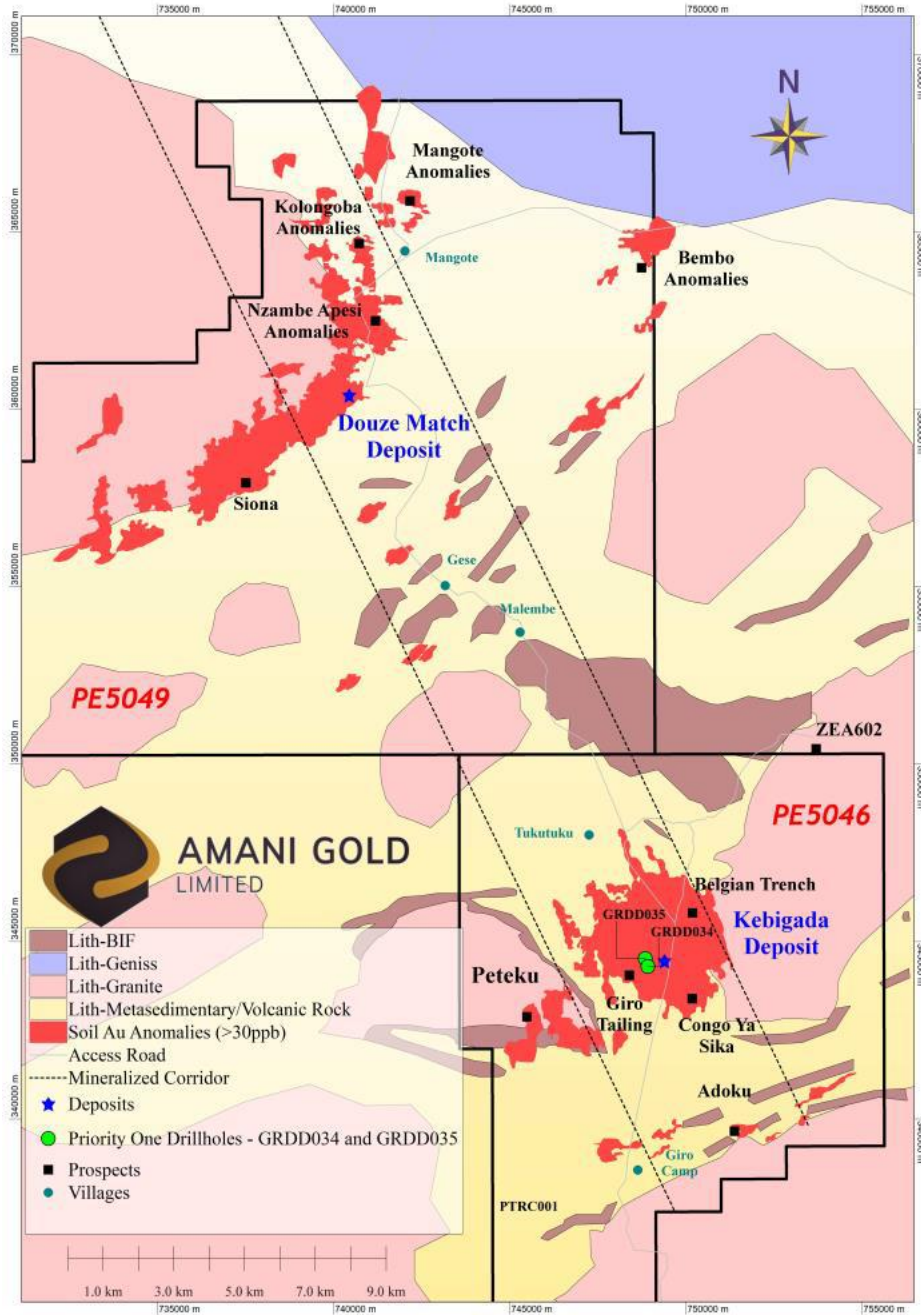


Figure 2 - Map of Giro Gold Project, showing Kebigada and Douze Match deposits, tenement, surface geology, prospect locations and diamond core drillholes GRDD034 and GRDD035 (Green)

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)

Table 2. 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)

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)

During the period Amani continued to advance the Giro Gold Project by commissioning the Beijing General Research Institute of Mining and Metallurgy ("BGRIMM") to complete an update of the Kebigada deposit DRC Feasibility Study (refer ASX Announcement 23 December 2020). The Feasibility Study will comply with, and in many aspects exceed current DRC regulations. The Study is expected to be completed by the end of Q1 2021.

The updated DRC FS will incorporate the current Kebigada mineral resource estimate (MRE) of 4.1Moz Au (0.5g/t Au cut-off grade, Figures 1 and 2, Table 1 and refer ASX Announcement 19 March 2020), which is substantially larger than the Kebigada maiden mineral resource estimate of 2.1Moz Au (0.9g/t Au cut-off grade, Figures 1 and 2, Table 3, see ASX Announcement 27 August 2017) which was utilized in previous studies.

Giro Gold Project - Planned Exploration Activities

A multi-purpose diamond core drill rig has been mobilized to Giro camp, has been serviced and is ready for use. Amani plans to complete 200m spaced drilling north and south of drillholes GRDD034 and GRDD035 (refer ASX Announcement 16 December 2019). The planned drilling campaign will involve 4 core holes, each nominally 500m in length for a total of 2,000m and is expected to commence in early 2021. 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).

Amago Trading Limited (60%)**Gold Dealers License in Tanzania**

On 28 November 2019, Amani announced the securing of Gold Dealer Licences in Tanzania via a 60% equity interest in Amago Trading Limited (“Amago”). 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 is a Joint Venture between Amani (via its wholly owned subsidiary) and a consortium of local mining industry professionals headed by Mr Bamwesiga Mwijage (40% Consortium). Amago opened an office in the Hub as a requirement of being granted a Dealer Licence. The in-country members of the Amago joint venture were instrumental in gaining the Gold Trading Licence and will be responsible for sourcing gold in the Geita region. Gold secured by Amago in Geita will be shipped to Hong Kong for refining and sales.

The Gold Dealer Licence permits Amago to buy, sell or deal in gold which is expected to produce a revenue stream for Amani.

Amago has not completed any shipments of gold during the reporting period, due mainly to Covid-19 implications.

Corporate**Completion of Placement**

On 23 June 2019, Amani announced a two Tranche placement of 2,550,000,000 shares at \$0.001 per share to raise \$2.5m (refer ASX announcement 23 June 2020), each Placement Share included a 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 was completed on 2 July 2020, and Tranche 2 was completed on 2 November 2020 after shareholder approval at a Company General Meeting held on 15 October 2020. Funds raised will be used by the Company to advance the Giro Gold Project in the DRC.

Neo Gold Limited Placement

On 29 January 2020, Amani 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).

Completion of the Placement was duly approved at a General Meeting of shareholders held on 26 March 2020 (see ASX Announcement 26 March 2020).

Neo Gold did not complete the Placement and failed to pay the \$3.0M, in breach of its contractual obligations. The Company is considering its position including the possibility of legal action against Neo Gold.

Appointment of Mr Maohuai Cong as Director

On 27 August 2020, Mr. Maohuai Cong was appointed as a Director of Amani Gold Limited.

Resignation of Mr Chan Sik Lap as Managing Director

On 27 August 2020, Mr. Chan Sik Lap resigned as Managing Director of Amani Gold Limited.

Resignation of Mr Grant Thomas as Technical Director

On 18 August 2020, Mr. Grant Thomas resigned as Technical Director of Amani Gold Limited.

Removal of Mr Qiuming Yu as Director

At a Company General Meeting on 15 October 2020, Mr. Qiuming Yu, a representative of Luck Winner, was removed as Executive Director of Amani Gold Limited.

Change of Registered Office Address

On 25 September 2020, Amani announced the change of its registered office and principal place of business to:

Suite 3
55 Gawler Place
Adelaide SA 5000

Subsequent Events**Listed Options**

On 23 June 2020, Amani announced a two Tranche placement of 2,550,000,000 shares at \$0.001 per share to raise \$2.5m (refer ASX announcement 23 June 2020), each Placement Share included a 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 was completed on 2 July 2020, and Tranche 2 was completed on 2 November 2020 after shareholder approval at a Company General Meeting held on 15 October 2020. On 15 January 2021 the listed options were issued (refer ASX announcement 18 January 2021).

Completion of Placement

On 8 February 2021, Amani announced a two Tranche placement of 3,000,000,000 shares at \$0.001 per share to raise \$3.0m (refer ASX announcement 8 February 2021), each Placement Share included a 1.0 free attaching listed options, with each having an exercise price of 0.15 cents and expiry date 15 January 2024. Tranche 1 was completed on 18 February 2021.

Completion of Tranche 2 Placement Shares and listed Options will be subject to shareholder approval at a general meeting of shareholders to be held on or around 25 March 2021.

Subject to receipt of shareholder approval, funds raised will be used by the Company to advance the Giro Gold Project in the DRC including diamond core and auger drilling programs, completion of a DRC Feasibility Study for Kebigada deposit, regional exploration, field costs, geophysics, mining studies, evaluation of potential acquisitions and for general working capital purposes.

Board Reorganisation

On 25 February 2021, Mr. Klaus Eckhof, was appointed Executive Chairman and Managing Director of Amani Gold Limited. Mr Eckhof will be paid a salary of \$20,000 per month and receive 1 billion performance rights, which will have a term of 3 years and are subject to approval by shareholders at a General Meeting to be convened.

Feasibility Studies

Amani Gold Limited has continued to explore the Giro project for gold mineralisation during the period, including commissioning Beijing General Research Institute Mining and Metallurgy (BGRIMM) to complete a DRC standard or better Feasibility Study of the Kebigada deposit. The Feasibility Study is planned for completion by Quarter 1 2021. The Feasibility Study is also anticipated to be much improved over a Feasibility Study completed in 2017 due to the substantial increases in resources at Kebigada and Douze Match (i.e. flexibility of mining operations, shallow and high grade resources at Douze Match, length of mining operations

and current gold price). The DRC Feasibility Study will incorporate the current Kebigada mineral resource estimate (MRE) of 4.1Moz Au (0.5g/t Au cut-off grade, refer ASX Announcement 19 March 2020), which is substantially larger than the Kebigada maiden mineral resource estimate of 2.1Moz Au (0.9g/t Au cut-off grade, see ASX Announcement 27 August 2017) which was utilized in previous studies.

Changes in Affairs

Gada Gold Project

On 23 December 2020, Amani announced that after further detailed Due Diligence, including technical and legal aspects, along with recent field inspections of tenement areas by field geologists, the Company has decided not to pursue the Gada project (see ASX Announcement 23 December 2020). In the short-term funds and resources will be allocated to Giro Project such as the DRC Feasibility Study and Kebigada drill testing. Medium term, Amani will seek to acquire additional gold projects that closely complement Giro.

Amago Trading

Amago Trading Limited has not purchased or completed any shipments of gold during the reporting period, due mainly to Covid-19 implications.

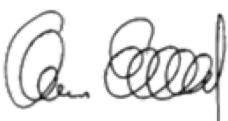
Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires the auditor, BDO Audit (SA) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on the following page.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306 (3) of the Corporations Act 2001, and on behalf of the Board by:

Klaus Eckhof
Managing Director

Dated: 15 March 2021



Competent Person's Statement

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.

Forward Looking Statements

Statements regarding the Company's plans with respect to its mineral properties are forward-looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.

DECLARATION OF INDEPENDENCE BY ANDREW TICKLE TO THE DIRECTORS OF AMANI GOLD LIMITED

As lead auditor for the review of Amani Gold Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Andrew Tickle
Director

BDO Audit (SA) Pty Ltd

Adelaide, 15 March 2021

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Notes	Consolidated	
		31 December 2020 \$	31 December 2019 \$
Revenue from continuing operations	2	67,774	410,213
Consultants and corporate costs		(259,156)	(1,475,744)
Employee benefits expense		(768,101)	(570,412)
Depreciation expense		(28,772)	(31,620)
Occupancy expenses		(54,083)	(124,261)
Travel expenses		(1,030)	(237,876)
Share based payments expense	3	(352,908)	(267,356)
Foreign exchange (loss)/gain	3	(24,856)	(19,075)
Other		(4,486)	-
Impairment of exploration and evaluation assets	3, 4	(1,297,965)	-
(Loss) / Profit before related income tax expense		(2,723,583)	(2,316,130)
Income tax (expense) / benefit		-	-
(Loss) / profit for the period		(2,723,583)	(2,316,130)
Net (loss) / profit attributable to:			
Owners of Amani Gold Limited		(2,687,256)	(2,200,254)
Non-controlling interest		(36,327)	(115,876)
		(2,723,583)	(2,316,130)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(1,900,454)	35,546
Total comprehensive income for the half year		(4,624,037)	(2,280,585)
Total comprehensive income is attributable to:			
Owners of Amani Gold Limited		(3,565,132)	(2,121,889)
Non-controlling interest		(1,058,905)	(158,696)
		(4,624,037)	(2,280,585)
(Loss) / earning per share for the half year attributable to members of Amani Gold Limited			
Basic and diluted (loss) per share (cents)		(0.03)	(0.05)

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Notes	Consolidated	
		31 December 2020 \$	30 June 2020 \$
Assets			
Current Assets			
Cash and cash equivalents		534,488	1,129,978
Other receivables		380,010	417,785
Total Current Assets		914,498	1,547,763
Non-Current Assets			
Property, plant and equipment		107,160	148,217
Exploration and evaluation expenditure	4	20,774,687	23,451,883
Total Non-Current Assets		20,881,847	23,600,100
Total Assets		21,796,345	25,147,863
Current Liabilities			
Trade and other payables		1,188,342	1,692,476
Funds received in advance		-	985,884
Total Current Liabilities		1,188,342	2,678,360
Non-Current Liabilities			
Interest-bearing convertible notes		2,100,000	2,100,000
Total Non-Current Liabilities		2,100,000	2,100,000
Total Liabilities		3,288,342	4,778,360
Net Assets		18,508,003	20,369,503
Equity			
Contributed equity	5	77,553,441	76,642,247
Reserves		13,309,962	12,336,495
Accumulated losses		(57,347,103)	(54,659,846)
Capital and reserves attributed to the owners of Amani Gold Limited		33,516,300	34,318,896
Non-controlling interest		(15,008,297)	(13,949,393)
Total Equity		18,508,003	20,369,503

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

2019

	Contributed Equity	Accumulated Losses	Share Based Reserve	Option Premium Reserve	Foreign Currency Translation Reserve	Non- controlling interests	Total Equity
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	72,101,504	(50,858,328)	5,931,935	1,531,794	3,465,788	(13,710,272)	18,462,421
Total comprehensive income for the half year							
Loss for the half year	-	(2,200,254)	-	-	-	(115,876)	(2,316,130)
<i>Other comprehensive income</i>							
Exchange differences on translation of foreign operations	-	-	-	-	78,365	(42,820)	35,545
Total comprehensive income for the half year	-	(2,200,254)	-	-	78,365	(158,696)	(2,280,585)
Transactions with equity holders in their capacity as equity holders					-		
Share and listed option issues	2,500,000	-	-	53,899	-	-	2,553,899
Share issue costs	(256,399)	-	-	-	-	-	(256,399)
Convertible note issues (net of costs)	-	-	-	-	-	-	-
Share based payments expense – performance rights	-	-	267,356	-	-	-	267,356
Balance at 31 December 2019	74,345,105	(53,058,582)	6,199,291	1,585,693	3,544,153	(13,868,968)	18,746,692

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

2020

	Contributed Equity	Accumulated Losses	Share Based Reserve	Option Premium Reserve	Foreign Currency Translation Reserve	Non controlling interests	Total Equity
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	76,642,247	(54,659,847)	6,569,972	1,585,693	4,180,830	(13,949,392)	20,369,503
Total comprehensive income for the half year							
Loss for the half year	-	(2,687,256)	-	-	-	(36,327)	(2,723,583)
<i>Other comprehensive income</i>							
Exchange differences on translation of foreign operations	-	-	-	-	(877,876)	(1,022,578)	(1,900,454)
Total comprehensive income for the half year	-	(2,687,256)	-	-	(877,876)	(1,058,905)	(4,624,037)
Transactions with equity holders in their capacity as equity holders							
Share and listed option issues	2,552,500	-	-	1,498,435	-	-	4,050,935
Share issue costs	(1,641,306)	-	-	-	-	-	(1,641,306)
Share based payments expense	-	-	-	-	-	-	-
Share based payments expense – performance rights	-	-	352,908	-	-	-	352,908
Balance at 31 December 2020	77,553,441	(57,347,103)	6,922,880	3,084,128	3,302,954	(15,008,297)	18,508,003

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Note	Consolidated	
		31 December 2020 \$	31 December 2019 \$
Cash flows from operating activities			
Receipts from customers		-	389,671
Payments to suppliers and employees		(1,352,216)	(2,432,082)
Interest received		100	771
Other revenue		67,674	-
Net cash used in operating activities		(1,284,442)	(2,041,640)
Cash flows from investing activities			
Payment for plant and equipment		-	42,593
Payments for exploration expenditure		(720,710)	(3,265,737)
Net cash used in investing activities		(720,710)	(3,223,144)
Cash flows from financing activities			
Proceeds from securities issued		1,566,616	2,243,601
Payment for share issue costs		(142,870)	-
Proceeds from borrowings		-	-
Net cash provided by financing activities		1,423,746	2,243,601
Net increase/(decrease) in cash held		(581,406)	(3,021,183)
Cash and cash equivalents at 1 July		1,129,978	3,521,896
Effect of exchange rate fluctuations on the balances of cash held in foreign currencies		(14,084)	(986)
Cash and cash equivalents at the end of the period		534,488	499,727

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose interim financial statements for half-year reporting period ended 31 December 2020 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Amani Gold Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2020, together with any public announcements made during the following half-year.

Significant accounting judgments and key estimates

The preparation of the interim financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2020.

(a) Accounting Policies

The accounting policies are consistent with those applied in the previous financial year and those of the corresponding interim reporting period, other than as detailed below;

(b) Adoption of new and revised accounting standards

The AASB has issued a number of standards and amendments to standards that are mandatory for the first time in the reporting period commenced 1 July 2020. The consolidated entity has assessed and determined that there are no new or amended standards applicable for the first time for the December 2020 half-year report that materially affect the Group's accounting policies or any of the amounts recognised in the financial statements.

Going Concern Basis

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

For the half year ended 31 December 2020 the Group recorded a loss of \$2,723,583 had net cash outflows from operating activities of \$1,284,442 and is in a net asset position of \$18,508,003 at period end. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

The ability of the entity to continue as a going concern is dependent on securing through capital raising activities in the near future to continue its operational activities.

The Directors are satisfied they will be able to raise additional working capital as required and thus it is appropriate to prepare the financial statements on a going concern basis.

Should the entity 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 entity not continue as a going concern.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

NOTE 2 REVENUE

	<u>2020</u>	<u>2019</u>
Revenue from continuing operations	67,774	410,213

NOTE 3: EXPENSES

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Profit / Loss for the period includes the following specific expenses:		
Foreign exchange loss/(gain)	24,856	19,075
Share based payment expense (a)	352,908	267,356
Write off of exploration and evaluation assets (b)	1,297,965	-

- (a) The consolidated entity has recognized an expense of \$352,908 (2019: \$267,356) in relation to the calculated fair value of performance rights (over ordinary shares) in the Company vesting in the period (refer Note 5).
- (b) The consolidated entity has written off an exploration and evaluation asset of \$1,297,965 relating the capitalized expenditure of Gada project. On 23 December 2020, Amani announced that after further detailed Due Diligence, including technical and legal aspects, along with recent field inspections of tenement areas by field geologists, the Company has decided not to pursue the Gada project.

NOTE 4: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2020	30 June 2020
	\$	\$
<i>Exploration and evaluation phase – at cost</i>		
Balance at beginning of the period	23,451,883	15,248,690
Expenditure incurred during the period (a)	707,845	7,613,992
Impairment (b)	(1,297,965)	-
Foreign currency translation differences	(2,087,076)	589,201
Total exploration and evaluation expenditure	<u>20,774,687</u>	<u>23,451,883</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 4: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE (continued)

- (a) During the period, Amani Group completed re-logging of Kebabada and Douze Match core to ensure consistency for ongoing resource estimates, pXRF measurements of core and RC chips. The Beijing General Research Institute of Mining and Metallurgy (BGRIMM) was commissioned to complete an update of the Kebabada deposit DRC Feasibility Study. The DRC Feasibility Study is expected to be completed by end of quarter 1 of 2021.

The updated DRC FS will incorporate the current Kebabada Mineral Resource Estimate of 4.1Moz Au (0.5g/t Au cut-off grade), which is substantially larger than the Kebabada maiden resource estimate of 2.1Moz Au (0.9g/t Au cut-off grade) which was utilized in previous studies. Activities also included data preparation for the DRC Feasibility Study. These activities (including field and Giro camp), at a cost of approximately \$707,845 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.

- (b) The consolidated entity has written off an exploration and evaluation asset of \$1,297,965 relating the capitalized expenditure of Gada project. On 23 December 2020, Amani announced that after further detailed Due Diligence, including technical and legal aspects, along with recent field inspections of tenement areas by field geologists, the Company has decided not to pursue the Gada project.

NOTE 5: CONTRIBUTED EQUITY

	31 December 2020 \$	30 June 2020 \$
(a) <i>Ordinary shares</i>		
Issued and fully paid		
9,386,996,747 (30 June 2020: 6,834,496,747)	77,553,441	76,642,247
<i>Movements in ordinary shares on issue for the period</i>		
	No.	\$
Balance at beginning of current period (1 July 2020)	6,834,496,747	76,642,247
Placement issue of shares at \$0.001 each in July 2020 ¹	1,003,700,000	1,003,700
Placement issue of shares at \$0.001 each in Nov 2020 ¹	1,548,800,000	1,548,800
Share issue expenses	-	(1,641,306)
Balance at end of current period (31 December 2020)	9,386,996,747	77,553,441

¹The placement includes 1.5 free attaching listed options per share as outlined in Note 5(b)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 5 CONTRIBUTED EQUITY (continued)

(b) Listed Share Options

2020 – Shareholders were entitled to 3,828,750,000 listed options as part of the placements outlined in Note 5(a), being 1.5 listed options per share purchased. In addition, a corporate advisor was entitled to 1,500,000,000 Listed Options as part of their cost of the placements. All these Listed Options were subsequently issued on 15 January 2021. Listed Options to subscribe for ordinary shares in the Company are summarised as follows:

Exercise Period	Note	Exercise Price	Opening Balance	Issued	Exercised/ Cancelled/ Expired	Closing Balance
			1 July 2020	2020	2020	31 December 2020
			Number	Number	Number	Number
15 Jan 2021 – 15 Jan 2024	(i)	\$0.0015	-	1,500,000,000	-	1,500,000,000
15 Jan 2021 – 15 Jan 2024		\$0.0015	-	3,813,747,997	-	3,813,747,997
			-	5,313,747,997	-	5,313,749,997

- (i) 1.5 billion listed options were issued to a corporate advisor as part of the cost for a placement. With each option having an exercise price of \$0.0015 and expiry date three years from date of issue. The fair value of the Listed Options estimated was \$1,498,435. None of the Listed Options vested during the reporting period. An amount of \$1,498,435 was recognized as share issue costs within contributed equity in the current period.

The fair value per Listed Options and the following inputs were used in the valuation model:

Listed Options	
Grant Date	15-Oct-2020 ¹
Expiry Date	15-Jan-2024
Underlying security price at issue (\$)	\$0.0010
Exercise Price	\$0.0015
Expected Volatility	385%
Risk-free rate	0.25%
Life of Options	3 years
Fair Value per Listed Options (\$)	\$0.0010

¹For accounting purposes the grant date is considered the date of the general meeting where the issue of options was approved. The options were actually issued on 15 January 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 5 CONTRIBUTED EQUITY (continued)

(c) Unlisted Share Options

2020 – Unlisted Options to subscribe for ordinary shares in the Company have been granted as follows:

Exercise Period	Note	Exercise Price	Opening Balance	Issued	Exercised/ Cancelled/ Expired	Closing Balance
			1 July 2020	2020	2020	31 December 2020
			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	-
27 May 2019 - 27 May 2022	(ii)	\$0.0075	40,000,000	-	-	40,000,000
27 May 2019 – 27 May 2022	(ii)	\$0.01	40,000,000	-	-	40,000,000
27 May 2019 – 27 May 2022	(ii)	\$0.0125	40,000,000	-	-	40,000,000
15 Oct 2019 – 15 Oct 2022	(iii)	\$0.0075	12,000,000	-	-	12,000,000
15 Oct 2019 – 15 Oct 2022	(iii)	\$0.01	12,000,000	-	-	12,000,000
15 Oct 2019 – 15 Oct 2022	(iii)	\$0.0125	12,000,000	-	-	12,000,000
			178,500,000	-	22,500,000	156,000,000

- (i) 22.5 million options were issued to a corporate advisor for equity market and strategic advice in market positioning and corporate strategy and expired in December 2020.
- (ii) 120 million options were issued to a corporate advisor for equity market and strategic advice in market positioning and corporate strategy.
- (iii) 36 million options were granted to a corporate advisor for equity market and strategic advice in market positioning and corporate strategy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 5 CONTRIBUTED EQUITY (continued)

(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 2020 <i>Number</i>	Issued 2020 <i>Number</i>	Exercised/ Cancelled 2020 <i>Number</i>	Closing Balance 31 December 2020 <i>Number</i>
31 December 2020	(i)	60,000,000	-	60,000,000	-
31 December 2021	(ii)	30,000,000	-	-	30,000,000
27 May 2022	(iii)	687,000,000	-	-	687,000,000
31 December 2022	(iv)	349,999,998	-	-	349,999,998
		1,126,999,998	-	60,000,000	1,066,999,998

- (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 condition 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 and these performance rights expired in December 2020.
- (ii) 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.
- (iii) 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.
- (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.

NOTE 6: 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 6: SEGMENT INFORMATION (continued)

	Revenue from external sources	Reportable segment loss	Reportable segment assets	Reportable segment liabilities
	\$	\$	\$	\$
<i>For the period end 31 December 2020</i>				
Gold Trading				
Investment in Joint Venture	-	(48,747)	134,891	(482,258)
Mineral Exploration				
Exploration activity	67,774	(2,674,836)	21,661,455	(2,806,084)
Total	67,774	(2,723,583)	21,796,346	(3,288,342)
		For the period end 31 December 2019	For year ended 30 June 2020	
Gold Trading				
Investment in Joint Venture	371,626	(231,361)	154,658	(490,097)
Mineral Exploration				
Exploration activity	-	(2,084,769)	24,993,205	(4,288,263)
Total	371,626	(2,316,130)	25,147,863	(4,778,360)

NOTE 7: CONTINGENT ASSETS AND LIABILITIES

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.

In addition, under existing contractual terms of a shareholder agreement a feasibility study is required to be completed 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. The Company is expecting to submit the feasibility study before the end of Q2 2021 and such plan has been informed to SOKIMO. In the absence of a completed study, SOKIMO has the right to terminate the shareholders' agreement with Amani Consulting by issuing a termination notice with a six-month duration.

Amani has engaged Beijing General Institute of Mining and Metallurgy (BGRIMM) to update the Giro Feasibility Study given that the Giro global resource estimates have substantially increased since the initial Feasibility Study which was based on Kibigada 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 Kibigada 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 has 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 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).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020****NOTE 7 CONTINGENT ASSETS AND LIABILITIES (continued)**

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 has been further postponed due to the disruption of COVID-19. At the date of this report, Amani has not received further updates on the proceedings.

On 23 December 2020, Amani announced that after further detailed Due Diligence, including technical and legal aspects, along with recent field inspections of tenement areas by field geologists, the Company has decided not to pursue the Gada project.

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 2020: Nil).

NOTE 8: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. There were no significant changes in the nature of related party transactions since 30 June 2020. (Refer to Note 5 for options and performance rights issued to Directors)

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the half 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, Amani announced a two Tranche placement of 2,550,000,000 shares at \$0.001 per share to raise \$2.5m (refer ASX announcement 23 June 2020), each Placement Share included a 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 was completed on 2 July 2020, and Tranche 2 was completed on 2 November 2020 after shareholder approval at a Company General Meeting held on 15 October 2020. Funds raised will be used by the Company to advance the Giro Gold Project in the DRC. On 15 January 2021 the listed options were issued (refer ASX announcement 18 January 2021).
- On 8 February 2021, Amani announced a two Tranche placement of 3,000,000,000 shares at \$0.001 per share to raise \$3.0m (refer ASX announcement 8 February 2021), each Placement Share included a 1.0 free attaching listed options, with each having an exercise price of 0.15 cents and expiry date 15 January 2024. Tranche 1 was completed on 18 February 2021.
- Completion of Tranche 2 Placement Shares and listed Options will be subject to shareholder approval at a general meeting of shareholders to be held on or around 25 March 2021.
- Subject to receipt of shareholder approval, funds raised will be used by the Company to advance the Giro Gold Project in the DRC including diamond core and auger drilling programs, completion of a DRC Feasibility Study for Kebigada deposit, regional exploration, field costs, geophysics, mining studies, evaluation of potential acquisitions and for general working capital purposes.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020****NOTE 9 EVENTS SUBSEQUENT TO REPORTING DATE (continued)**

- On 25 February 2021, Mr. Klaus Eckhof, was appointed Executive Chairman and Managing Director of Amani Gold Limited. Mr Eckhof will be paid a salary of \$20,000 per month and receive 1 billion performance rights, which will have a term of 3 years and are subject to approval by shareholders at a General Meeting to be convened.
- Amani Gold Limited has continued to explore the Giro project for gold mineralisation during the period, including commissioning Beijing General Research Institute Mining and Metallurgy (BGRIMM) to complete a DRC standard or better Feasibility Study of the Kebabada deposit. The Feasibility Study is planned for completion by Quarter 1 2021. The Feasibility Study is also anticipated to be much improved over a Feasibility Study completed in 2017 due to the substantial increases in resources at Kebabada and Douze Match (i.e. flexibility of mining operations, shallow and high grade resources at Douze Match, length of mining operations and current gold price). The DRC Feasibility Study will incorporate the current Kebabada mineral resource estimate (MRE) of 4.1Moz Au (0.5g/t Au cut-off grade, refer ASX Announcement 19 March 2020), which is substantially larger than the Kebabada maiden mineral resource estimate of 2.1Moz Au (0.9g/t Au cut-off grade, see ASX Announcement 27 August 2017) which was utilized in previous studies.

NOTE 10: DIVIDENDS

No dividends have been declared during the period.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Amani Gold Limited we state that:

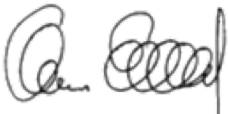
In the opinion of the directors:

- (a) the financial statements and notes 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 31 December 2020 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and other mandatory professional reporting requirements.
- (b) there are reasonable grounds to believe that Amani Gold Limited will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001, and on behalf of the Board by:

Klaus Eckhof
Managing Director

Dated: 15 March 2021



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AMANI GOLD LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Amani Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating 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 conclusion is not modified in respect of this matter.

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Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



BDO Audit (SA) Pty Ltd



Andrew Tickle
Director

Adelaide, 15 March 2021

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