



AMANI GOLD LIMITED

ASX ANNOUNCEMENT

30 October 2019

SEPTEMBER 2019 QUARTERLY ACTIVITIES REPORT

Amani Gold Limited (ASX: ANL) (“Amani” or “the Company”) is pleased to provide shareholders with the following Quarterly Report for the three-month period ended 30 September 2019.

Drilling Commenced at Kebigada Deposit, Giro Gold Project

Amani commenced diamond core drilling operations at the Kebigada gold deposit, Giro Gold Project during the September quarter (GRDD033, Figure 1 and Photograph 1). Drilling targeted deeper high-grade primary gold mineralisation within the central core of Kebigada deposit.

The planned drilling may involve 6 core holes, each nominally 500m in length for a total of approximately 3,000m. Phase 1 drilling operations comprises an initial 2 core holes each 500m in length (Priority One holes, Figure 2). If significant gold mineralisation is intersected in Priority One holes, Phase 2 drilling may comprise a further 4 core holes, each 500m in length (Priority Two holes, Figure 2).

The initial Phase One drilling program was completed post-quarter end. Core samples have been submitted to SGS Mwanza laboratory (Tanzania), assay results are currently pending.

Amani completes MoU over Gada Gold Project with Sokimo

Amani announced on 19 August 2019 that it had signed a new Memorandum of Understanding with project owner LA 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.

The original Memorandum and Understanding (“MoU”) with Bon Génie N. Mining Sarl (“BN Mining”), announced 21 May 2019, has been terminated as a result of due diligence enquiries and substituted with a new MoU with project owner SOKIMO.

Amani Gold Limited

ABN: 14 113 517 203

CORPORATE DETAILS

ASX Code: ANL

DIRECTORS

KLAUS ECKHOF
Chairman

SIK LAP CHAN
Managing Director
and CEO

GRANT THOMAS
Technical Director

YU QIUMING
Executive Director

ANTONY TRUELOVE
Non-Executive Director

CRAIG MCPHERSON
Company Secretary

CONTACT

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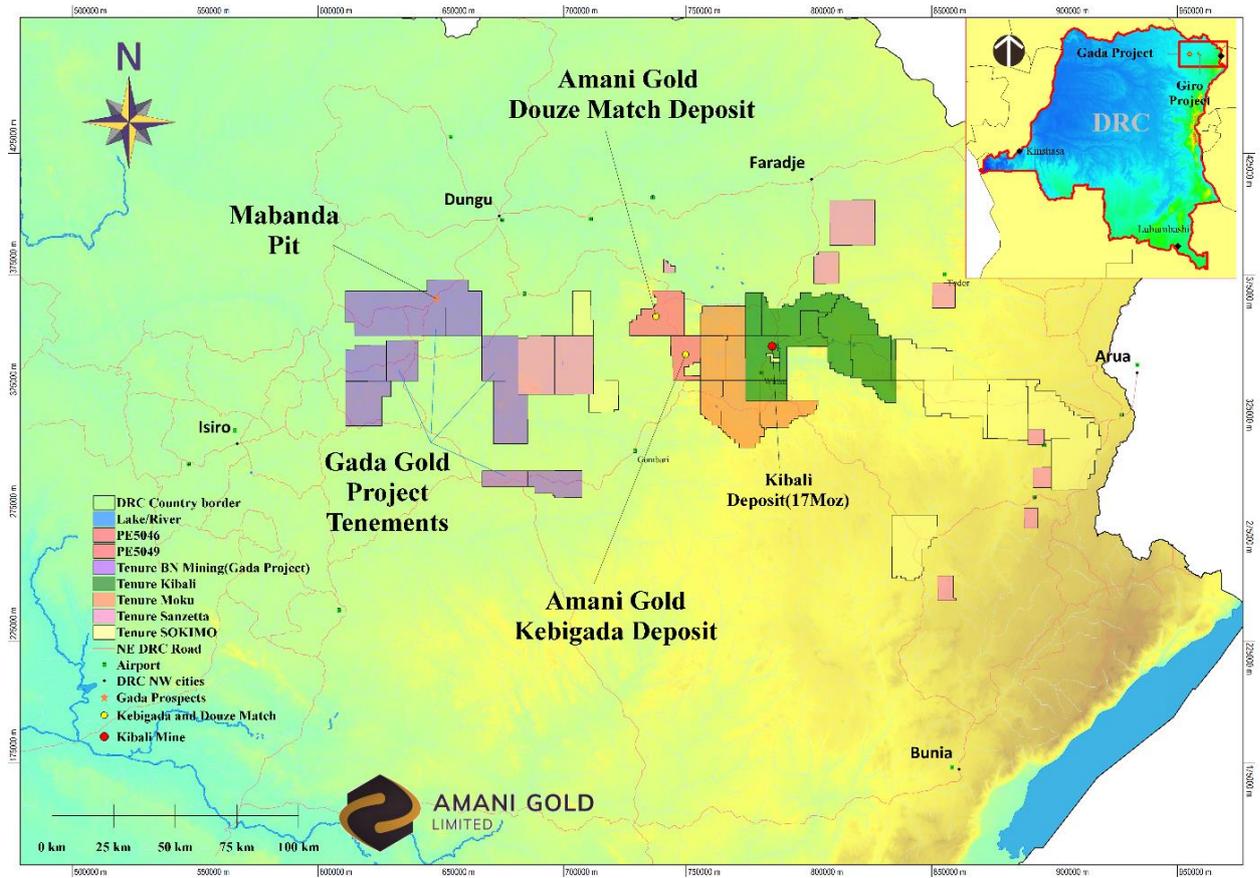


Figure 1. Map of Haute Uele Province of the Democratic Republic of Congo showing the location of the Gada and Giro Gold Projects

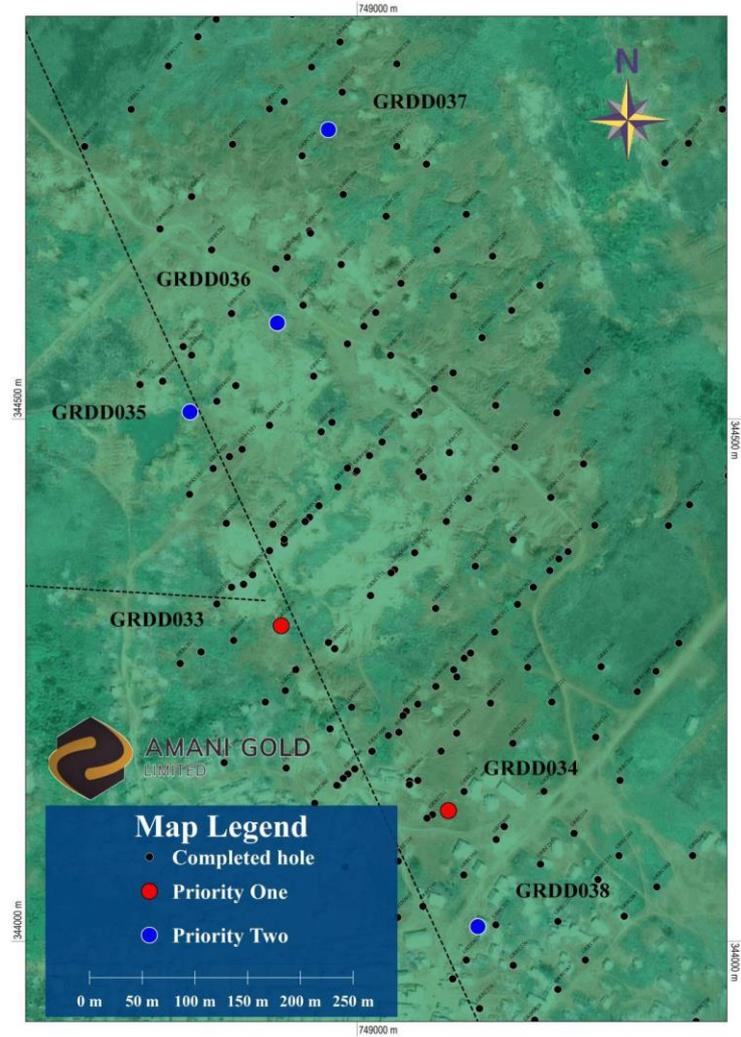


Figure 2. Map of central Kibigada gold deposit, showing the location of planned diamond core drillhole locations (Priority One holes in RED)



Photograph 1. Diamond core drill rig in operation at GRDD033



The board and management of Amani view the Gada Gold Project as offering a significant opportunity for value enhancement to the Company. Given the location, geology and scale of the 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.

The Gada Gold Project consists of six Exploration Permits namely 11796, 11797, 11798, 11800, 11816 and 11817, totalling of 1,831 square kilometres, located in the north east of the Democratic Republic of Congo within the Niangara, Dungu and Rungu Territories of the Haute Uele Province with Isiro as the Provincial Capital.

The Gada Project lies approximately 80km to the west of Amani's Giro Gold Project, 382km 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 3km 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.

\$2.5 Million Capital Raise

During the quarter, Amani announced that it had received commitments to raise up to \$2.5 million through the issue of up to 833 million fully paid ordinary shares (Placement Shares) at an issue price of \$0.003 per share (Placement).

Completion of the Placement and issue of the Placement Shares was subject to shareholder approval which was granted at a general meeting of shareholders on 15 October 2019.

Funds raised under the Placement will be used by the Company to advance the Giro Gold Project in the DRC (including diamond and augur scout drilling programs), regional exploration and field costs, geophysics and mining studies and for the potential Gada acquisition, plus for general working capital purposes.

The Company completed the placement of \$2.5m subsequent to the end of the quarter.



Corporate

Cash

The Company's cash balance as at 30 September 2019 was \$1.37m.

Gada Gold Project

Subsequent to quarter end, on 14 October 2019 the Company 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. The Company also advised that it understood that BN Mining had, or intended to, commence proceedings against the Company.

The Company 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 Company is seeking local legal advice and will continued to update the market as necessary.

For more information contact:

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Competent Person's Statement

Exploration Results

The information in this report that relates to exploration results 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 executive director and the 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.



Mineral Interests held at 30 September 2019 are as follows: -

<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 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. Société Minière De Kilo Moto SA ("Sokimo"), a limited liability company wholly owned by the DRC Government holds the other 35% interest in Giro sarl.

Changes in the Quarter to tenement interests / farm-in and joint venture agreements:

There were no changes during the quarter.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

AMANI GOLD LIMITED

ABN

14 113 517 203

Quarter ended ("current quarter")

30 SEPTEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,389)	(1,389)
(b) development	-	-
(c) production	-	-
(d) staff costs	(224)	(224)
(e) administration and corporate costs	(361)	(361)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	(74)	(74)
1.9 Net cash from / (used in) operating activities	(2,048)	(2,048)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(55)	(55)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Gada Costs)	(72)	(72)
2.6	Net cash from / (used in) investing activities	(127)	(127)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Placement proceeds pending shareholder approval and share issue)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,525	3,525
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,048)	(2,048)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(127)	(127)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	20	20
4.6	Cash and cash equivalents at end of period	1,370	1,370

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,370	3,525
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,370	3,525

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

220

-

Directors salaries, fees and superannuation.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (Convertible Note)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,000
9.2 Development	-
9.3 Production	-
9.4 Staff costs	250
9.5 Administration and corporate costs	350
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,600

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


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(Company secretary)

Date: 30 October 2019

Print name: Craig J McPherson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.