AMANI GOLD LIMITED

(ABN 14 113 517 203)

ANNUAL REPORT 2017

Directors	Qiumin Yu Klaus Eckhof Mark Calderwood Susmit Shah Sheng Fu Sik Lap Chan	
Company Secretary	Susmit Shah	
Registered and Administrative Office	Level 2, Suite 9 389 Oxford Street Mt Hawthorn Western Australia 6016 PO Box 281 Mt Hawthorn Western Australia 6915 Telephone: Facsimile:	 (61 8) 9381 2299 (61 8) 9380 6761
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco Western Australia 6008	
Share Registry	Advanced Share Registry Limited 110 Stirling Highway Nedlands Western Australia 6009 Telephone: Facsimile:	 (61 8) 9389 8033 (61 8) 9262 3723

Website: www.amanigold.com

Securities trade on the Australian Securities Exchange – ANL

Dear Fellow Shareholder,

I am pleased to present the 2017 Annual Report for Amani Gold Limited (ASX: ANL), formerly Burey Gold Limited.

Our focus throughout the past year has been our Giro Gold Project in the Democratic Republic of Congo (DRC) in central Africa, particularly our aim for the year was to deliver a maiden resource for Giro. This was released just after the year-end when we announced a Maiden Indicated and Inferred Mineral Resource of 45.62 million tonnes for 2.14 million ounces of gold at 1.5g/t Au for the Kebigada deposit (0.9g/t Au cut-off grade). Using a lower grade 0.6g/t Au cut-off, this expands to 75.16 million tonnes for 2.85 million ounces of gold at 1.2g/t Au.

This is an important milestone for Amani and confirms our belief that Kebigada and the greater Giro Gold Project, has the potential to host multi-million ounces of gold, similar to the neighbouring Kibali Gold deposits. We are confident of increasing the grade with further infill drilling as we achieved better grades reported in the Indicated Resource in areas of closer drill spacing.

A highly pleasing aspect of the initial gold deportment study is that recoveries of more than 90% can be expected which further confirms the robustness of the deposit.

Kebigada has now moved to the next level as we move towards pre-feasibility and feasibility studies with consideration to be given to possible commencement of early production. There are significant under-explored areas within the Giro project, requiring further attention and providing potential for new discoveries.

One of these is the Douze Match prospect, which offers several targets and gold-in-soil anomalies for follow-up. We will work towards defining a maiden resource estimate for Douze Match through intensive exploration in the coming year. Our early deep diamond drilling at Kebigada has returned pleasing results, with high-grade mineralisation confirmed to more than 250m below surface, and high-grade shoots open at depth.

Having completed a $11.6 million book build placement in the early part of the year followed by the $25 million investment announced just after the year end by cornerstone shareholder Luck Winner Investment Limited of Hong Kong has put Amani in a very strong position to take the Giro Gold Project through to completion of feasibility studies.

I joined the Amani Board on 11 July 2017 after completion of the first stage of the Luck Winner investment and I thank my fellow Board members as well as Amani's management and staff for their efforts over the past year, which has been a very busy one. I also thank our Shareholders for their continued support.

I expect the coming year will see Amani achieve much more, and I hope you will share that journey with our Company.

YU Qiumin
Chairman

REVIEW OF OPERATIONS

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

The Giro Project comprises two exploration permits covering a surface area of 497km² and lies within the Kilo-Moto Belt, a significant under-explored greenstone belt which hosts Randgold Resources' 16 million ounce Kibali group of deposits within 35km of Giro. Kibali produced 585,946 ounces of gold in 2016 and is targeting production of 610,000 ounces for 2017, confirming a favorable mining environment in the region.
Other deposits in the belt include Anglogold Ashanti's deposits to the southeast, and Loncore and Kilogold deposits to the south.

The Giro 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.

During the year, Amani completed Reverse Circulation ("RC") and diamond drilling programmes on its Kebigada and Douze Match Prospects. Regional and infill soil sampling programmes over defined gold in soil anomalies were completed with full coverage of both PE's 5046 and 5049.

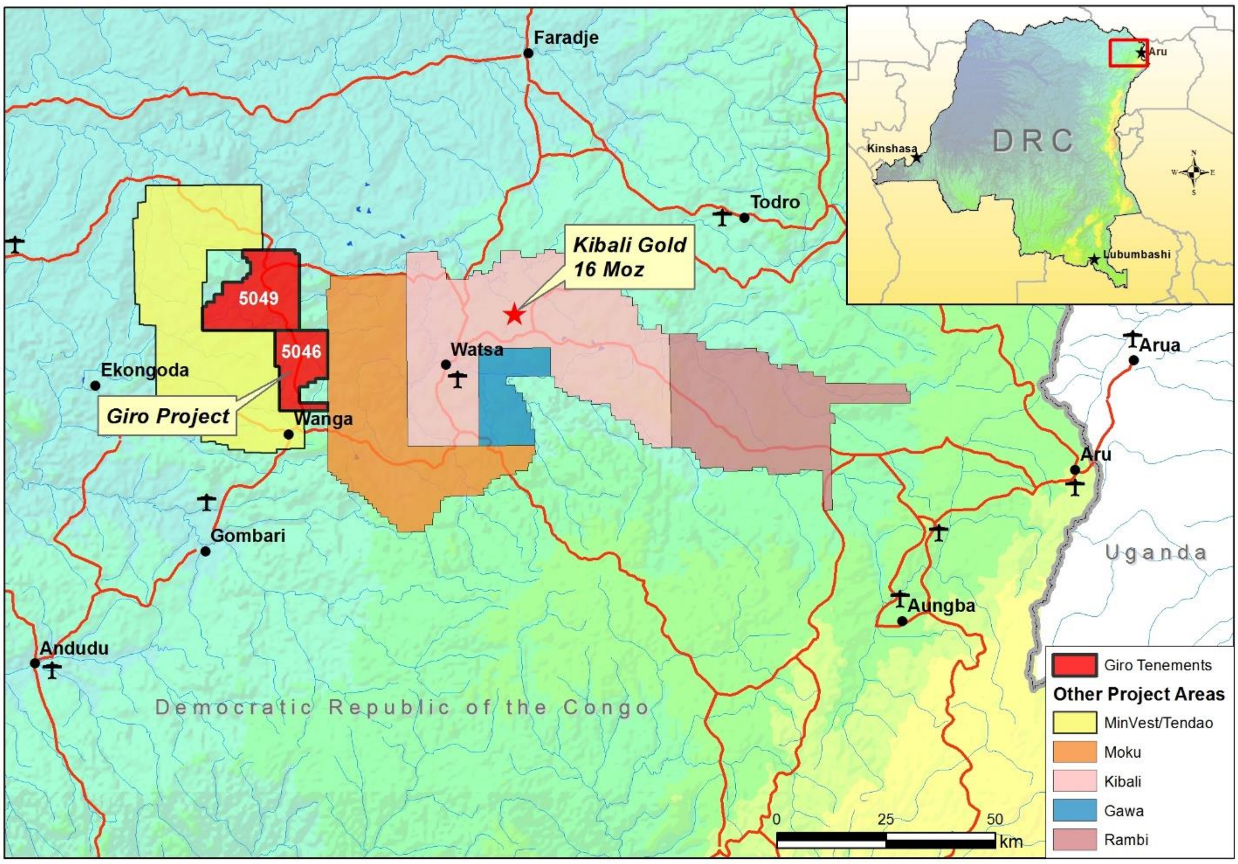

Figure 1: Giro project location in north-east Democratic Republic of Congo.

Kebigada Prospect

Drilling

Early in the year Amani commenced with a 5,000m RC drilling programme planned to infill the area of defined mineralisation down to 100m line sections. A total of 45 RC holes were completed for 5,282m and five diamond holes for 1,569m during the drilling campaign. Results demonstrated that mineralisation was open at depth, on strike and to the east of the defined mineralised envelope.

Due to the poor correlation between the multiple mineralised zones on lines drilled 100m apart, it was decided to tighten up infill drilling to 50m spaced drill lines over the defined area of mineralisation to better define and quantify higher grade zones. A programme of infill drilling between section lines as well as targeted holes on sections to fill in gaps and to test for depth extensions of higher grade lodes was planned for execution in early calendar year 2017.

In February 2017, Amani commenced a follow up programme of diamond drilling to better understand the mineralised model at Kebigada and to confirm continuity of mineralisation at depth and RC drilling to show continuity of mineralisation on section and on strike on adjacent section lines.

A total of 48 RC drill holes for 6,073.8m and 13 diamond drill holes for 3,675.5m were completed during the programme, which also identified new areas of mineralisation in the infill drilling. This programme was concluded in May 2017.

The additional drilling which targeted depth extensions of zones of high grade mineralisation demonstrates the potential to develop an underground project at Kebigada.

Maiden Mineral Resource Estimate

The MSA Group from Johannesburg, South Africa, was appointed to independently prepare a maiden mineral resource estimate at Kebigada based on the drilling completed up to May 2017. Soon after the reporting period, the MSA Group completed its mineral resource study and the Kebigada maiden mineral resources are reported as follows:

Table 1: Kebigada Mineral Resource at 0.90g/t Cut-Off Grade

Category	Tonnes (Millions)	Au grade g/t	Ounces (Millions)
Laterite			
Measured	-	-	-
Indicated	1.18	1.65	0.06
Inferred	0.77	1.20	0.03
Total Laterite	**1.95**	**1.47**	**0.09**
Saprolite			
Measured	-	-	-
Indicated	1.93	1.55	0.10
Inferred	0.77	1.27	0.03
Total Saprolite	**2.69**	**1.47**	**0.13**
Fresh			
Measured	-	-	-
Indicated	13.37	1.51	0.65
Inferred	27.60	1.43	1.27
Total Fresh	**40.97**	**1.46**	**1.92**
Total			
Measured	-	-	-
Indicated	16.48	1.53	0.81
Inferred	29.14	1.42	1.33
Total Mineral Resource	**45.62**	**1.46**	**2.14**

Notes:

1. *All tabulated data has been rounded and as a result minor computational errors may occur.*
2. *Mineral Resources which are not Ore Reserves have no demonstrated economic viability.*
3. *The Gross Mineral Resource for the Project is reported.*

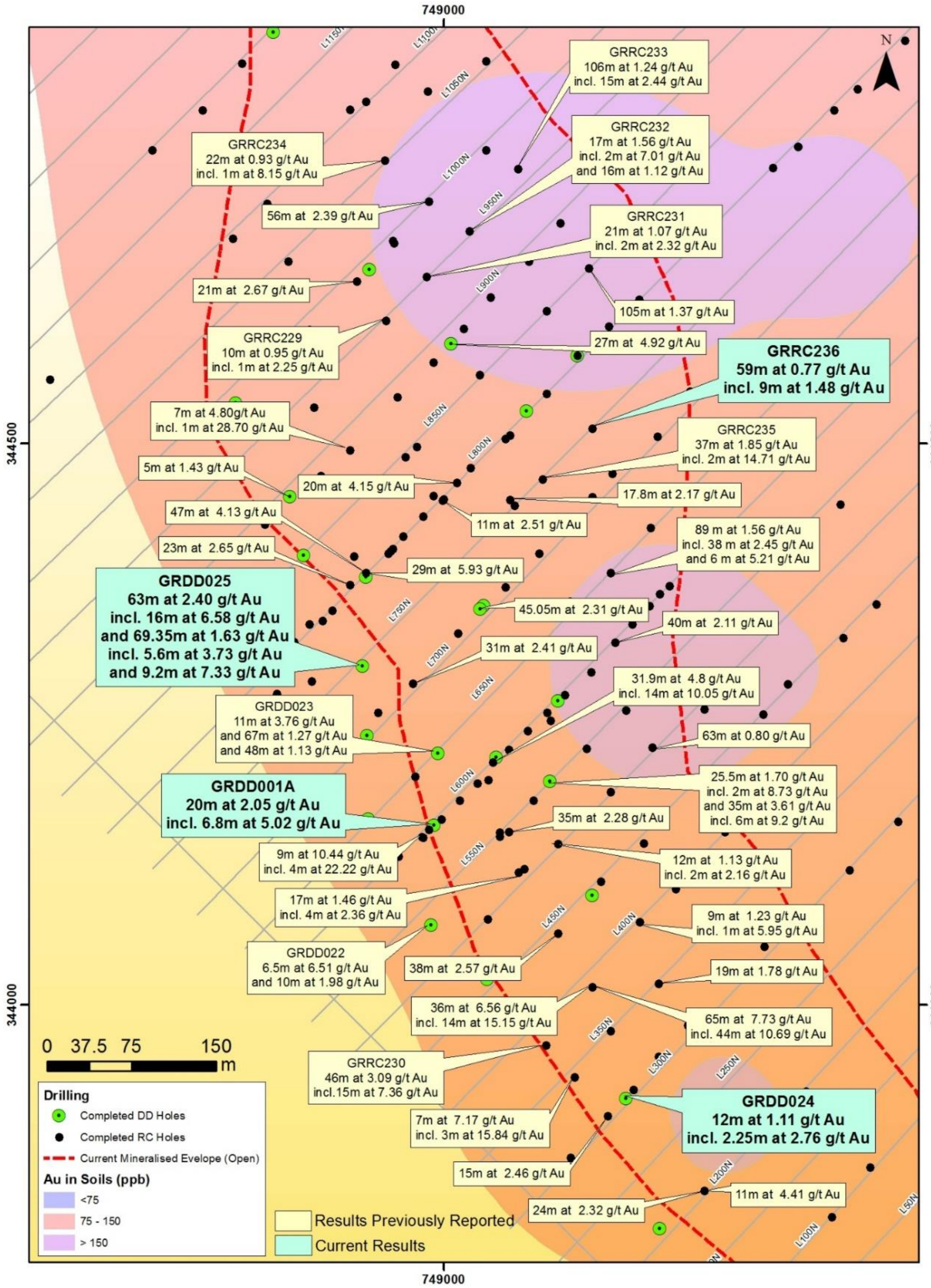

Figure 2. Drill hole locations and significant mineralised intercepts at Kebigada

An internal, high level Whittle pit shell was run at USD1,500 to establish Reasonable Potential for Eventual Economic Extraction (RPEEE) as per JORC 2012 guidance. Depending on key parameters such as gold price, annual throughput, process plant recoveries and operating costs, cut off grades are likely to be in the range of 0.6g/t Au and upwards for Mineral Resource reporting.

The Mineral Resource estimate of **75.16 million tonnes at 1.18g/t Au for 2.85 million ounces** at a 0.60g/t Au cut-off grade therefore supports a bulk tonnage deposit with a low strip ratio. Pre-feasibility studies are expected to aim for a 5 million tonne/annum processing rate focussed on the defined high grade areas of the Mineral Resource in earlier years of any mining.

The Indicated Mineral Resource of **24.76 million tonnes at 1.27g/t Au for 1.01 million ounces** at a 0.6g/t Au cut-off grade is confined to the top 110m below surface where drilling was roughly on a 50 x 50m grid. The increase in grade noted with the closer drill hole spacing in the Indicated section of the Mineral Resource suggests that it is possible that the grade of the Inferred portion of the Mineral Resource will improve with infill drilling on a tighter grid.

The Mineral Resource has been tabulated using a number of cut-off grades as shown in Table 2. The pit shell that was created indicated that all cut-off grades shown have reasonable potential for eventual economic extraction. The mineralisation reported at the higher cut-off grades form generally cohesive high grade zones. Table 2 shows a total mineral resource of 1.24 million ounces of 2g/t Au was defined using a 1.3g/t Au cut off grade.

Table 2: Kebigada Total Mineral Resource Grade Tonnage Table

Category	Cut-Off Grade Au g/t	Tonnes (Millions)	Au grade g/t	Au Content (Millions oz.)
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

Notes:

1. *All tabulated data has been rounded and as a result minor computational errors may occur.*
2. *Mineral Resources which are not Ore Reserves have no demonstrated economic viability.*
3. *The Gross Mineral Resource for the Project is reported.*

The mineralisation at Kebigada falls within the 35km mineralised northwest trending corridor which transgresses both licences comprising the Giro Project. The geological setting is comprised mostly of volcano-sedimentary rocks from the Kibalian complex, with multiple granites and granitoid intrusions. A network of faults seems to have been reactivated at different intervals. The main lithologies hosting the mineralisation are saprolite, quartz veins and stringers and silicified volcano-sediments. Mineralisation is associated with quartz veining and silicification of host rocks along the major NW trending shear zone.

Generally higher gold grades are associated with greater percentages of sulphide (pyrite) and silicification. The mineralisation is interpreted to be concentrated within a north-northwest trending dilation jog structure within the shear zone and is approximately vertically dipping.

The defined Mineral Resource occurs over a strike length of approximately 1.3km and 350m wide in the wider central portion tapering off towards the north and south. Drilling has confirmed that the resource remains open at depth, on strike and to the east where further drilling is warranted.

Metallurgical testwork

Amani reported gold recoveries of 91% for an oxide sample and 90% recovery for two sulphide samples from the Kebigada Shear Zone using simple carbon-in-leach (CIL) methodology although actual recovery under production conditions is likely to be lower.

Results from three composite RC samples of approximately 25kg each from Kebigada sent to SGS Mineral Services for deportment studies, with results showing that the oxide sample had the lowest gravity gold recovery of 25% while recoveries double (47-57% respectively) in the sulphide concentrate fractions. Intensive leach tests conducted on each gravity concentrate fraction indicated that all three concentrates are highly amenable to cyanidation (~98-99% Au recovery). However, the gold dissolution process of the oxide sample was slower than the two sulphide samples. The high gold recoveries from a gravity/cyanidation process suggested that the material is amenable to upgrading by gravity separation.

CIL leach tests were performed on the gravity tailings fraction from each sample (leach duration of 48 hours). The leach results indicated relatively high gold dissolutions of 85-98%. The oxide sample exhibited the highest gold dissolutions of 98% in comparison to the sulphide east and west samples (~88% and ~85% respectively).

QEMSCAN gold deportment studies were conducted on each gravity concentrate sample to gain an understanding into the nature and mode of occurrence of gold. Gold grains in the oxide sample were generally <20 microns, whereas gold grains which are “free” in the sulphide samples were generally coarser than 20 microns. Recoveries in the oxide material can therefore be improved by applying a finer grind to the concentrate.

Pyrite is the dominant sulphide mineral comprising 98-99% of the gravity concentrate. The balance is comprised mostly of chalcopyrite.

Future Work

Amani has planned a further infill drilling programme over the high grade portion of the Mineral Resource near surface where current Indicated Mineral Resources will be converted to Measured Mineral Resources in preparation for pre-feasibility and feasibility studies. Three HQ diamond holes targeting the western zone, central zone and eastern zone will be drilled for metallurgical purposes. Bulk samples of laterite and saprolite will also be submitted for metallurgical testwork.

Douze Match

During the year, Amani completed 144 shallow scout RC holes for 7,056m and 6 diamond holes for 1,186m. Shallow RC holes were planned to test the contact zone over the 6km gold in soil anomaly extending from the Siona Belgian workings in the southwest to the Tango structure in the northeast where significant mineralisation reported previously included **2m at 196g/t Au** from 12m and **15m at 255.6g/t Au** from 15m in DMRC003 and **9m at 52.6g/t Au** from 6m, including **3m at 156g/t Au** from 6m in DMRC005 (Line 4). Holes were also planned to test mineralisation along the granite contact zone and high grade soil anomalies within the granites

The Tango shear was targeted with two diamond holes, DMDD001 and DMDD002 on Line 4, hole DMDD005 on Line 3 and in shallow scout RC holes drilled on Lines 5 and 13. Early indications are that mineralisation is focused within a narrow high grade zone within the broader 30m wide shear zone. Best results included 1.4m at 2.57g/t Au from 52.1m in DMDD002 (Line 4), 3.95m at 2.99g/t Au from 21.3m including 3.1m at 3.47g/t Au from 21.3m in DMDD005 (Line 3), 3m at 2.98g/t Au from 24m in DMRC125 (Line 5) and 6m at 0.69g/t Au from 78m in DMRC141 (Line 13). DMDD001 intersected a cavity and reported 2m at 2.61g/t Au from immediately below the void. Drilling suggests that the Tango mineralisation plunges to the NE. This is supported by the impressive intercept of 18m at 3.0g/t Au from 24m including 3m at 9.5g/t Au from 27m in DMRC080 on Line 4b, drilled 200m west of DMRC125 where the shear reported 3m at 2.98g/t Au. The potential plunge geometry of high grade mineralisation will be followed up with deeper conventional RC drilling.

The granite contact was intersected in DMRC104 on Line 9 with a best intercept of 6m at 1.19g/t Au from 12m confirming continuation of mineralisation along the contact zone. Two diamond holes were lost before reaching the contact zone due to bad ground. The contact zone was also drilled at the Siona workings located 5km SW of Tango. Best results at Siona included 6m at 1.52g/t Au from 3m in DMRC201 and 3m at 3.14g/t Au from 18m in DMRC205.

Mineralisation at Siona and Douze Match appears more complex than initially perceived. Consideration must be taken of the NW orientations observed in the high grade soil anomalies in both areas within the 6km long gold in soil anomaly when assessing and interpreting all results. This NW orientation appears to have a strong control on mineralisation observed at Kebigada and within the 35km structural corridor.

A detailed field mapping and trenching programme was completed to better understand controls on mineralisation.

Trenching and channel sample results confirmed continuity of a northeast-southwest trending zone of mineralisation mined by the Belgians in the Tango adit. An associated soil anomaly of >100ppb continues for at least 1,500m to the southwest of Tango. Interpretation of all results and structural measurements indicated that the Tango shear potentially develops along the southern limb of an anticlinal fold. The shear is flat dipping at 25-35 degrees to the south and has only been drill tested in the upper 50m vertically from surface.

Results of channel sampling include 2.5m at 5.70g/t Au, 0.95m at 27.4g/t Au including 0.25m at 102g/t Au, 2.7m at 6.61g/t Au and 12.4m at 1.61g/t Au including 2m at 3.54g/t Au.

Amani is planning to define a resource at Douze Match in 2018 with additional drilling needed to follow up on high-grade soil anomalies. This could add materially to the current Kebigada Mineral Resource.

Kolongoba

Regional soil sampling programs over the north-eastern licence area uncovered exploration targets with artisanal workings. Known targets included Mangote and Kai-Kai where the Belgians conducted open pit and underground mining operations. Today both primary and alluvial gold is mined extensively by artisanal means, confirming the potential of the area.

Amani made a new discovery, Kolongoba, during its soil sampling campaign. Mapping and sampling of quartz veins and wall rock exposed in a number of deep pits and trenches returned results of 2.2m at 6.86g/t Au, 2.2m at 6.11g/t Au and 1.2m at 10.10g/t Au. Early indications are that mineralisation is concentrated along a fold closure which needs to be verified from additional trenching and mapping.

A close spaced infill soil sampling program has been completed over the area to determine the potential strike extent of the Kolongoba mineralisation for further follow-up exploration.

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 Klaus Eckhof, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr Eckhof is a director of Amani Gold Limited. Mr Eckhof has sufficient experience that is relevant to the style of mineralisation and type of deposit 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 Eckhof 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, with the last one being dated 23 August 2017. 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.

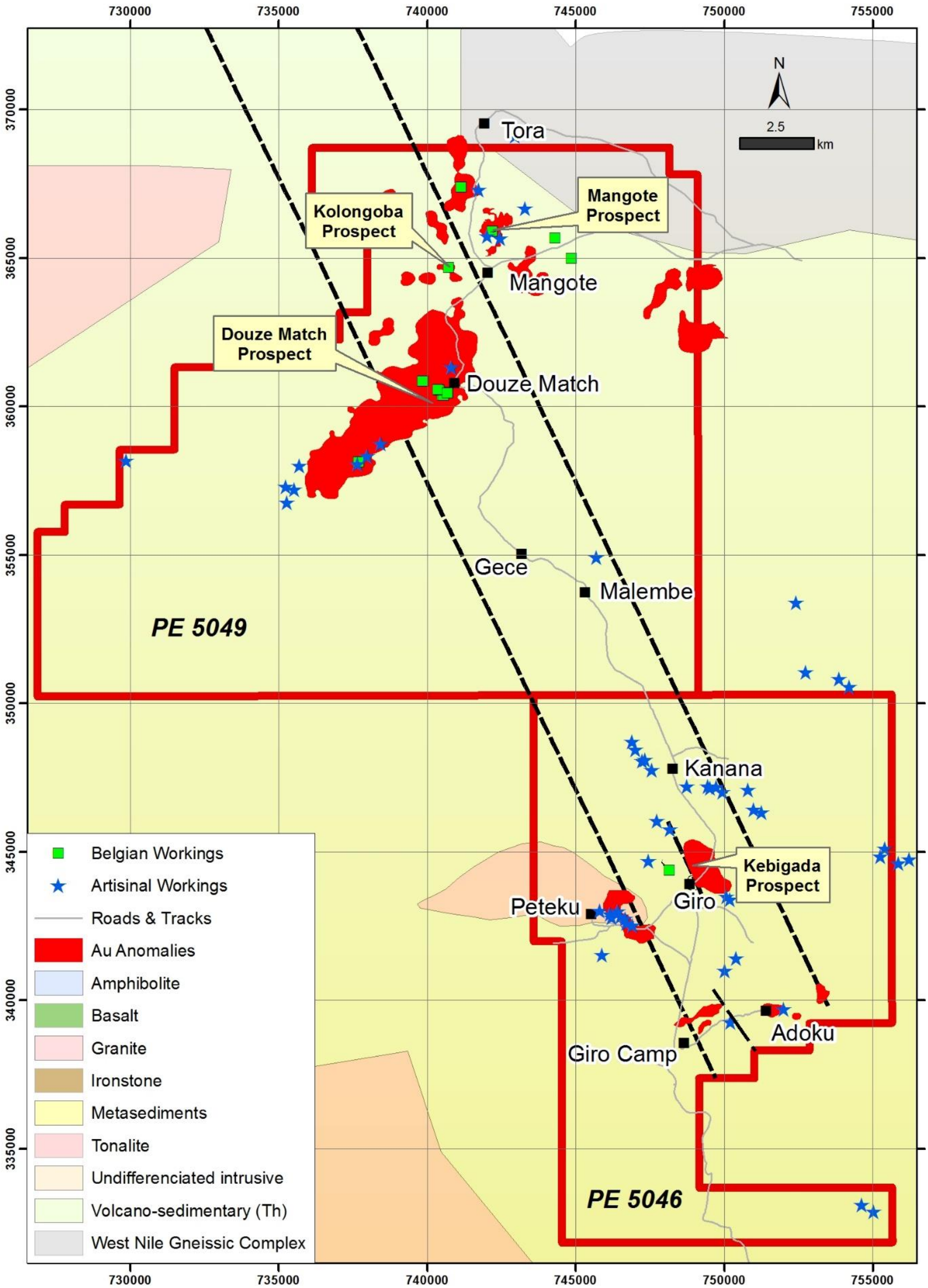

Figure 3: Tenement Map at Giro showing interpreted structural corridor, soil anomalies and defined target areas.

Your Directors present their report together with the financial statements of Amani Gold Limited (formerly Burey Gold Limited) and the entities it controlled at the end of, or during, the year ended 30 June 2017 ("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 Peter Eckhof
Dip. Geol. TU, AusIMM
Executive Chairman
(Appointed Chairman 12 August 2014 to 11 July 2017)

Klaus Eckhof is a geologist who has global contacts and has been instrumental in sourcing and developing successful projects in Australia, Africa, Russia, South America and the Philippines. He was formerly President and Chief Executive Officer of Moto Goldmines Limited ("MGL"). Within four years of Mr Eckhof's appointment, MGL discovered just under 20 million ounces of gold and completed a bankable feasibility study at the Moto Gold Project in the Democratic Republic of Congo. MGL was subsequently acquired by Rangold Resources Limited. Mr Eckhof served as the Company's Managing Director and Chief Executive Officer up to 12 August 2014, and as part-time Executive Chairman up to 11 July 2017. During the past three years he has also served as a director of the following listed companies:

AVZ Limited (appointed 12 May 2014)
Carnavale Resources Limited (appointed 1 January 2008, resigned 20 July 2015)
Panex Resources Inc. (appointed 30 May 2006, resigned 24 July 2014)

Mark Andrew Calderwood
MAusIMM
Non-Executive Director
(Director since 12 August 2014)

Mr Calderwood has 30 years experience with both exploration and production companies in Australia and Africa. He served as MD and CEO of Perseus Mining Ltd from 2004 to 2012, a period which saw the junior explorer mature to an ASX100 company. He led Perseus from discovery to production at its Edikan Gold Mine in Ghana and has held key roles in several World Class gold deposits including Tarmoola in Western Australia, Kibali in DRC and Edikan in Ghana. During the past three years he has also served as a director of the following listed companies:

Tawana Resources NL (appointed 21 October 2016)
Explaurum Limited (appointed 7 August 2013, resigned 8 August 2016)
Manas Resources Limited (appointed 17 October 2007, Non-Executive Chairman from 1 July 2016)

Susmit Mohanlal Shah
BSc Econ, CA
Non-Executive Director / Company Secretary
(Director since 16 June 2005)

Susmit Shah is a Chartered Accountant with more than 25 years' experience. Over the past 20 years, Mr Shah has been involved with a diverse range of Australian public listed companies in company secretarial and financial roles. His experience includes negotiation and conduct of mining joint ventures, public flotations and mergers and acquisitions. During the past three years he has also served as a director of the following listed company:

Manas Resources Limited (appointed 26 May 2017)

DIRECTORS (continued)

Kevin Peter Thomson
BSc, P Geo
Non-Executive Director
(Director since 23 February 2011, resigned 11 July 2017)

Kevin Thomson is a geologist with nearly 30 years' experience of which 15 years have been in West Africa gaining exposure to a number of countries in the sub-region, including Guinea. Mr Thomson was the Exploration Manager for one of Amani's larger shareholders, Perseus Mining Limited. He was instrumental in Perseus Mining Limited's exploration success on its gold projects in Ghana and Côte d'Ivoire. Mr Thomson has not served as a director of any other listed entity in the past three years.

Qiuming Yu
Chairman from 11 July 2017
(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.

Sheng Fu
Non-Executive Director
(appointed Director on 11 July 2017)

Mr Sheng Fu holds a Bachelor's degree in mining machinery. He has significant experience investing in, developing and managing mines and has been involved in the creation of more than ten mining entities. In particular, Mr Fu has a very deep understanding of non-ferrous metals project development and management.

Mr Fu is currently the General Manager of Hubei Huangshi Xin Delong Mining Co., Ltd and Chairman of Xinjiang Shanshan Houwang Copper Mine Co., Ltd, which has a copper-zinc mine plant with a production capacity of 450,000 tons / year.

Sik Lap Chan[1]
MAusIMM, MAIG
Non-Executive Director
(appointed Director on 11 July 2017)

[1] With effect from 1 September 2017, Mr Chan has been appointed in an executive role

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 prgrams, 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.

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
- Burey Gold Guinee sarl – disposed of during the year
- Burey Gold (Ghana) Limited – disposed of during the year
- Burey Resources Pty Ltd (dormant)

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.

RESULTS AND DIVIDENDS

The consolidated profit after tax for the year ended 30 June 2017 was $257,624 (30 June 2016: loss after tax $12,411,305). No dividends were paid during the year and the Directors do not recommend payment of a dividend. The profit for the reporting period includes $1,991,919 recognised as a gain on the disposal of subsidiaries in Guinea and Ghana. The gain primarily comprises a historical foreign currency translation gain of $2,062,807, which was transferred from the foreign currency translation reserve to profit and loss for the period as a result of the disposal of the West African subsidiaries.

EARNINGS PER SHARE

Basic profit / (loss) per share for the year was 0.02 cents (30 June 2016: (1.56 cents))

REVIEW OF OPERATIONS / OPERATING AND FINANCIAL REVIEW

The Group is engaged in mineral exploration for metals and energy in North-East Democratic Republic of Congo ("DRC"). A review of the Group's operations, including information on exploration activity and results thereof, financial position, strategies and projects of the consolidated entity during the year ended 30 June 2017 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.

As an exploration entity, the Group has no operating revenue or earnings and consequently the Group's performance cannot be gauged by reference to those measures. Instead, the Directors' consider the Group's performance 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. Soon after the end of the reporting period, the Company announced a maiden mineral resource at its Giro Gold Project and outlined its key objectives and workstreams in the foreseeable future following on from this maiden mineral resource estimation. 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

REVIEW OF OPERATIONS / OPERATING AND FINANCIAL REVIEW (continued)

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

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

During the first quarter of the financial year, the Company completed a $11.6 million private placement to fund its exploration activities and to supplement working capital.

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

- The Company has reported a maiden resource estimate of 45.62 million tonnes for 2.14 million ounces of gold at 1.5g/t Au (0.9g/t Au cut-off grade) at Kebigada on its Giro Gold Project in the DRC.

- The Company entered into a subscription agreement with Hong Kong based entity, Luck Winner Investment Limited for a total capital raising of $25 million through the issue of 500 million shares and 250 million attaching options. Stage 1 of the capital raising has been completed to the date of this report with the issue of 300 million shares at $0.05 each for $15 million. A number of new directors were appointed to the Board (refer earlier part of this Directors' Report for details) under the terms of the subscription agreement upon completion of Stage 1 of the capital raising. Stage 2 of the capital raising for the remaining $10 million is conditional on, amongst other matters, approval by the Company's shareholders which is planned for November 2017.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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.

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 2017 are:

	Directors' meetings held during period of office	Directors' meetings attended
K P Eckhof	4	4
M A Calderwood	4	4
S M Shah	4	4
K P Thomson	4	3

There were 4 directors' meetings held during the year. However, matters of Board business have 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	Options Over Ordinary Shares
Klaus Eckhof	26,000,000	-
Mark Calderwood	2,609,862	5,000,000
Susmit Shah	20,100,000	-
Qiumin Yu (appointed 11 July 2017)	300,000,000[(1)]	-
Sheng Fu (appointed 11 July 2017)	300,000,000[(1)]	-
Sik Lap Chan (appointed 11 July 2017)	-	-

[(1)] Each of Mr Yu and Mr Fu has a relevant interest in 300 million shares, as directors and controllers of Luck Winner Investment Limited which is the registered holder of 300 million shares in the Company.

SHARE OPTIONS AND PERFORMANCE RIGHTS

As at the date of this report, there are 46,500,000 unlisted options on issue.

	Number	Exercise Price	Expiry Date
Unlisted Options	7,500,000	3 cents	31 December 2020
	10,000,000	4 cents	31 December 2020
	10,000,000	5 cents	31 December 2020
	9,500,000	8 cents	2 November 2019
	9,500,000	10 cents	2 November 2019

During the year, 19,000,000 unlisted options were issued to employees under the Employee Option Plan. 47,500,000 unlisted options issued previously as part of the consideration for the acquisition of the Giro Gold Project expired on 31 December 2016. 5,000,000 options held by a director lapsed after the reporting period following his resignation. No unlisted options were exercised.

During the year, 67.5 million performance rights (issued in FY2016) and half of the 17 million performance rights (issued in FY2015) vested and were converted into shares. The balance of 8.5 million performance rights (issued in FY2015) vested subsequent to year end and were converted into shares. As at the date of this report, there are no performance rights on issue.

During the year, 3,014,836 listed options were exercised and converted into shares. An additional 211,415 listed options were exercised in July 2017. The remaining 434,039,922 listed options expired on 31 July 2017.

REMUNERATION REPORT (audited)

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*.

The following were key management personnel of the consolidated entity at any time during the year and unless otherwise indicated were key management personnel for the year:

Executive Directors	**Non Executive Directors**
Mr Klaus Eckhof (Managing Director and CEO up until 12 August 2014 and part-time Executive Chairman since that date)	Mr Susmit Shah
	Mr Kevin Thomson
	Mr Mark Calderwood
Other KMP (not being Directors)	
Mr Mark Gasson (Exploration Manager)	

Remuneration philosophy

The Board reviews the remuneration packages applicable to the executive Director 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.

REMUNERATION REPORT (audited) (continued)

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 reviews the remuneration packages applicable to the non-executive Directors on an annual basis. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process.

It has been agreed that non-executive Directors, excluding the Chairman shall receive a fee in the range of $20,000 to $25,000 each per annum from 1 July 2006. Non-executive Directors may also be remunerated for additional specialised services performed at the request of the Board. A non-executive Chairman shall receive a fee of $36,000 per annum. Mr Eckhof, however, was a part-time executive Chairman during the whole of the reporting period.

The remuneration of the non-executive Directors for the year ending 30 June 2017 is detailed in Table 1 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

REMUNERATION REPORT (audited) (continued)

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. Fixed remuneration is reviewed annually by the Board 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 2017 is detailed in Table 1 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 2017 was 4.3 cents (2016: 5.7 cents). The shares recorded high and low points of 8.5c and 2.3c during the year. The Company has recorded a loss each financial year to date as it carries out exploration activities on its tenements, except the current financial year due to the disposal of foreign subsidiaries. No dividends have been paid.

Service agreements

Mr Eckhof entered into an employment agreement with Amani Gold Limited on 2 February 2012 as the Managing Director and Chief Executive Officer. Mr Eckhof continued in that role of Managing Director and Chief Executive Officer until 12 August 2014. His employment agreement was terminated at that stage and his role changed to that of a part-time Executive Chairman. His remuneration for the year was $130,000. In his capacity as a part-time Executive Chairman, Mr Eckhof does not have a written service agreement.

REMUNERATION REPORT (audited) (continued)

Table 1: Director and other Executives Remuneration for the year ended 30 June 2017

Director		Short term						
		Cash Salary/Fees $	Consulting Fees $	Non-Cash Benefits $	Post Employment Superannuation $	EquityValue of Incentive securities $	Total $	Incentive securities as a Percentage of Remuneration %
K P Eckhof (i)	**2017**	**129,996**	**-**	**-**	**-**	**130,100**	**260,096**	**50%**
Executive Chairman	2016	129,996	-	-	-	367,761	497,757	74%
M A Calderwood (ii)	**2017**	**24,000**	**-**	**-**	**2,280**	**-**	**26,280**	**-**
Non-executive	2016	24,000	-	-	2,280	85,435	111,715	76%
S M Shah (iii)	**2017**	**20,000**	**-**	**-**	**1,900**	**140,479**	**162,379**	**87%**
Non-executive	2016	20,000	-	-	1,900	386,019	407,919	95%
K P Thomson (iv)	**2017**	**24,000**	**-**	**-**	**-**	**-**	**24,000**	**-**
Non-executive	2016	24,000	-	-	-	85,435	109,435	78%
M Gasson (v)	**2017**	**180,000**	**-**	**-**	**-**	**153,453**	**333,453**	**46%**
Exploration Manager	2016	180,000	-	-	-	408,839	588,839	69%
Total	**2017**	**377,996**	**-**	**-**	**4,180**	**424,032**	**806,208**	
	2016	377,996	-	-	4,180	1,333,489	1,715,665	

(i) During the year, Mr Eckhof was issued 24.25 million shares from the vesting of performance rights issued in FY2015 and FY2016. No additional incentive securities were issued during the year. Last year, 22.5 million performance rights valued at $447,750 were issued to Mr Eckhof. These performance rights were valued over the vesting period and the charge to the profit and loss account for the reporting period is $130,100 (2016 - $367,761).

(ii) During the year, Mr Calderwood did not receive any incentive securities. Last year, he received 5 million unlisted options valued at $85,435, which were fully expensed in the same year.

(iii) During the year, Mr Shah was issued 25.25 million shares from the vesting of performance rights issued in FY2015 and FY2016. No additional incentive securities were issued during the year. Last year, 22.5 million performance rights valued at $447,750 were issued to Mr Shah. These performance rights were valued over the vesting period and the charge to the profit and loss account for the reporting period is $140,479 (2016 - $386,019). The grant of performance rights to Mr Shah is primarily for his services as a company secretary.

(iv) During the year, Mr Thomson did not receive any incentive securities. Last year, he received 5 million unlisted options valued at $85,435, which were fully expensed in the same year.

(v) Mr Gasson is Amani Gold's (part time) Exploration Manager and spends approximately half his time on Amani matters. During the year, Mr Gasson was issued 26.5 million shares from the vesting of performance rights issued in FY2015 and FY2016. No additional incentive securities were issued during the year. Last year, 22.5 million performance rights valued at $447,750 were issued to Mr Gasson. These performance rights were valued over the vesting period and capitalised to deferred exploration expenditure for the reporting period of $153,453 (2016 - $433,897).

(vi) Additional fees paid or payable to Corporate Consultants Pty Ltd, a company in which Mr Shah has a beneficial interest for (a) secretarial, accounting, and office administration services amounted to $140,318 (2016: $183,853) , and (b) sub-lease rental fees amounted to $30,841 (2016: $34,088). The amount due to Corporate Consultants Pty Ltd at reporting date was $12,487 (2016 - $34,646) in trade and other payables.

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:

REMUNERATION REPORT (audited) (continued)

	Balance at 1 July 2016	Received as Remuneration[1]	Other Movements	Balance at 30 June 2017
Directors				
Klaus Eckhof	-	24,250,000	-	24,250,000
Mark Calderwood	2,609,862	-	-	2,609,862
Susmit Shah	2,100,000	25,250,000	(10,000,000)	17,350,000
Kevin Thomson	-	-	-	-
Other KMP				
Mark Gasson	200,000	26,500,000	-	26,700,000

[1]Shares issued to Messrs Eckhof, Shah and Gasson were on vesting and conversion of previously issued performance rights

Optionholdings and Performance Rights of Key Management Personnel

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

	Balance at 1 July 2016	Received as Remuneration	Exercised / converted	Other Movements	Balance at 30 June 2017
Directors					
Klaus Eckhof					
– Options	-	-	-	-	-
- Performance rights	26,000,000	-	(24,250,000)	-	1,750,000
Mark Calderwood					
- Options	6,000,000	-	-	-	6,000,000
Susmit Shah					
- Options	1,050,000	-	-	-	1,050,000
- Performance rights	28,000,000	-	(25,250,000)	-	2,750,000
Kevin Thomson					
- Options	5,000,000	-	-	-	5,000,000
Other KMP					
Mark Gasson					
- Options	100,000	-	-	-	100,000
- Performance rights	30,500,000	-	(26,500,000)	-	4,000,000

No options and performance rights were issued to any directors or KMP during the year.

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.

End of Remuneration Report (audited)

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 $7,082 (2016 - $7,021) 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 2016 to 30 June 2017 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 2017 the external auditors did not provide any non-audit services. Refer to Note 4 in the financial statements for further details.

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
Director
Perth, 28 September 2017

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF AMANI GOLD LIMITED

As lead auditor of Amani Gold Limited for the year ended 30 June 2017, 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.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 28 September 2017

Amani Gold Limited
Consolidated Statement of Comprehensive Income
For the year ended 30 June 2017

	Notes	2017 $	2016 $
Revenue from continuing operations	2	**98,321**	13,658
Consultants and corporate costs		**(507,293)**	(666,822)
Due diligence costs	3	**(326,798)**	-
Employee benefits expense		**(407,833)**	(408,719)
Share based payments expense	3, 15	**(270,579)**	(1,294,218)
Depreciation expense	3	**(25,111)**	(21,005)
Exploration expenditure written off	3	**-**	(8,787,234)
Impairment of listed securities		**-**	(872,115)
Occupancy expenses		**(73,852)**	(81,563)
Travel expenses	3	**(167,288)**	(158,870)
Foreign exchange (loss)	3	**(53,862)**	(134,417)
Gain on disposal of subsidiaries	3	**1,991,919**	-
Profit / (loss) before related income tax		**257,624**	(12,411,305)
Income tax (expense)/benefit	5	**-**	-
Profit /(loss) for the year after income tax		**257,624**	(12,411,305)
Net Profit /(loss) attributable to:			
Owners of Amani Gold Limited		**245,084**	(12,381,877)
Non-controlling interest		**12,540**	(29,428)
		257,624	(12,411,305)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(679,232)**	829,862
Reclassification to profit and loss on disposal of foreign subsidiaries		**(2,062,807)**	-
Changes in the fair value of available for sale financial assets		**-**	385,824
Total comprehensive income/(loss) for the year		**(2,484,415)**	(11,195,619)
Total comprehensive income/(loss) attributable to:			
Owners of Amani Gold Limited		**(2,478,619)**	(11,278,109)
Non-controlling interest		**(5,796)**	82,490
		(2,484,415)	(11,195,619)
Earnings per share for the year attributable to the members of Amani Gold Limited			
Basic and diluted gain / (loss) per share	6	0.02 cents	(1.56) cents

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

	Notes	2017 $	2016 $
Current Assets			
Cash and cash equivalents	8	**1,062,471**	416,453
Other receivables	9	**211,777**	82,996
Loan receivable	9	**-**	158,583
Total Current Assets		**1,274,248**	658,032
Non-Current Assets			
Available-for-sale asset financial asset	10	**-**	-
Property, plant & equipment	11	**99,420**	39,813
Exploration and evaluation expenditure	12	**24,787,528**	16,051,029
Total Non-Current Assets		**24,886,948**	16,090,842
Total Assets		**26,161,196**	16,748,874
Current Liabilities			
Trade and other payables	13a	**395,932**	270,029
Loan	13b	**91,081**	403,177
Total Liabilities		**487,013**	673,206
Net Assets		**25,674,183**	16,075,668
Equity			
Contributed equity	14	**47,883,517**	36,719,406
Reserves	16	**7,852,626**	9,681,643
Accumulated losses		**(30,445,659)**	(30,690,744)
Capital and reserves attributed to the owners of Amani Gold Limited		**25,290,484**	15,710,305
Non-controlling interest		**383,699**	365,363
Total Equity		**25,674,183**	16,075,668

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 2017

	Contributed Equity	**Accumulated Losses**	**Option Premium Reserve**	**Share based Reserves**	**Asset Revaluation Reserve**	**Foreign Currency Translation Reserve**	**Non-controlling interest**	**Total Equity**
	$	$	$	$	$	$	$	$
Balance at 1 July 2015	30,722,485	(18,308,866)	-	2,971,574	(385,824)	2,681,058	477,281	18,157,708
Loss for the year	-	(12,381,877)	-	-	-	-	(29,428)	(12,411,305)
Exchange differences on translation of foreign operations	-	-	-	-	-	912,352	(82,490)	829,862
Changes in the fair value of available for sale financial assets	-	-	-	-	385,824	-	-	385,824
Total comprehensive profit / (loss) for the Year	-	(12,381,877)	-	-	385,824	912,352	(111,918)	(11,195,619)
Transactions with equity holders in their capacity as equity holders								
Share and listed option issue	6,426,527	-	1,388,544	-	-	-	-	7,815,071
Share issue costs	(429,606)	-	-	-	-	-	-	(429,606)
Share based payments expense – options	-	-	-	565,492	-	-	-	565,492
Share based payments expense – performance rights	-	-	-	1,162,622	-	-	-	1,162,622
Transactions with non-controlling interests	-	-	-	-	-	-	-	-
Balance at 30 June 2016	**36,719,406**	**(30,690,743)**	**1,388,544**	**4,699,688**	**-**	**3,593,410**	**365,363**	**16,075,668**

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

Amani Gold Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2017

	Contributed Equity $	Accumulated Losses $	Option Premium Reserve $	Share based Reserves $	Foreign Currency Translation Reserve $	Non-controlling interest $	Total Equity $
Balance at 1 July 2016	36,719,406	(30,690,743)	1,388,544	4,699,688	3,593,410	365,363	16,075,668
Profit for the year	-	245,084	-	-	-	12,540	257,624
Exchange differences on translation of foreign operations	-	-	-	-	(685,028)	5,796	(679,232)
Disposal of foreign subsidiaries	-	-	-	-	(2,062,807)	-	(2,062,807)
Total comprehensive profit / (loss) for the year	-	245,084	-	-	(2,747,835)	18,336	(2,484,415)
Transactions with equity holders in their capacity as equity holders							
Share and listed option issue	11,825,542	-	7,500	-	-	-	11,833,042
Share issue costs	(661,431)	-	-	-	-	-	(661,431)
Share based payments expense – options	-	-	-	487,287	-	-	487,287
Share based payments expense – performance rights	-	-	-	424,033	-	-	424,033
Transactions with non-controlling interests	-	-	-	-	-	-	-
Balance at 30 June 2017	**47,883,517**	**(30,445,659)**	**1,396,044**	**5,611,008**	**845,574**	**383,699**	**25,674,183**

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

	Notes	2017 $	2016 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		**(1,577,763)**	(1,045,714)
Interest received		**81,581**	1,137
Net Cash outflows from Operating Activities	20	**(1,496,182)**	(1,044,577)
Cash Flows from Investing Activities			
Payments for plant and equipment		**(98,732)**	(3,209)
Payments for exploration and development expenditure		**(8,381,797)**	(6,568,432)
Option payment to acquire project		**(326,798)**	-
Net Cash outflows from Investing Activities		**(8,807,327)**	(6,571,641)
Cash Flows from Financing Activities			
Proceeds from securities issues		**11,825,542**	7,792,571
Securities issue expenses		**(661,431)**	(429,606)
Repayment of loan		**(239,916)**	-
Loan issued		**-**	(158,583)
Proceeds from borrowings		**91,081**	-
Net Cash inflows from Financing Activities		**11,015,276**	7,204,382
Net increase / (decrease) in Cash and Cash Equivalents		**711,767**	(411,836)
Cash and cash equivalents at the beginning of the year		**416,453**	769,081
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		**(65,749)**	59,208
Cash and Cash Equivalents at End of Year	8	**1,062,471**	416,453

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

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 2017, 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 a going concern basis which contemplates that the Group will realise its assets and extinguish its liabilities in the normal course of business at amounts stated in the financial report. At 30 June 2017, the Group had net assets of $25,674,183 (30 June 2016: $16,075,668). The Group earned a net profit after tax of $257,624 (2016: Loss of $12,411,305) and net operating and investing cash outflows of $10,303,509 (2016: $7,616,218) and continues to incur expenditure on its exploration projects drawing on its cash balances. As at 30 June 2017, the Group had $1,062,471 (30 June 2016: $416,454) in cash and cash equivalents.

Subsequent to year-end, the Company entered into an agreement to raise $25 million in new equity capital, of which $15 million has been received up to the date of this report and the balance of $10 million is subject to receipt of prior shareholder approval planned for at a meeting in November 2017. The directors' are satisfied the current cash resources at the date of this report as well as the existing arrangements to receive a further $10 million in the near future support the preparation of this financial report on a going concern basis.

Adoption of New and Revised Standards

In the year ended 30 June 2017, the group has reviewed all of the new and revised Standards and interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning 1 July 2016. It has been determined by the Directors that there is no impact material or otherwise, of any of the new and revised Standard and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

Statement of Compliance

These financial statements were authorised for issue on 28 September 2017.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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 and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred tothe 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 22 has been prepared on the same basis as the consolidated financial statements.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue is capable of being reliably measured.

Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

All revenue is stated net of the amount of goods and services tax (GST).

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Foreign currency transactions and balances (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 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 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 2017, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Taxes (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.

Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as loans and receivables. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

Loans and receivables

During the year, the consolidated entity has held loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Changes in the fair value of securities classified as available-for-sale assets are recognised in equity. The group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in the profit and loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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 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 comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings, through 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Mineral interest acquisition, exploration and development expenditure (continued)

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 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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Earnings per share (continued)

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.

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:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Critical accounting estimates (contined)

(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 18, under existing contractual terms of a shareholder agreement a feasibility study was required to be completed by February 2017 at the Giro Gold Project. Based on previous discussions and negotiations 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 understanding was reached between the parties, including Sokimo, that the deadline for completion of the feasibility study would be extended by a period of two years from the date amending binding agreements are executed. Formal amendments to the shareholders agreement have not yet been made to reflect that understanding and failure to do so may adversely affect the Group's tenure at the Giro Project. The ultimate recoupment of capitalised expenditure at the Giro Project is therefore dependent amongst other things on the Group maintaining its rights of tenure.

(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 18.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Critical accounting estimates (contined)

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.

(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	
	2017	2016
	$	$

2. REVENUE

Other revenue includes the following:

Foreign exchange gain	**6,254**	10,257
Interest - other parties	**81,581**	1,137
Others	**10,486**	2,264
	98,321	13,658

3. EXPENSES

Profit / Loss for the year includes the following specific expenses:

Depreciation expense	**25,111**	21,005
Due diligence costs [1]	**326,798**	-
Exploration expenditure written off	**-**	8,787,234
Foreign exchange loss	**53,862**	134,417
Rental expense, minimum lease payments	**73,852**	81,563
Share based payments expense	**270,579**	1,294,218
Superannuation	**4,180**	4,180
Travel and accommodation	**167,288**	158,870
Gain on disposal of subsidiaries [2]	**(1,991,919)**	-

1. A cash fee of US$250,000 was paid to Medidoc FZE to acquire the exclusive right to negotiate an interest in the Tendao project, which borders the Giro Gold project.

2. On 29 December 2016, the Company disposed its 100% interest in subsidiaries, Burey Gold (Ghana) Ltd and Burey Gold Guinee SARL for nominal consideration. The Company recognised a gain on disposal of $1,991,919 at the half year, and the two subsidiaries were deconsolidated fom the Group at 31 December 2016. The foreign currency translation reserve carrying value of $2,062,807 was transferred to profit and loss.

4. AUDITOR'S REMUNERATION

Audit services:

- Amounts paid or payable to auditors of the Group – BDO Audit (WA) Pty Ltd	**36,494**	38,560
- Amounts paid for other services or to related practices of the auditor	**-**	-
- Amounts paid to non BDO Audit (WA) Pty Ltd audit firms for audit or review of the financial report of subsidiaries	**-**	-

5. INCOME TAX EXPENSE

	Consolidated 2017 $	Consolidated 2016 $
(a) The prima facie tax benefit at 30% on loss for the year is reconciled to the income tax provided in the financial statements as follows:		
Profit / (loss) before income tax	**257,624**	(12,411,305)
Prima facie income tax expense / (benefit) @ 30%	**77,287**	(3,723,392)
Tax effect of permanent differences:		
Capital raising costs	**(114,546)**	(60,275)
Legal fees	**14,362**	-
Exploration expenses	**(2,750,059)**	622,714
Employee option expense / share based payments	**81,174**	388,265
Consultants – Capital	**98,039**	-
	(2,593,743)	(2,772,688)
Income tax benefit not brought to account	**2,593,743**	2,772,688
Income tax expense	**-**	-

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

	2017 $	2016 $
Deferred Tax Assets at 30%:		
- Carry forward revenue losses	**12,882,415**	10,334,488
- Capital raising costs	**366,990**	180,122
- Provisions and accruals	**7,500**	(3,000)
	13,256,905	10,511,610

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.

6. EARNINGS PER SHARE

	Consolidated 2017 Cents	Consolidated 2016 Cents
Basic and diluted gain / (loss) per share	**0.02**	(1.56)

	2017 Number	2016 Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	**1,242,649,981**	794,854,611

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

7. SEGMENT INFORMATION

Management has determined that the Group has one reportable segment, being mineral exploration in Africa. As the Group is focused on mineral exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. 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.

	Consolidated	
	2017	2016
	$	$
Revenue from external sources	**-**	-
Reportable segment profit / (loss)	**43,482**	(8,949,522)
Reportable segment assets	**25,330,920**	16,435,327
Reportable segment liabilities	**(240,092)**	(500,231)
Reconciliation of reportable segment profit or loss		
Reportable segment profit / (loss)	**43,482**	(8,949,522)
Other revenue / income	**90,450**	11,394
Unallocated:		
Corporate expenses	**(1,868,227)**	(3,473,177)
Gain on disposal of foreign subsidiaries	**1,991,919**	-
Profit /(loss) before tax	**257,624**	(12,411,305)
Reconciliation of reportable segment assets to total assets and liabilities		
Segment assets	**25,330,920**	16,435,327
Unallocated:		
Corporate assets	**830,276**	313,547
	26,161,196	16,748,874
Segment liabilities	**(240,092)**	(500,231)
Unallocated:		
Corporate liabilities	**(246,920)**	(172,976)
	(487,012)	(673,207)

8. CASH AND CASH EQUIVALENTS

	Consolidated	
	2017	2016
	$	$
Cash at bank and in hand	**1,062,471**	416,453

- Cash at bank earns interest at floating rates based on daily bank deposit rates. Refer note 17(iv).

9. OTHER RECEIVABLES

	Consolidated	
	2017	2016
	$	$
Current		
Other receivables	**211,777**	82,996
	211,777	82,996
Loan receivable (i)	**-**	158,583
Non-Current		
Other receivable	**-**	-

(i) The Company provided a short term loan which is unsecured, interest free and repayable upon demand last year. This loan has since been repaid in full.

Refer to notes 17(a) and 17(b) for information about the Group's exposure to credit and liquidity risk.

10. AVAILABLE FOR SALE FINANCIAL ASSET

	Consolidated	
	2017	2016
	$	$
Listed securities – overseas equity securities		
Balance at the beginning of the year	**-**	486,291
Additions	**-**	-
Fair value adjustment as at balance sheet date	**-**	(486,291)
Carrying amount at the end of the year	**-**	-

Available-for-sale financial assets comprise of an investment in the share capital of US Over the Counter listed, Blox, Inc. The shares in Blox, Inc. were received as partial consideration for the sale of the Group's interest in the Mansounia Gold Project. The investment is recorded at cost and is marked to market at the balance date with changes recognised directly in other comprehensive income. The Group is exposed to security price risk. This arises from investments held by the Group in entities listed on a stock exchange. Due to the low value of the investment, security price risk is not considered material to the Group.

The financial assets are classified as non-current unless they mature, or management intends to dispose of them within 12 months of the end of the accounting period. The financial asset was fully impaired during the previous year due to low volume and inactive share trading.

11. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2017	2016
	$	$
Plant and equipment		
At cost	**152,871**	148,795
Less accumulated depreciation	**(53,451)**	(108,982)
	99,420	39,813

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	**39,812**	79,397
Additions	**86,904**	-
Disposals	**(9,314)**	(18,359)
Depreciation expense	**(25,112)**	(21,004)
Depreciation capitalised to exploration	**-**	(10,721)
Foreign currency translation difference movement	**7,130**	10,500
Carrying amount at the end of the year	**99,420**	39,812

12. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2017	2016
	$	$
Exploration and evaluation phase – at cost		
Balance at the beginning of the year	**16,051,030**	17,666,899
Expenditure incurred during the year	**9,166,863**	6,711,520
Exploration expenditure written off during the year (Balatindi project)	**-**	(8,787,234)
Foreign currency translation difference movement	**(430,365)**	459,844
Carrying amount at the end of the year	**24,787,528**	16,051,030

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.

13a. TRADE AND OTHER PAYABLES

	Consolidated	
	2017	2016
	$	$
Current		
Trade payables	**284,853**	76,483
Other payables	**111,079**	193,546
	395,932	270,029

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 17.

	Consolidated	
	2017	2016
	$	$

13b. LOANS

Current

	2017 $	2016 $
Loan arising from asset acquisition – Giro project [i]	**-**	403,177
Other loan [ii]	**91,081**	-
	91,081	403,177

(i) This is an unsecured, interest free loan from a third party assigned to Amani Gold Limited as part of the Company's acquisition of a controlling interest in the Giro Gold Project. During the year, this loan was repaid in full.

(ii) This loan is unsecure, interest free and repayable upon demand.

14. CONTRIBUTED EQUITY

	Consolidated	
	2017	2016
	$	$
(a) Issued and paid-up share capital		
Ordinary shares, fully paid 1,257,452,332 (2016: 962,237,497)	**47,883,517**	36,719,406

Movements in Ordinary Shares:

Details	Number of Shares	$
Balance at 1 July 2015	688,702,258	30,722,485
October 2015 capital raising at a price of $0.02 per share	85,557,500	1,711,150
January 2016 capital raising at a price of $0.02 per share	68,500,000	1,370,000
May 2016 capital raising at a price of $0.028 per share	119,477,739	3,345,377
Less: Share issue costs	-	(429,606)
Balance at 30 June 2016	962,237,497	36,719,406
Balance at 1 July 2016	962,237,497	36,719,406
July 2016 capital raising at a price of $0.054 per share	216,199,999	11,674,800
Conversion of performance rights	76,000,000	-
August 2016 exercise of listed options at $0.05 per option	3,014,836	150,742
Less: Share issue costs	-	(661,431)
Balance at 30 June 2017	1,257,452,332	47,883,517

14. CONTRIBUTED EQUITY (continued)

	Consolidated	
	2017	2016
(b) Listed Share Options	**$**	$
Options to subscribe for ordinary shares 434,251,337 (2016: 437,266,173)	**1,396,044**	1,388,544

Movements in Options:

Details	Number of Options	$
Balance at 1 July 2015	-	-
Option issue at $0.005 each under an entitlement offer and placement of shortfall from the entitlement offer	273,208,673	1,366,044
Issue of free attaching options under a placement issue of shares	85,557,500	-
Issue for corporate advisory services	10,000,000	22,500
Issue of free attaching options under a placement of issue of shares	68,500,000	-
Balance at 30 June 2016	437,266,173	1,388,544
Balance at 1 July 2016	437,266,173	1,388,544
Exercise of options	(3,014,836)	-
Prior year issue of options recognised in current year	-	7,500
Balance at 30 June 2017	434,251,337	1,396,044

(c) Unlisted Options

2017 - 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 2016**	**Options Issued 2016/17**	**Exercised/ Cancelled/ Expired 2016/17**	**Closing Balance 30 June 2017**
			Number	***Number***	***Number***	***Number***
5 Sept 2014 -31 Dec 2016	(i)	$0.05	47,500,000	-	(47,500,000)	-
15 Apr 2016 – 31 Dec 2020	(ii)	$0.03	7,500,000	-	-	7,500,000
15 Apr 2016 – 31 Dec 2020	(ii)	$0.04	12,500,000	-	-	12,500,000
15 Apr 2016 – 31 Dec 2020	(ii)	$0.05	12,500,000	-	-	12,500,000
2 Nov 2016 – 2 Nov 2016	(iii)	$0.08	-	9,500,000	-	9,500,000
2 Nov 2016 – 2 Nov 2019	(iii)	$0.10	-	9,500,000	-	9,500,000
			80,000,000	19,000,000	(47,500,000)	51,500,000
Weighted averge exercise price ($)			0.05	0.09		0.06

14. CONTRIBUTED EQUITY (continued)

2016 - 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 2015	Options Issued 2015/16	Options Exercised/ Cancelled 2015/16	Closing Balance 30 June 2016
			Number	*Number*	*Number*	*Number*
5 Sept 2014 -31 Dec 2016	(i)	$0.05	47,500,000	-	-	47,500,000
15 Apr 2016 – 31 Dec 2020	(ii)	$0.03	-	7,500,000	-	7,500,000
15 Apr 2016 – 31 Dec 2020	(ii)	$0.04	-	12,500,000	-	12,500,000
15 Apr 2016 – 31 Dec 2020	(ii)	$0.05	-	12,500,000	-	12,500,000
			47,500,000	32,500,000	-	80,000,000
Weighted averge exercise price ($)			0.05	0.04		0.05

(i) 47.5 million options were issued as partial consideration for the acquisition of the interest in the Giro Gold Project. During the year ended 30 June 2017, all 47.5 million options expired without being exercised.

(ii) 10 million options were issued as part of the remuneration package for the Company's directors. 22.5 million options were issued to a corporate advisor for equity market and strategic advice in market positioning and corporate strategy.

(iii) 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 15 for further details.

The weighted average contractual life of the unlisted options are 2.85 (2016: 1.95) 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

2017 - Performance Rights over ordinary shares in the capital of the Company have been granted as follows:

Expiry date	Note	Opening Balance 1 July 2016	Issued 2016/17	Exercised/ Cancelled 2016/17	Closing Balance 30 June 2017
		Number	*Number*	*Number*	*Number*
31 December 2020	(i)	67,500,000	-	(67,500,000)	-
31 December 2017	(ii)	17,000,000	-	(8,500,000)	8,500,000
		84,500,000	-	(76,000,000)	8,500,000

2016 - Performance Rights over ordinary shares in the capital of the Company have been granted as follows:

Expiry date	Note	Opening Balance 1 July 2015	Issued 2015/16	Exercised/ Cancelled 2015/16	Closing Balance 30 June 2016
		Number	*Number*	*Number*	*Number*
31 December 2020	(i)	-	67,500,000	-	67,500,000
31 December 2017	(ii)	17,000,000	-	-	17,000,000
		17,000,000	67,500,000	-	84,500,000

(i) Performance rights will vest subject to meeting specific performance conditions. The 67.5 million performance rights issued in the year ended 30 June 2016 comprise of three tranches of 22.5 million each. Tranche 1, 2 and 3 performance rights have a market vesting condition being the Company's shares trade at a daily volume weighted average share price ("VWAP") of at least 3, 4 and 5 cents respectively for a consective

14. CONTRIBUTED EQUITY (continued)

period of at least 10 trading days. During the year ended 30 June 2017, these rights vested and were converted into shares.

(ii) Performance rights will vest subject to meeting specific performance conditions. The 17 million performance rights issued comprise two tranches of 8.5 million each. Tranche 1 performance rights have a market vesting condition being a share price of 5 cents or more over a consecutive 20 day business period. Tranche 2 performance rights have a non-market vesting condition being estimation of a mineral resource of at least one million gold or gold equivalent ounces at any Amani Group mineral project. Each right is converted to one ordinary share upon vesting. Tranche 1 performance rights vested during the year ended 30 June 2017 and were converted into shares.

(d) 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.

15. 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 year, 19 million options (2016: nil) were issued to employees of the Company (refer to Note 14(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. No options (2016: 10 million issued to directors) were issued during the year.

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

Expenses arising from share-based payment transactions

Other share based payments, not under any plans, are as follows (with additional information provided in Note 14 above):

	2017	**2017**	2016	2016
	Number	**$**	Number	$
2016 Performance rights to director, Mr Klaus Eckhof (iii)	**22,500,000**	**111,938**	22,500,000	335,812
2016 Performance rights to director, Mr Susmit Shah (iii)	**22,500,000**	**111,938**	22,500,000	335,812
2015 Performance rights to director, Mr Klaus Eckhof (iv)	**3,500,000**	**18,162**	3,500,000	22,206
2015 Performance rights to director, Mr Susmit Shah (iv)	**5,500,000**	**28,541**	5,500,000	34,896
Options to director, Mr Mark Calderwood (i)			5,000,000	85,435
Options to director, Mr Kevin Thomson (i)			5,000,000	85,435
Options to consultants (ii)			22,500,000	394,622
2016 Performance rights to Mr Mark Gasson (v)	**22,500,000**	**-**	22,500,000	-
2015 Performance rights to Mr Mark Gasson (iv and v)	**8,000,000**	**-**	8,000,000	-
Total		**270,579**		1,294,218

15. SHARE BASED PAYMENTS EXPENSE (continued)

(i) 10 million options were issued to two directors as part of their remuneration package in April 2016, with an exercise price ranging from 4 cents to 5 cents and expiring 31 December 2020. These options were valued at $170,871 and fully expensed last year.

(ii) 22.5 million options were issued to corporate advisor, Hartleys for equity market and corporate advisory work. The exercise price ranges from 3 cents to 5 cents and expires 31 December 2020. The options were valued at $394,622 and fully expensed last year.

(iii) 45 million performance rights were granted during the year ended 30 June 2016 (refer to Note 14(c) for more information). The fair value of the performance rights estimated at that time was $895,500. These performance rights vested and were converted into shares during the year end 30 June 2017 and were expensed over the updated vesting period. $223,875 (2016: $671,625) were recognised as share based payment expense during the year.

(iv) 17 million performance rights were granted in 2015 (not under any plans). Refer to Note 14(c) for further details of the grant. The fair value of the performance rights estimated at the time of grant was $296,650 with a vesting period of up to 31 December 2017. The first tranche of performance rights (8.5 million) vested during the year and second tranche of performance rights (8.5 million) vested post year end. Based on this revised vesting of performance rights, the balance share based payment expense of $46,703 (2016 - $57,100) was recognised during the year.

(v) The share based payment expense relating to performance rights issued to Mark Gasson was capitalised as deferred exploration expenditure during the year.

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 and performance rights granted during the reporting period included:

30 June 2017	**19m unlisted employee share options**	
Model Inputs		
Quantity	9,500,000	9,500,000
Exercise price (cents)	8.0	10.0
Grant date	2 November 2016	2 November 2016
Expiry date	2 November 2019	2 November 2019
Share price at grant date (cents)	6.6	6.6
Expected volatility (%)	105	105
Risk free rate (%)	1.5	1.5
Fair value per option	$0.0402	$0.0374

The share based payment expense of $487,287 relating to the 19 million options issued during the year ended 30 June 2017 was capitalised as deferred exploration expenditure.

30 June 2016	**Options**			**Performance Rights**		
Model Inputs				**Tranche 1**	**Tranche 2**	**Tranche 3**
Exercise price (cents)	3.0	4.0	5.0	nil	nil	nil
Grant date	24 March 2016	24 March 2016	24 March 2016	24 March 2016	24 March 2016	24 March 2016
Expiry date	31 December 2016	31 December 2020	31 December 2020	31 December 2020	31 December 2020	31 December 2020
Share price at grant date (cents)	2.5	2.5	2.5	2.5	2.5	2.5
Expected volatility (%)	105	105	105	45	45	45
Risk free rate (%)	2	2	2	2	2	2

16. RESERVES

The following table shows a breakdown of the balance sheet 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	
	2017	2016
	$	$
Share based payments reserve (Note 16a)	**5,611,008**	4,699,689
Option premium reserve (Note 16b)	**1,396,044**	1,388,544
Foreign currency translation reserve (Note 16c)	**845,574**	3,593,410
Available for sale financial asset reserve (Note 16d)	**-**	-
	7,852,626	9,681,643
Non-controlling interest reserve (Note 16e)	**383,699**	365,363

	2017	2016
(a) **Movement During the Year – Share based payment**		
Opening balance	**4,699,689**	2,971,574
Issue of options and performance rights to directors and key management personnel	**270,579**	899,599
Issue of options to consultants	**-**	394,622
Issue of performance rights to key management personnel which is capitalised to deferred exploration expenditure	**640,740**	433,894
Closing balance	**5,611,008**	4,699,689
(b) **Movement During the Year – Option premium**		
Opening balance	**1,388,544**	-
Issue of listed options	**7,500**	1,388,544
Closing balance	**1,396,044**	1,388,544
(c) **Movement During the Year – Foreign Currency Translation**		
Opening balance	**3,593,410**	2,681,058
Foreign currency translation differences	**(685,029)**	912,352
Disposal of foreign subsidiaries	**(2,062,807)**	
Closing balance	**845,574**	3,593,410
(d) **Movement During the Year – Available for sale financial asset**		
Opening balance	**-**	(385,824)
Revaluation	**-**	-
Reclassification to profit and loss	**-**	385,824
Closing balance	**-**	-
(e) **Movement During the Year – Non-controlling interest**		
Opening balance	**365,363**	477,281
NCI share of profit / (loss) for the year	**12,540**	(29,428)
Foreign currency translation differences	**5,796**	(82,490)
Closing balance	**383,699**	365,363

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.

16. RESERVES (continued)

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.

Available for sale financial asset Reserve

The Available for sale financial asset reserve is used to record the revaluation of the investment in listed securities to market value as the investment is designated as an available for sale financial asset..

Non-controlling interest's Reserve

The non-controlling interest's reserve records the difference between the fair value of the amount by which the non-controlling interests were adjusted to record their initial relative interest and the consideration paid.

17. 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. Management 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 other than a loan receivable of nil (2016: $158,583) as disclosed in note 9.

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.

17. FINANCIAL RISK MANAGEMENT (continued)

(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.

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 liabilitiesbased 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 2017				
Financial Liabilities:				
Current:				
Trade and other payables	395,932	-	-	395,932
Short-term borrowings	91,081	-	-	91,081
Total Financial Liabilities	487,013	-	-	487,013

	Less than 6 months $	6 – 12 months $	Over 1 year $	Total $
Group at 30 June 2016				
Financial Liabilities:				
Current:				
Trade and other payables	270,030	-	-	270,030
Short-term borrowings	-	403,177	-	403,177
Total Financial Liabilities	270,030	403,177	-	673,207

(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 manage and control market risk exposures within acceptable parameters, while optimising the return.

Available-for-sale Financial Asset (refer Note 10) includes 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 2016 and 2017, the investment has been impaired to nil.

17. FINANCIAL RISK MANAGEMENT (continued)

(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.

(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 2017		30 June 2016	
		Assets $	**Liabilities $**	**Assets $**	**Liabilities $**
United States Dollar		**512,344**	**302,236**	599,665	44,933
Ghanaian New Cedi		**-**	**-**	1,727	1,237
Guinea Francs		**-**	**-**	16,309	-
		512,344	**302,236**	617,701	46,170

The following significant exchange rates applied during the year:

	Notes	Average rate		Reporting date spot rate	
		2017 $	2016 $	**2017 $**	2016 $
United States Dollar		**0.75**	0.73	**0.77**	0.74
Ghanaian New Cedi		-	2.80	-	2.91

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	
		2017 $	2016 $
+10% Strengthening of the Australian Dollar			
(Profit) or loss	(i)	**(20,242)**	18,851
Equity	(ii)	**(38,777)**	51,957
-10% Weakening of the Australian Dollar			
(Profit) or loss	(i)	**24,741**	(23,041)
Equity	(ii)	**47,394**	(63,503)

(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.

17. FINANCIAL RISK MANAGEMENT (continued)

The Group may be exposed to interest rate risk through primary financial assets and liabilities. The following table summarises interest rate risk for the consolidated entity, together with effective interest rates as at reporting date.

2017	**Weighted Average effective interest rate**	**Floating interest rate**	**Fixed interest rate maturing in: 1 year or less**	**Fixed interest rate maturing in: Over 1 year**	**Non-interest Bearing**	**Total**
		$	**$**	**$**	**$**	**$**
Financial Assets:						
Cash and cash equivalents	2.09%	820,309	-	-	242,161	1,062,470
Current receivables		-	-	-	211,777	211,777
Non-current receivables		-	-	-	-	-
Total Financial Assets		820,309	-	-	453,938	1,274,247
Financial Liabilities:						
Current trade and other payables		-	-	-	395,932	395,932
Short-term borrowings		-	-	-	91,081	91,081
Total Financial Liabilities		-	-	-	487,013	487,013

2016	**Weighted Average effective interest rate**	**Floating interest rate**	**Fixed interest rate maturing in: 1 year or less**	**Fixed interest rate maturing in: Over 1 year**	**Non-interest bearing**	**Total**
		$	**$**	**$**	**$**	**$**
Financial Assets:						
Cash and cash equivalents	0.17%	215,072	-	-	201,380	416,452
Current receivables		-	-	-	241,579	241,579
Non-current receivables		-	-	-	-	-
Total Financial Assets		215,072	-	-	442,959	658,031
Financial Liabilities:						
Current trade and other payables		-	-	-	270,030	270,030
Short-term borrowings		-	-	-	403,177	403,177
Total Financial Liabilities		-	-	-	673,207	673,207

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Group holds working capital in transaction accounts at variable interest rates. If the interest rates had increased or decreased by 100 basis points (100bps) from the year end rates (based on forward treasury rates) with all other variables held constant, profit would increase or decrease by $41,701 (2016:$7,809).

17. FINANCIAL RISK MANAGEMENT (continued)

The following table summarises the sensitivity of the Group's financial assets to interest rate risk.

2017		**Interest rate risk**			
		-100 bps		+100 bps	
	Carrying Amount $	Profit $	Equity $	Profit $	Equity $
Financial assets					
Cash and cash equivalents	422,555	(41,701)	(41,701)	41,701	41,701
Total increase / (decrease)		(41,701)	(41,701)	41,701	41,701

2016		**Interest rate risk**			
		-100 bps		+100 bps	
	Carrying Amount $	Profit $	Equity $	Profit $	Equity $
Financial assets					
Cash and cash equivalents	416,452	(7,809)	(7,809)	7,809	7,809
Total increase / (decrease)		(7,809)	(7,809)	7,809	7,809

(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.

18. 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.

On conclusion of feasibility studies and a decision to mine at the Giro Project, payments of US$2.5 million and US$0.7 million will be required to be made by Amani to the DRC Government and Societe Miniere De Kilo Moto SA (Sokimo) respectively.

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 (2016: Nil).

18. CONTINGENCIES (continued)

Subsequent to the end of the reporting period, the Company entered into a subscription agreement under which Luck Winner Investment Limited will invest $25 million in the Company as equity. To the date of this report, $15 million has been received through the issue of 300 million shares. The remaining $10 million through the issue of 200 million shares and 250 million attaching options (exercisable at $0.07 each with a two year term) is subject to receipt of prior shareholder approval. In the event that the Company is unable to obtain shareholder approval by 30 November 2017, it will be liable to a break fee of $250,000.

19. COMMITMENTS

(a) Capital commitments

There were no capital commitments, not provided for in the financial statements as at 30 June 2017.

(b) Lease commitments: non-cancellable operating lease

Amani Gold Limited entered into a lease agreement for the use of furnished office space at its corporate office effective from 1 April 2016 to its expiry date of 30 June 2017. No new agreement has been signed to date.

	Consolidated	
	2017	2016
	$	$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**-**	30,000
One year to five years	**-**	-
Total	**-**	30,000

20. STATEMENTS OF CASH FLOWS

(a) Reconciliation of loss after income tax to net cash outflow from operating activities	**2017** **$**	2016 $
Profit / (loss) after income tax	**257,624**	(12,411,305)
Add back non-cash items:		
Depreciation	**25,111**	21,005
Impairment of exploration expenditure	**-**	8,787,234
Impairment of listed securities	**-**	872,115
Share based payments expense	**270,579**	1,294,218
Net exchange differences	**(54,699)**	241,523
Disposal of subsidiaries	**(1,991,919)**	-
Change in assets and liabilities:		
(Increase) / Decrease in receivables	**(128,781)**	527,559
Increase / (Decrease) in operating payables	**125,903**	(376,926)
Net cash outflow from operating activities	**(1,496,182)**	(1,044,577)

(b) Non-Cash Financing and Investing Activities

Share based payments of $628,740 (2016 - $433,897) were classified and capitalised under exploration expenditure for incentive securities awarded to exploration staff.

21. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

	2017	2016
	$	$
Short term remuneration	**382,176**	382,176
Share based payments	**424,032**	1,333,489
	806,208	1,715,665

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.

	Consolidated	
	2017	2016
	$	$
Accounting, secretarial and corporate service fees paid or payable to Corporate Consultants Pty Ltd, a company in which Mr Shah has beneficial interests.	**140,318**	183,853
Rental fees for the sub-lease of furnished office space paid or payable to Corporate Consultants Pty Ltd, a company in which Mr Shah has beneficial interests.	**30,841**	34,088
Balances due to Directors and Director Related Entities at year end		
- included in trade creditors and accruals	**12,487**	50,674

(b) Parent entity

Amani Gold Limited is the ultimate parent entity.

22. PARENT ENTITY DISCLOSURES

Financial position

	Parent	
	2017	2016
	$	$
Assets		
Current assets	**830,276**	226,581
Non-current assets (note i)	**24,330,096**	16,476,123
Total assets	**25,160,372**	16,702,704
Liabilities		
Current liabilities	**246,920**	627,036
Total liabilities	**246,920**	627,036
Net Assets	**24,913,452**	16,075,668
Equity		
Issued capital	**47,883,516**	36,719,406
Accumulated losses	**(29,977,116)**	(26,731,971)
Reserves		
Share based reserves	**5,611,008**	4,699,689
Option premium reserve	**1,396,044**	1,388,544
Asset revaluation reserve	**-**	-
Total equity	**24,913,452**	16,075,668

22. PARENT ENTITY DISCLOSURES (continued)

Financial performance

	Parent	
	2017	2016
	$	$
Loss for the year	**3,245,145**	12,514,755
Total comprehensive loss	**3,245,145**	12,514,755

(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 18.

For details on commitments, see Note 19.

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 2017	Consolidated Entity Interest 2016	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 Gold (Ghana) Ltd[2]	Ghana	-	100%	Ord
Burey Gold Guinee sarl[2]	Guinea	-	100%	Ord
Burey Resources Pty Ltd	Australia	**100%**	100%	Ord

1. Amani Consulting sarl is the parent entity of Giro Goldfields sarl with a 65% interest.

2. On 29 December 2016, the Company disposed its 100% interest in subsidiaries, Burey Gold (Ghana) Ltd and Burey Gold Guinee sarl for nominal consideration. Both subsidiaries were deconsolidated from the Group during the year.

23. 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 matter referred to below:

The Company entered into a subscription agreement with Hong Kong based entity, Luck Winner Investment Limited for a total capital raising of $25 million through the issue of 500 million shares and 250 million attaching options ($0.07 exercise price and a two year term). Stage 1 of the capital raising has been completed to the date of this report with the receipt of $15m in subscription funds via the issue of 300 million shares at $0.05 each. A number of new directors were appointed to the Board (refer to the Directors' Report for details) under the terms of the subscription agreement upon completion of Stage 1 of the capital raising. Stage 2 of the capital raising for the remaining $10 million (through the issue of 200 million shares and 250 million attaching options) is conditional on, amongst other matters, approval by the Company's shareholders which is planned for November 2017.

Effective close of business on 31 July 2017, all remaining listed options expired without being exercised.

Amani Gold Limited
Directors' Declaration
for the year ended 30 June 2017

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 2017 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 2017.

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
Director

Dated at Perth on the 28th day of September 2017

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

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 2017, the consolidated statement of 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 2017 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* (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.

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.

Carrying Value of Exploration and Evaluation Assets

Key audit matter	*How the matter was addressed in our audit*
At 30 June 2017 the carrying value of the capitalised exploration and evaluation asset was $24,787,528 (2016: $16,051,029), as disclosed in Note 12 in the Financial Report. The Groups accounting policy and the estimates it makes with respect to Exploration and Evaluation Assets are disclosed in Note 1. 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. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • 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; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 1 and Note 12 in the Financial Report.

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 2017, 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:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 20 of the Directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Amani Gold Limited, for the year ended 30 June 2017, 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

BDO

Dean Just

Director

Perth, 28 September 2017

The shareholder information set out below was applicable as at 26 September 2017.

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 2017: www.amanigold.com/corporate-governance.

Substantial shareholders

An extract of the Company's register of substantial shareholders is set out below.

Shareholders	Number of Shares
Luck Winner Investment Limited	300,000,000
JP Morgan Nominees Australia Limited	105,414,249

Distribution of equity security holders

Size of Holding	Ordinary Shares (ANL)
1 to 1,000	59
1,001 to 5,000	98
5,001 to 10,000	198
10,001 to 100,000	1,039
100,001 and over	428
	1,822

The number of shareholdings comprising less than a marketable parcel was 585.

Twenty Largest Shareholders	Number of Shares	% Held
BNP Paribas Nominees Pty Ltd	327,284,724	20.897
J P Morgan Nominees Australia Limited	311,145,431	19.867
Luck Winner Investment Limited	300,000,000	19.155
HSBC Custody Nominees (Australia) Limited	132,166,879	8.439
Perseus Mining Limited	72,530,199	4.631
Yuan Jiming	42,222,222	2.696
Kang Xiao Han, Fu Xing Lu, Hai Dian Qu	21,111,111	1.348
Susmit Shah	18,000,000	1.149
CS Third Nominees Pty Limited	17,263.141	1.102
ABEH Pty Ltd	13,542,007	0.865
Citicorp Nominees Pty Limited	11,307,491	0.722
Redland Plains Pty Ltd	8,455,500	0.540
Yarandi Investments Pty Ltd	7,716,909	0.493
Keng Huat Goh	7,700,000	0.492
Phillip Richard Perry & Tetyana Anatoliyivna Perry	4,909,982	0.314
RLS Engineering Pty Ltd	4,739,100	0.303
Merrill Lynch (Australia) Nominees Pty Ltd	4,713,512	0.301
Custodial Services Limited	4,000,000	0.255
ESM Limited	4,000,000	0.255
McNeil Nominees Pty Limited	3,600,000	0.230
	1,316,408,208	84.053

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 3 to 10 cents each on or before 31 December 2020	46,500,000

Note 1: Holders of more than 20% of this class of options:
Hartleys Limited – 22,500,000
Mark Calderwood – 5,000,000

Mineral Interests

Location	*Concession name and type*	*Registered Holder*	*Amani's current equity interest*	*Maximum equity interest capable of being earned*	*Notes*
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. 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 the terms of an agreement between Amani Consulting and Sokimo, Amani Consulting was required to complete a feasibility study at the Giro Gold Project by February 2017. The parties have been in discussion and negotiation for an extension of the date for completion of a feasibility study and, in March 2017, Sokimo confirmed its in-principle agreement to grant a two year extension however at this point in time formal binding agreements to that effect have not yet been executed by the parties (Sokimo has not issued any notice of breach).