

# **Amani Gold Limited**

**and its controlled entities**

(ABN 14 113 517 203)

**Half Year Report  
31 December 2017**

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## DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity, comprising Amani Gold Limited (the "Company") and its controlled entities (collectively "Amani" or the "Group") for the half year ended 31 December 2017. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

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

Qiuming Yu	Chairman (appointed 11 July 2017)
Klaus Eckhof	
Susmit Shah	
Sheng Fu	appointed 11 July 2017
Sik Lap Chan	appointed 11 July 2017
Grant Thomas	appointed 1 January 2018
Mark Calderwood	resigned on 31 December 2017
Kevin Thomson	resigned on 11 July 2017

### Results

The consolidated loss for the half year after tax was \$877,362 (2016 consolidated profit: \$837,735). The profit for the 2016 reporting period included \$1,991,919 recognised as a gain on the disposal of subsidiaries in Ghana and Guinea. This gain primarily comprised 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.

### Review of Operations

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

Amani's Giro Gold Project lies within the highly prospective, under-explored Moto Greenstone Belt in north-eastern Democratic Republic of Congo (DRC) which hosts Randgold/Ashanti's 17-million ounce Kibali group of deposits, lying within 35km of Giro.

The Half-Year period ended 31 December 2017 was a busy period at an operational level. The period started off with the completion and announcement of a maiden mineral resource estimate at Kibigada. A Maiden Mineral Resource estimate of **45.62 million tonnes at 1.46g/t Au for 2.14 million ounces** at a 0.90g/t Au cut-off grade was reported. More importantly, the grade increased when converted to the indicated category where there was closer drill hole spacing with **16.48 million tonnes at 1.53g/t Au for 0.81 million ounces** defined at a 0.9g/t Au cut-off grade.

**Review of Operations (continued)****Table 1: Kebigada Mineral Resource at 0.90g/t Au Cut-Off Grade (Amani:55.25%)**

<b>Category</b>	<b>Tonnes (Millions)</b>	<b>Au grade g/t</b>	<b>Ounces (Millions)</b>
Measured	-	-	-
Indicated	16.48	1.53	0.81
Inferred	29.14	1.42	1.33
<b>Total Mineral Resource</b>	<b>45.62</b>	<b>1.46</b>	<b>2.14</b>

## 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 defined Mineral Resource covers an area of approximately 1.3km x 350m and tapers off towards the north and south. It is based on gold assays and density measurements obtained from the cores of 24 NQ size diamond drillholes (DD) and 230 reverse circulation (RC) holes drilled by Amani and its predecessors between December 2013 and May 2017.

Following the maiden Mineral Resource estimate, the Company planned up to 30,000m of combined RC and diamond drilling at Kebigada over the main high-grade block of mineralisation identified in the Mineral Resource estimate. Drilling is planned to cover an area of 650m x 250m where it is anticipated that current Indicated and Inferred Mineral Resources will be converted to measured Mineral Resources.

Additional drilling programmes were also planned for Adoku and the immediate surrounds at Kebigada where high-grade soil anomalies will be followed up with drilling to delineate potential satellite resources which could add materially to the Kebigada Mineral Resource.

**Kebigada**

During the reporting period, 61 RC holes for a total of 3,450m were drilled on six satellite targets: Congo Ya Sika, Giro Vein, Belgians Trench, Kebigada North, Kebigada Northwest and Kebigada East.

To date, Amani has reported assay results from 30 of the 61 RC holes from the Congo Ya Sika, Kebigada North and Kebigada NW extension targets.

Significant mineralisation intervals included:

- Kebigada NW Extension
  - o 6m at 4.83g/t Au from 45m incl. 4 at 6.72g/t Au from 45m
  - o 5m at 1.41g/t Au from 30m incl. 1m at 4.13g/t Au from 30m
  - o 4m at 5.75g/t Au from 29m incl. 2m at 10.10g/t Au from 29m
  - o 7m at 2.33g/t Au from 20m incl. 1m at 12.8g/t Au from 20m
  - o 5m at 13.74g/t Au from 21m incl. 2m at 32.36g/t Au from 22m
- Congo Ya Sika
  - o 3m at 42.11g/t Au from 10m incl. 2m at 62.56g/t Au from 10m

In order to carry out future infill drill programs at Kebigada to upgrade and add to the existing mineral resources, the Amani Group commenced relocation of artisanal miners and sections of the Giro village during the period. The relocation activities were carried out primarily by a sub-commission constituted under the terms of a regulatory legal deed and appointed by and under the control of the Government of the Haut-Uele Province.

## Review of Operations (continued)

### ***Douze Match***

8 diamond core drill holes for 692m and 139 RC reconnaissance drill holes for 8,050m were completed during the reporting period and up to end of January 2018 at the Douze Match prospect within the Giro Goldfields tenements to test for extensions of mineralization down plunge and to the SW area which has a coincident gold in soil anomaly.

The RC reconnaissance and infill drilling aims to delineate continuity along strike of the NE-trending and SE-dipping Douze Match gold mineralization at the granite – volcanic contact and the diamond core drilling aims to extend mineralization at depth. To date, less than 1.5km of the 6km long NE-trending gold in soil anomaly at Douze Match has been adequately drilled.

Significant results from Douze Match included:

- DMRC249: **7m at 3.32g/t Au** from 29m(L750N)
- DMRC282: **5m at 4.01g/t Au** from 16m(L500N)
- DMRC286: **14m at 2.84g/t Au** from 54m(L400N)
- DMRC287: **17m at 2.05g/t Au** from 36m(L400N)
- DMRC289: **14m at 4.11g/t Au** from 16m(L200N)
- DMRC293: **6m at 3.00g/t Au** from 77m(L200N)
- DMRC301: **11m at 4.69g/t Au** from 76m including **2m at 22.75g/t Au** from 76m(L050N)
- DMRC311: **14m at 2.72g/t Au** from 28m(L900N)
- DMDD009: **16m at 1.24g/t Au** from 80m, incl. **3.4m at 2.42g/t Au** from 85.5m and **2m at 2.23g/t Au** from 94m
- DMDD010: **16m at 1.75g/t Au** from 52.5m, incl. **5.75m at 3.54g/t Au** from 60m and **18.3m at 3.89g/t Au** from 72.7m, incl. **11.3m at 5.68g/t Au** from 72.7m
- DMDD014: **12m at 1.95g/t Au** from 110m, incl. **0.85m at 6.05g/t Au** from 111.2m, **0.7m at 9.57g/t Au** from 116.3m and **1.8m at 3.44g/t Au** from 120.2m

The RC drilling at Douze Match has controlled a 1km long NE-SW trending mineralisation zone, which remains open at both ends and at depth, within a 6km long soil anomaly reported in August 2016. The zone is a mineralised shear aligning along the granite-mafic volcanic contact. The mineralisation is characterized by silicification, 5-40% sulphidation and quartz veinlets mostly in the mafic volcanic.

Results to date confirm the NE-SW trending nature of the gold mineralization and is also interpreted to suggest a shallow NE-dipping plunge which may be tested by several diamond core drill holes in follow-up drilling campaigns.

Commencing late March 2018, Amani will trial hand-held auger drilling (up to 20m) and sampling over several highly prospective areas. Detailed geological and structural mapping programs will be carried out in conjunction.

Further exploration programs including conventional soil sampling will be carried out across the Giro Project to identify additional gold targets.

### ***Sokimo agreement***

In late December 2017, Amani secured an agreement with Société Minière De Kilo Moto SA (Sokimo) for an extension to the deadline for completion of a feasibility study at the Giro Gold Project.

The Company's DRC subsidiary, Amani Consulting sarl and Sokimo entered an agreement extending the deadline for completion of a feasibility study at the Giro Gold Project to 31 December 2018 in exchange for payment of a fee to Sokimo of US\$750,000. If a feasibility study is still not complete by that date for reasons beyond Amani Consulting's control and, in general terms, the feasibility study is progressing positively, then Sokimo may grant a further 12 months extension (i.e. to 31 December 2019). Thereafter, in the absence of a

## Review of Operations (continued)

completed study, Sokimo has the right to terminate the shareholders' agreement with Amani Consulting by issuing a termination notice with a six-month duration.

### **Corporate**

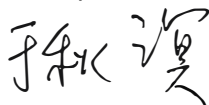
#### *Capital Raisings*

The Company raised \$15 million from a cornerstone investor through the issue of 300 million shares at \$0.05 each to fund exploration work within the Giro Gold Project.

### **Auditor's Independence Declaration**

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

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



YU Qiuming  
Chairman

Dated: 15 March 2018

### *Competent Person's Statement*

*The information in this report that relates to the Giro Gold Project has been previously reported by the Company in compliance with JORC 2012 in various market releases, with the last one being dated 19 February 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in those earlier market announcements.*

### *Forward Looking Statements*

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

## DECLARATION OF INDEPENDENCE BY MATTHEW CUTT TO THE DIRECTORS OF AMANI GOLD LIMITED

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

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



Matthew Cutt

Director

BDO Audit (WA) Pty Ltd

Perth, 15 March 2018

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	Notes	Consolidated	
		31 December 2017 \$	31 December 2016 \$
Revenue from continuing operations		66,152	43,957
Consultants and corporate costs		(477,735)	(319,816)
Due diligence costs		-	(326,798)
Salaries, wages and employment expenses		(176,488)	(203,914)
Depreciation expense		(36,798)	(25,121)
Occupancy expenses		(25,433)	(54,422)
Travel expenses		(181,644)	(71,150)
Share based payments expense	2	-	(244,618)
Foreign exchange (loss)/gain	2	(45,416)	47,698
Gain on disposal of subsidiaries	2	-	1,991,919
<b>(Loss) / Profit before related income tax expense</b>		<b>(877,362)</b>	<b>837,735</b>
Income tax (expense) / benefit		-	-
<b>(Loss) / profit for the period</b>		<b>(877,362)</b>	<b>837,735</b>
Net (loss) / profit attributable to:			
Owners of Amani Gold Limited		(829,195)	838,963
Non-controlling interest		(48,167)	(1,228)
		<b>(877,362)</b>	<b>837,735</b>
<b>Other comprehensive (loss) / income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(362,654)	604,326
Reclassification to profit and loss on disposal of foreign subsidiaries		-	(2,062,807)
<b>Total comprehensive (loss) / income for the half year attributable to members of Amani Gold Limited</b>		<b>(1,240,016)</b>	<b>(620,746)</b>
Total comprehensive (loss) / income is attributable to:			
Owners of Amani Gold Limited		(1,225,130)	(656,746)
Non-controlling interest		(14,886)	36,000
		<b>(1,240,016)</b>	<b>(620,746)</b>
<b>(Loss) / earning per share for the half year attributable to members of Amani Gold Limited</b>			
Basic (loss) / earning per share (cents per share)		<b>(0.06)</b>	0.07

The accompanying notes form part of these financial statements



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**

	Notes	Consolidated	
		31 December 2017 \$	30 June 2017 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		5,158,846	1,062,471
Other receivables		281,910	211,777
<b>Total Current Assets</b>		<b>5,440,756</b>	<b>1,274,248</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		274,358	99,420
Exploration and evaluation expenditure	3	35,274,092	24,787,528
<b>Total Non-Current Assets</b>		<b>35,548,450</b>	<b>24,886,948</b>
<b>Total Assets</b>		<b>40,989,206</b>	<b>26,161,196</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Bank Overdraft	4	546,995	-
Trade and other payables		772,485	395,932
Loan		-	91,081
<b>Total Current Liabilities</b>		<b>1,319,480</b>	<b>487,013</b>
<b>Total Liabilities</b>		<b>1,319,480</b>	<b>487,013</b>
<b>Net Assets</b>		<b>39,669,726</b>	<b>25,674,183</b>
<b>Equity</b>			
Contributed equity	5	62,868,356	47,883,517
Reserves		7,725,806	7,852,626
Accumulated losses		(31,274,854)	(30,445,659)
<b>Capital and reserves attributed to the owners of Amani Gold Limited</b>		<b>39,319,308</b>	<b>25,290,484</b>
Non-controlling interest		350,418	383,699
<b>Total Equity</b>		<b>39,669,726</b>	<b>25,674,183</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

**2016**

	Contributed Equity	Accumulated Losses	Share Based Reserve	Option Premium Reserve Note 5	Foreign Currency Translation Reserve	Non controlling interests	Total Equity
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	<b>36,719,406</b>	<b>(30,690,743)</b>	<b>4,699,689</b>	<b>1,388,544</b>	<b>3,593,410</b>	<b>365,363</b>	<b>16,075,669</b>
<b>Total comprehensive income for the half year</b>							
Profit /(loss) for the half year	-	838,963	-	-	-	(1,228)	837,735
<i>Other comprehensive income</i>							
Exchange differences on translation of foreign operations	-	-	-	-	640,326	(36,000)	604,326
Reclassification to profit and loss on disposal of foreign subsidiaries	-	-	-	-	(2,062,807)	-	(2,062,807)
<b>Total comprehensive income / (loss) for the half year</b>	<b>-</b>	<b>838,963</b>	<b>-</b>	<b>-</b>	<b>(1,422,481)</b>	<b>(37,228)</b>	<b>(620,746)</b>
<b>Transactions with equity holders in their capacity as equity holders</b>							
Share and listed option issues (net of costs)	11,164,110	-	-	-	-	-	11,164,110
Share based payments expense – options	-	-	121,316	7,500	-	-	128,816
Share based payments expense – performance rights	-	-	374,994	-	-	-	374,994
<b>Balance at 31 December 2016</b>	<b>47,883,516</b>	<b>(29,851,780)</b>	<b>5,195,999</b>	<b>1,396,044</b>	<b>2,170,929</b>	<b>328,135</b>	<b>27,122,843</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

**2017**

	Contributed Equity	Accumulated Losses	Share Based Reserve	Option Premium Reserve	Foreign Currency Translation Reserve	Non controlling interests	Total Equity
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>47,883,516</b>	<b>(30,445,659)</b>	<b>5,611,008</b>	<b>1,396,044</b>	<b>845,574</b>	<b>383,699</b>	<b>25,674,183</b>
<b>Total comprehensive income for the half year</b>							
Loss for the half year	-	(829,195)	-	-	-	(48,167)	(877,362)
<i>Other comprehensive income</i>							
Exchange differences on translation of foreign operations	-	-	-	-	(377,540)	14,886	(362,654)
<b>Total comprehensive loss for the half year</b>	<b>-</b>	<b>(829,195)</b>	<b>-</b>	<b>-</b>	<b>(377,540)</b>	<b>(33,281)</b>	<b>(1,240,016)</b>
<b>Transactions with equity holders in their capacity as equity holders</b>							
Share and listed option issues (net of costs)	14,984,840	-	-	-	-	-	14,984,840
Share based payments expense – options	-	-	250,720	-	-	-	250,720
<b>Balance at 31 December 2017</b>	<b>62,868,356</b>	<b>(31,274,854)</b>	<b>5,861,728</b>	<b>1,396,044</b>	<b>468,034</b>	<b>350,418</b>	<b>39,669,726</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	Note	Consolidated	
		31 December 2017 \$	31 December 2016 \$
		Inflows/(Outflows)	
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(1,381,849)	(894,197)
Interest received		66,152	30,216
Interest paid		(19,487)	-
Net cash used in operating activities		<u>(1,335,184)</u>	<u>(863,981)</u>
<b>Cash flows from investing activities</b>			
Payment for plant and equipment		(155,571)	(86,937)
Payments for exploration expenditure		(10,199,687)	(3,936,000)
Option payment to acquire project		-	(326,798)
Net cash used in investing activities		<u>(10,355,258)</u>	<u>(4,349,735)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares and options		15,010,571	11,825,542
Payment for share issue costs		(25,732)	(661,431)
Repayment of loan		(89,851)	(239,916)
Net cash provided by financing activities		<u>(14,894,988)</u>	<u>10,924,195</u>
Net increase in cash held		3,204,546	5,710,479
Cash and cash equivalents at 1 July		1,062,471	416,453
Effect of exchange rate changes		344,934	137,921
<b>Cash and cash equivalents at 31 December</b>		<u><b>4,611,851</b></u>	<u><b>6,264,853</b></u>
<b>Reconciliation of cash and cash equivalents:</b>			
Cash and bank balances		5,158,846	6,264,853
Bank overdraft	4	(546,995)	-
<b>Cash and cash equivalents at 31 December</b>		<u><b>4,611,851</b></u>	<u><b>6,264,853</b></u>

The accompanying notes form part of these financial statements.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****Statement of compliance**

The interim consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB').

These half-year financial statements do not include full disclosures of the type normally included in annual financial statements. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial statements.

It is recommended that these half-year financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2017 and any public announcements made by Amani Gold Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

**Basis of preparation**

These half-year financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**Significant accounting judgments and key estimates**

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

In preparing these half year financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statement for the year ended 30 June 2017.

**Adoption of new and revised Accounting Standards**

In the half-year ended 31 December 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 on or after 1 July 2017. As a result of this review the Directors have determined that there is no change 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 half-year ended 31 December 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

### NOTE 2: EXPENSES

	<b>Consolidated</b>	
	<b>31 December 2017</b>	31 December 2016
	\$	\$
Profit / Loss for the period includes the following specific expenses:		
Foreign exchange loss/(gain)	<b>45,416</b>	(47,698)
Share based payment expense (a)	-	244,618
(Gain) on disposal of subsidiaries (b)	-	(1,991,919)

- (a) The consolidated entity has recognised an expense of nil (2016: \$244,618) in relation to the calculated fair value of options (over ordinary shares) in the Company vesting in the period (prior period expense related to options and performance rights over ordinary shares).
- (b) 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 recognized a gain on disposal of \$1,991,919 for the half year, and the two subsidiaries were deconsolidated from the Group at 31 December 2016. This gain takes into account the foreign currency translation gain of \$2,062,807, which was transferred from the foreign currency translation reserve to profit and loss.

### NOTE 3: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	<b>31 December 2017</b>	30 June 2017
	\$	\$
<b>Exploration and evaluation phase – at cost</b>	<b>35,274,092</b>	24,787,528
Balance at beginning of the period	<b>24,787,528</b>	16,051,029
Expenditure incurred during the period	<b>10,549,798</b>	9,166,863
Foreign currency translation differences	<b>(63,234)</b>	(430,365)
Total exploration and evaluation expenditure	<b>35,274,092</b>	24,787,528

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

In order to carry out future infill drill programs at Kebigada to upgrade and add to the existing mineral resources, the Amani Group commenced relocation of artisanal miners and sections of the Giro village during the reporting period. The relocation activities, at a cost of approximately \$6.4m during the reporting period, were carried out primarily by a sub-commission constituted under the terms of a regulatory legal deed and appointed by and under the control of the Government of the Haut-Uele Province.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

### NOTE 4: BANK OVERDRAFT

The bank overdraft is unsecured, repayable upon demand and subject to a variable interest rate of 20% per annum as at 31 December 2017. Subsequent to 31 December 2017, the bank overdraft has been fully settled.

### NOTE 5: CONTRIBUTED EQUITY

	31 December 2017 \$	30 June 2017 \$
(a) <i>Ordinary shares</i>		
Issued and fully paid		
1,566,163,747 (30 June 2017: 1,257,452,332)	<b>62,868,356</b>	47,883,517
<i>Movements in ordinary shares on issue for the period</i>		
	No.	\$
Balance at beginning of current period (1 July 2017)	1,257,452,332	47,883,517
Private placement issue of shares at \$0.05 cents each	300,000,000	15,000,000
Exercise of listed options at \$0.05 cents each	211,415	10,571
Conversion of performance rights to shares	8,500,000	-
Share issue expenses	-	(25,732)
Balance at end of current period (31 December 2017)	<b>1,566,163,747</b>	<b>62,868,356</b>

#### (b) *Listed Share Options*

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

	31 December 2017 \$	30 June 2017 \$
Issued listed options		
Nil (30 June 2017: 434,251,337)	<b>1,396,044</b>	1,396,044
<i>Movements in listed options on issue for the period</i>		
	No.	\$
Balance at beginning of current period (1 July 2017)	434,251,337	1,396,044
Exercise and conversion of options to shares	(211,415)	-
Expired in current period	(434,039,922)	-
Balance at end of current period (31 December 2017)	<b>-</b>	<b>1,396,044</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

### NOTE 5: CONTRIBUTED EQUITY (continued)

#### (c) Unlisted Share Options

2016 - Options to subscribe for ordinary shares in the Company have been granted as follows:

Exercise Period	Note	Exercise Price	Opening Balance	Issued	Exercised/ Cancelled/ Expired	Closing Balance
			1 July 2016		2016	
			Number	Number	Number	Number
8 Sept 2014 - 31 Dec 2016		\$0.05	47,500,000	-	(47,500,000)	-
15 Apr 2016 – 31 Dec 2020	(i)	\$0.03	7,500,000	-	-	7,500,000
15 Apr 2016 – 31 Dec 2020	(i)	\$0.04	12,500,000	-	-	12,500,000
15 Apr 2016 – 31 Dec 2020	(i)	\$0.05	12,500,000	-	-	12,500,000
2 Nov 2016 – 2 Nov 2019	(ii)	\$0.08	-	9,500,000	-	9,500,000
2 Nov 2016 – 2 Nov 2019	(ii)	\$0.10	-	9,500,000	-	9,500,000
			80,000,000	19,000,000	(47,500,000)	51,500,000

2017 - Options to subscribe for ordinary shares in the Company have been granted as follows:

Exercise Period	Note	Exercise Price	Opening Balance	Issued	Exercised/ Cancelled/ Expired	Closing Balance
			1 July 2017		2017	
			Number	Number	Number	Number
15 Apr 2016 – 31 Dec 2020	(i)	\$0.03	7,500,000	-	-	7,500,000
15 Apr 2016 – 31 Dec 2020	(i)	\$0.04	12,500,000	-	(5,000,000)	7,500,000
15 Apr 2016 – 31 Dec 2020	(i)	\$0.05	12,500,000	-	(5,000,000)	7,500,000
2 Nov 2016 – 2 Nov 2019	(ii)	\$0.08	9,500,000	-	-	9,500,000
2 Nov 2016 – 2 Nov 2019	(ii)	\$0.10	9,500,000	-	-	9,500,000
			51,500,000	-	(10,000,000)	41,500,000

(i) 10 million options were issued as part of the remuneration package for the Company's directors. All 10 million options lapsed during the period, following the resignation of the holders. 22.5 million options were issued to a corporate advisor for equity market and strategic advice in market positioning and corporate strategy.

(ii) 19 million options were issued under the Employee Option Plan for nil consideration as part of the remuneration package of employees of the Company.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

### NOTE 5: CONTRIBUTED EQUITY (continued)

#### (d) Performance Rights

2016 - 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	Exercised/ Cancelled 2016	Closing Balance 31 December 2016
		Number	Number	Number	Number
31 December 2020	(ii)	67,500,000	-	(67,500,000)	-
31 December 2017	(i)	17,000,000	-	(8,500,000)	8,500,000
		84,500,000	-	(76,000,000)	8,500,000

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

Expiry date	Note	Opening Balance 1 July 2017	Issued 2017	Exercised/ Cancelled 2017	Closing Balance 31 December 2017
		Number	Number	Number	Number
31 December 2017	(i)	8,500,000	-	(8,500,000)	-
		8,500,000	-	(8,500,000)	-

- (i) Performance rights will vest subject to meeting specific performance conditions. The 17 million performance rights issued in 2015 comprised 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 and were converted into shares in the year ended 30 June 2017 and tranche 2 performance rights vested during the half year ended 31 December 2017 and were converted into shares.
- (ii) Performance rights will vest subject to meeting specific performance conditions. The 67.5 million performance rights issued in 2015 comprised 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 consecutive period of at least 10 trading days. These rights vested and were fully converted into shares in the year ended 30 June 2017.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

**NOTE 6: 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.

**NOTE 7: CONTINGENT ASSETS AND LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting date.

**NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE**

There are no matters or circumstances that have arisen since 31 December 2017 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial periods.

**NOTE 9: DIVIDENDS**

No dividends have been declared during the period.

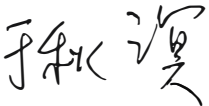
## DIRECTORS' DECLARATION

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

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and other mandatory professional reporting requirements.
  
- (b) there are reasonable grounds to believe that Amani Gold Limited will be able to pay its debts as and when they become due and payable.

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



YU Qiuming  
Chairman

15 March 2018

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Amani Gold Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Amani Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Directors' responsibility for the Half-Year Financial Report

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

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

Handwritten signature in blue ink. The signature consists of the letters 'BDO' on the top line and 'M Cutt' on the bottom line.

Matthew Cutt

Director

Perth, 15 March 2018