AMANI GOLD LIMITED

(ABN 14 113 517 203)

AMANI GOLD LIMITED

ANNUAL REPORT 2019

Directors	Klaus Eckhof Chan Sik Lap Grant Thomas Yu Qiuming Antony Truelove
Company Secretary	Craig McPherson
Registered Office	Suite 28 1 Park Road Milton Queensland 4064
Telephone:	+61 1300 258 985
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: +61 8 9389 8033 Facsimile: +61 8 9262 3723
Website:	www.amanigold.com

Securities trade on the Australian Securities Exchange – ANL

Dear Shareholders,

I am pleased to present the 2019 Annual Report for Amani Gold Limited (ASX: ANL).

This year has seen your Company continue to concentrate our exploration and evaluation focus on our flagship Giro Gold Project in the Democratic Republic of Congo.

During the year Amani completed a maiden gold resource estimate at Douze Match, within Giro, of 8.1Mt @ 1.2g/t Au, for 320Koz gold (cut-off grade of 0.5g/t Au, see ASX announcement 10 December 2018). The Giro Gold Project global resource now exceeds 3Moz gold; as combined Indicated and Inferred Mineral Resource estimates for the Kebigada and Douze Match deposits is 81.77Mt @ 1.2g/t Au, for 3.14Moz Au at a cut-off grade of 0.6g/t Au (see ASX Announcement 10 December 2018).

Amani has also commenced diamond core drilling operations at the Kebigada gold deposit in August 2019. Drilling will target deeper high-grade primary gold mineralisation within the central core of Kebigada deposit. The planned drilling may involve 6 core holes, each nominally 500m in length for a total of approximately 3,000m. Phase 1 drilling operations will comprise an initial 2 core holes each 500m in length. If significant gold mineralisation is intersected in Priority One holes, Phase 2 drilling will comprise a further 4 core holes, each 500m in length. We look forward to receiving the drilling assay results at Kebigada with the aim of upgrading the already substantial Kebigada resource.

Amani has recently added the Gada Gold Project to our DRC portfolio. Given the location, geology and scale of the Gada tenement package, as well as the early stage assessment carried out across the project, it is clear that the package is highly prospective for gold mineralisation. We will commence systematic exploration programs, including soil sampling and RC drilling programs over several of the best prospects at Gada before year's end.

I look forward to exploration successes at both Giro and Gada Projects this year.

I would also like to thank all our staff and contractors for their dedicated work to advancing Amani towards new discoveries and evaluating new projects and prospects.

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

Klaus Eckhof
Chairman

REVIEW OF OPERATIONS

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

The Giro Gold Project comprises two exploration permits covering a surface area of 497km² (PE's 5046 and 5049) and lies within the Kilo-Moto Belt (Democratic Republic of Congo), a significant under-explored greenstone belt which hosts Randgold Resources' 17 million-ounce Kibali group of deposits within 35km of Giro (Figure 1).

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

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

Amani has outlined a gold resource at Kebigada within the Giro Gold Project of 45.62Mt @ 1.46g/t Au for 2.14Moz gold at a cut-off grade of 0.9g/t Au (see ASX Announcement 23 August 2017, Figure 1 and Table 1).

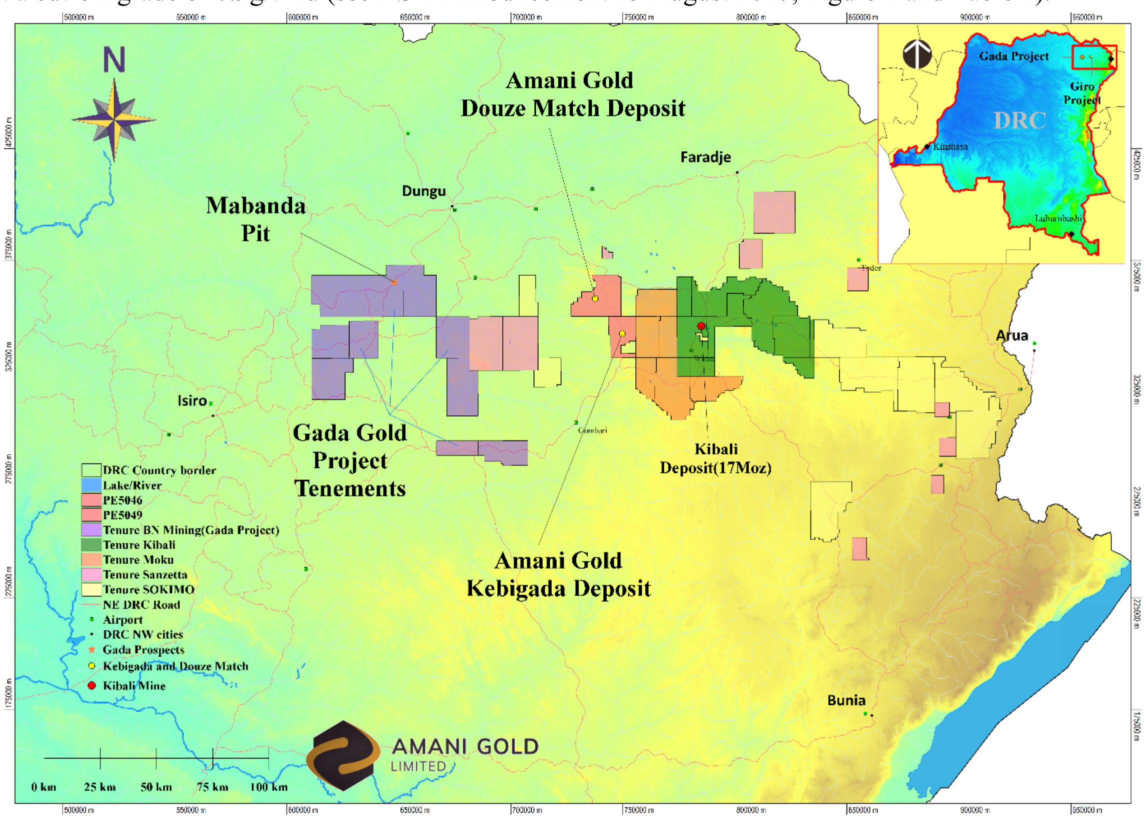

Figure 1. Map of Haute Uele Province of the Democratic Republic of Congo showing the location of the Gada and Giro Gold Projects (Kebigada and Douze Match gold deposits)

During the year, Amani completed a gold resource estimate at Douze Match, within the Giro Gold Project, of 8.1Mt @ 1.2g/t Au, for 320Koz gold at a cut-off grade of 0.5g/t Au (see ASX announcement 10 December 2018, Figure 1, Table 2).

The Giro Gold Project global resource now exceeds 3Moz gold; as combined Indicated and Inferred Mineral Resource estimates for the Kebigada and Douze Match deposits is 81.77Mt @ 1.2g/t Au, for 3.14Moz Au at a cut-off grade of 0.6g/t Au. Combined Indicated and Inferred Mineral Resource estimates for Kebigada and Douze Match deposits is 49.62Mt @ 1.49g/t Au, for 2.37Moz Au at a cut-off grade of 0.9g/t Au (see ASX Announcement 10 December 2018, Figure 1 and Table 1).

Table 1

Classification	Cut-off	Kebigada			Douze Match			Total		
		Tonnes	Au	Au	Tonnes	Au	Au	Tonnes	Au	Au
	Au (g/t)	Mt	g/t	Moz	Mt	g/t	Moz	Mt	g/t	Moz
Indicated	0.6	24.76	1.27	1.01	1.86	1.36	0.08	26.62	1.28	1.09
Inferred	0.6	50.40	1.14	1.84	4.76	1.38	0.21	55.16	1.16	2.05
Total	**0.6**	**75.16**	**1.18**	**2.85**	**6.62**	**1.38**	**0.29**	**81.77**	**1.20**	**3.14**
Indicated	0.9	16.48	1.53	0.81	1.13	1.76	0.06	17.61	1.54	0.87
Inferred	0.9	29.14	1.42	1.33	2.87	1.81	0.17	32.01	1.46	1.50
Total	**0.9**	**45.62**	**1.46**	**2.14**	**4.00**	**1.80**	**0.23**	**49.62**	**1.49**	**2.37**

Douze Match Resource Estimate

Amani commissioned H&S Consultants Pty Ltd (H&SC) to estimate the Mineral Resources of the Douze Match deposit (Figures 1 and 2 and Table 2), which forms part of the Giro Gold Project, located in northeast Democratic Republic of Congo (DRC) (see ASX announcement 10 December 2018).

The area assessed in this study contains 18 diamond drill (DD) holes and 285 reverse circulation (RC) drill holes for a total of 143,318 m of drilling. The DD core was sawn longitudinally in half, producing samples with an average weight of between approximately 3 and 4 kg. The same half was continuously sampled on nominal 1m intervals. The sample interval was adjusted in order to honour geological contacts. The RC samples were passed through a riffle splitter three times, after which approximately 5 kg was taken as a reference sample and 2 kg was weighed and labelled for laboratory dispatch. The samples were crushed and split in an accredited laboratory to produce a 50g charge for fire assay with an Atomic Absorption (AA) finish.

H&SC created a total of five wireframe solids to define the volume represented by gold grades elevated above 0.08 ppm. These wireframes were based on an interpreted series of cross-sections provided by Amani. Domains 11 to 14 are located along the SE edge of the deposit and dip around 44° towards the SE. Domain 20 has been modelled as a flat zone which occurs to the NW of domains 11 to 14. In some places deeper drilling has intersected mineralisation below the base of Domain 20 but the orientation of this mineralisation is unknown and has therefore not been estimated.

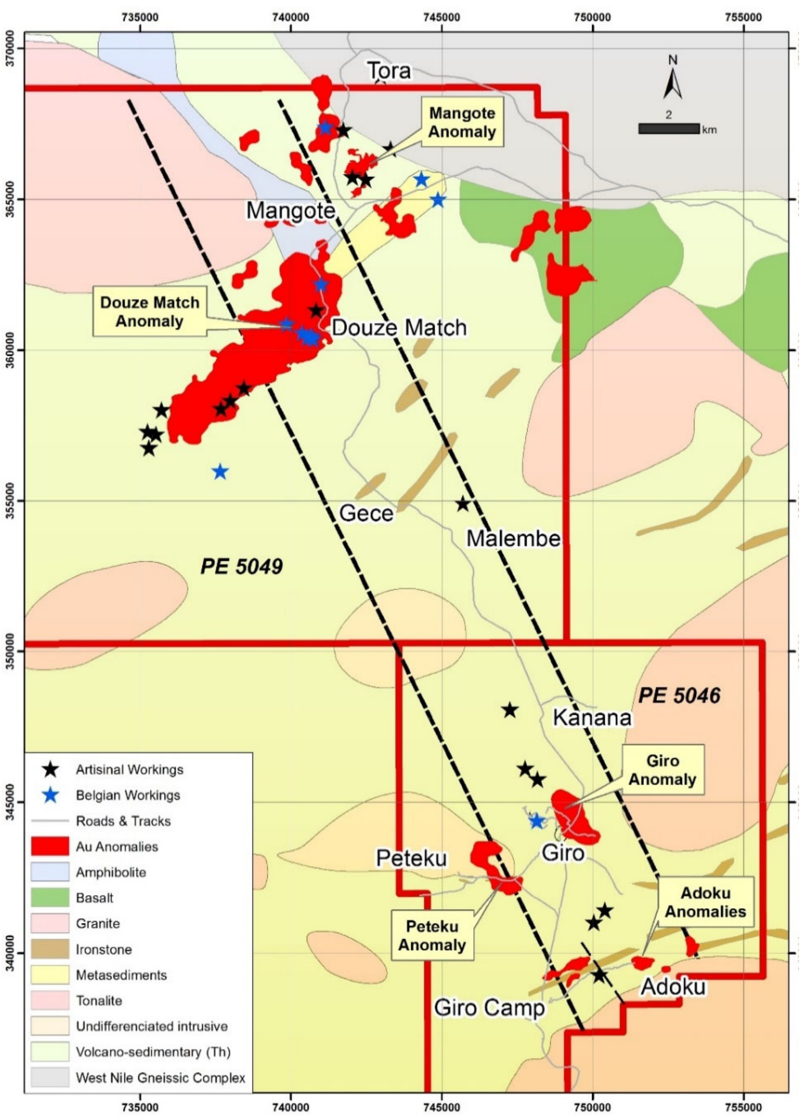

Figure 1. Map showing location of the Douze Match deposit

H&SC also created wireframe surfaces representing the base of laterite and the base of saprolite using information from drill hole logs. These wireframe surfaces were used to assign average densities, from limited measurements, to the block model. H&SC produced a wireframe surface representing topography based on the elevation of the drill hole collars.

The mineralisation at Douze Match strikes at approximately 040° so a rotated block model was employed in order to minimise smoothing. The concentration of gold was estimated using recoverable Multiple Indicator Kriging on rotated composite and block model data in H&SC's in-house GS3 software program and then compiled and evaluated in the Micromine 2018 software. At this stage the Company plans for the Douze Match deposit to be selectively mined using open pit methods and the block model used for estimation has been designed to reflect this.

The closer spaced drilling at Douze Match is on a regular grid with a nominal spacing of 50 m between drill lines and 25 m along the drill lines. A nominal composite length of one metre, with a minimum length of half a metre, was chosen for data analysis and resource estimation. This length represents the shorter, more common sample interval and is compatible with the chosen model block size and estimation search radii.

A three-pass search strategy was used for the estimates, as shown below. The search ellipse was rotated to parallel each domain orientation:

Pass 1. 10x60x60m search, 16-48 samples, minimum of 4 octants
Pass 2. 20x120x120m search, 16-48 samples, minimum of 4 octants
Pass 3. 20x120x120m search, 8-48 samples, minimum of 2 octants

The flat-lying domain 20 used slightly different search criteria due to better drill coverage. For this domain the across strike radii were set to half of the distance shown above.

A string was created outlining the areas that have been drilled on a 50x25 m grid. Blocks within this string that were populated in the first search pass were classified as Indicated. All other blocks that were estimated are classified as Inferred.

The Douze Match deposit contains a historic Belgian excavation known as the Tango Drive. The drive has been abandoned and is also void of any artisanal activity, however, the area surrounding the drive has seen extensive, recent alluvial mining. All figures presented here make no allowance for the artisanal mining.

The estimated Mineral Resource covers a strip of ground trending NE around 2.6 km long and up to 600 m wide. The upper limit of the Mineral Resource occurs at surface and the maximum depth of the reported Mineral Resource is 190 m. The resource estimates at a gold cut-off of 0.5 ppm are shown below.

Table 2

Classification	Tonnes (Mt)	Density (t/m3)	Au (ppm)	Au (Moz)
Indicated	2.2	2.11	1.2	0.09
Inferred	5.8	2.54	1.2	0.23
Total	8.1	2.41	1.2	0.32

The resource estimate was validated in several ways, including visual and statistical comparison of block and drill hole grades, examination of grade-tonnage data, and comparison with an Ordinary Kriged check model. As expected, the model represents a smoothed version of the original samples, with less of the local variability present in the sample data. Grade trends within the zone are aligned with the respective search and kriging orientations, and reasonably reflect interpreted trends in the mineralisation.

Amani commenced diamond core drilling operations at the Kebigada gold deposit in August 2019, Giro Gold Project (see ASX announcement 22 August 2019). Drilling will target deeper high-grade primary gold mineralisation within the central core of Kebigada deposit.

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

The initial drilling program of two holes is anticipated to take up to four weeks to complete, with final multi-element laboratory assay results available shortly thereafter. All drilled intervals will initially be analysed on site using portable XRF to guide ongoing drilling operations.

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

Amani completed a Memorandum of Understanding in August 2019 with project owner SOCIÉTÉ MINIÈRE DE KILO-MOTO SA ("SOKIMO"), to acquire six (6) highly prospective gold Exploration Permits in the DRC. LA SOCIÉTÉ MINIÈRE DE KILO-MOTO SA ("SOKIMO"), a company incorporated under the law of the Democratic Republic of Congo, holds 100% of Exploration Permits 11796, 11797, 11798, 11800, 11816 and 11817 ("Gada Gold Project") located in north-east DRC within the Niangara, Dungu and Rungu Territories of the Haut Uele Province (see ASX announcement 19 August 2019, Figure 1).

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

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

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

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

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

The material terms and timetable of the MoU with SOKIMO are outlined following:

1. The MoU with SOKIMO is for an initial period of six (6) months from 18 August 2019. This period may be extended by mutual agreement between the parties and also terminated by either party by providing 1 months written notice.
2. During the term of the MoU Amani has exclusive rights to carry out legal and technical due diligence and to explore the Gada tenements.
3. Following the initial 6 months due diligence period, at Amani's discretion, the Parties will negotiate and enter into a definitive agreement within thirty (30) days from expiration of the MoU. The MoU provides that the agreement will be through a corporate vehicle manage by both parties with a shareholding comprising of Amani 70% and SOKIMO 30% with exploration works and costs to be funded by Amani until provision of a bankable feasibility study.
4. The MoU exclusively covers Exploration Permits 11796, 11797, 11798, 11800, 11816 and 11817.
5. On signing the MoU Amani has agreed to settle outstanding Surface Rights payments due to DRC Cadastre Minier (CAMI) of approximately US$315k.
6. In addition, on signing of the MoU Amani has agreed to pay SOKIMO the sum of US$300,000 for exploration data, the rights to explore, prospecting authorizations and administrative expenses during the period of the MoU.

In addition to the agreement with SOKIMO Amani has also agreed, subject to shareholder approval, to issue 30,000,000 shares as an introduction fee to Mark Gasson and a further 10,000,000 shares to Mazoka Resources (PTY) Limited for assistance in concluding the MoU on the Gada Gold Project.

Gada Geology

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

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

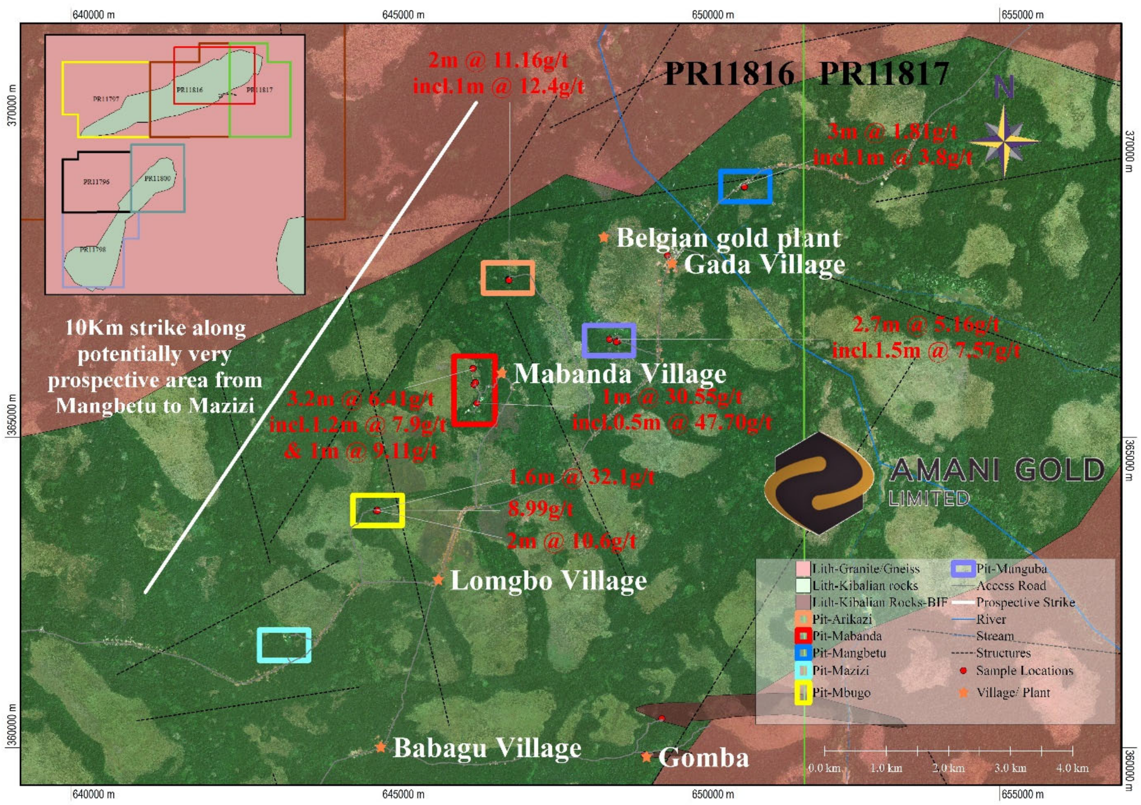

Figure 3. Map showing the potentially prospective strike length of mineralisation and the geology of tenement PR11816 – Gada Gold Project

The Gada Project area has complex with major NE-SW major structures that are cut by NW-SE, NNE-SSW, E-W and ENE-WSW transfer faults which could host gold deposits at the intersections. The porphyritic granites also show some micro-folding and faulting which gives an indication of the general structural setting within the area (Figure 3).

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

Conventional diamond core and/or RC drilling will adequately determine depth extensions and widths of mineralised veins and structures within fresh rock.

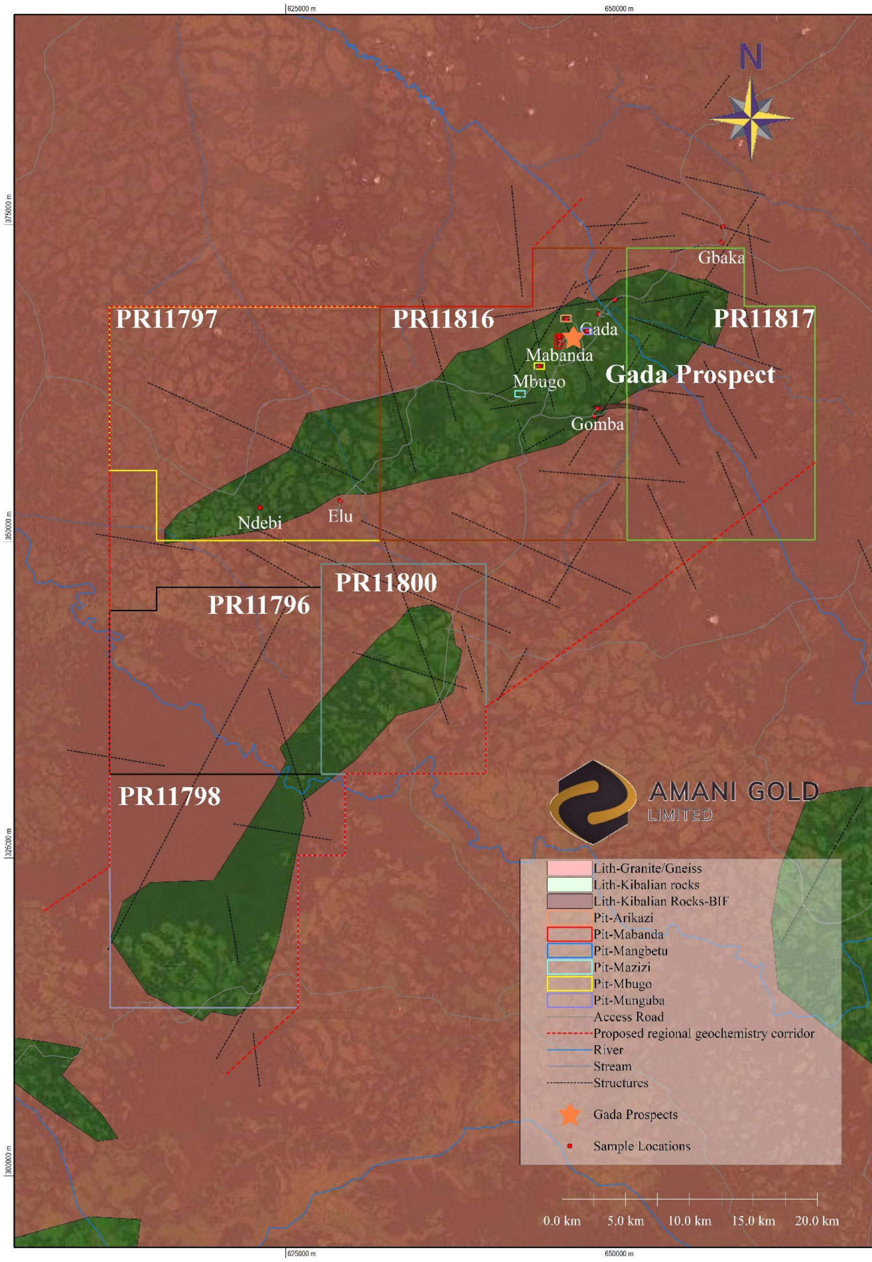

Figure 4. Map showing Exploration Permits, geology and structure of selected tenements - Gada Gold Project

Gada Exploration and Technical Due Diligence
Tenement PR11816

As part of the initial technical due diligence of the Gada tenements site visits and rock chip and channel sampling of known gold occurrences, artisanal pits and mineralised outcrops were completed within tenement PR11816.

The following prospects and artisanal pits were visited; Mazizi, Mbugo, Mabanda, Munguba, Arakaki, Mundial, Mangbetu, Gada, Medi Medi, Gbaka, Ndebi, Elu and Gomba and a total of 51 rock chip and channel samples were collected and assayed (Figure 3). Best assay results include:

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

Outlook and Planned Exploration
Gada Tenements PR11816, PR11817 and PR11797

Initial exploration activities have been planned for Gada tenements PR11816, PR11817 and PR11797 to cover the known prospects from Mazizi Pit in the south, through Mbugo, Mabanda, Munguba, Arakaki and Mundial to Mangbetu Pits in the north (Figure 4).

Conventional soil sampling will be carried out over the prospect areas on a nominal 400 X 100m grid for a planned total of 22,904 samples. Priority soil sampling will target gold mineralisation at Mazizi, Mbugo and Mabanda areas and will be completed first, for a planned total of 1,193 samples (Figure 5).

The priority soil sampling program is anticipated to take up to eight weeks to complete, with final multi-element laboratory assay results available shortly thereafter.

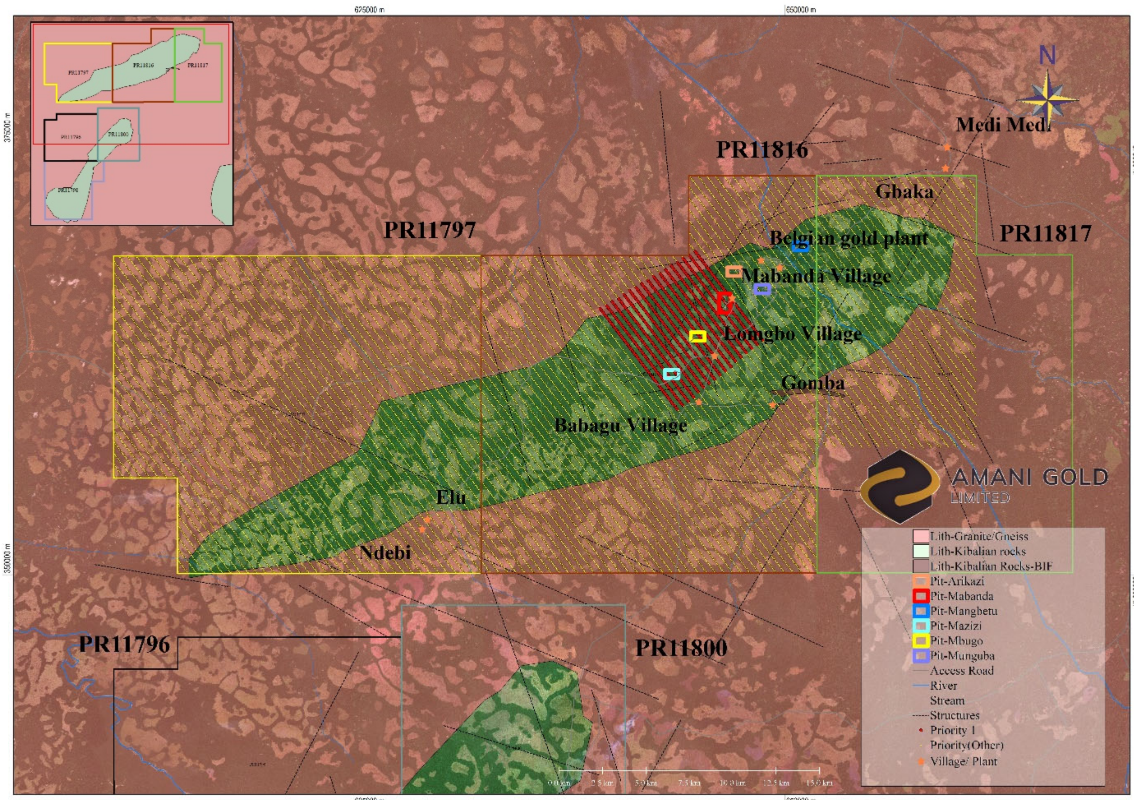

Figure 5. Map showing the location of proposed soil sampling locations Gada Gold Project (priority one soil sampling locations in Red, tenement boundaries and selected artisanal pits also shown)

Reverse Circulation (RC) drilling operations over Mazizi, Mbugo, Mabanda, Munguba, Arakaki and Mangbetu Pit prospect areas will comprise a planned total of 92 holes for approximately 5,060m. Initial priority RC drilling will target near surface gold mineralisation at Mabanda Pits for a planned total of 21 holes for approximately 1,155m (Figure 6).

Bridges at Matoko, Lianva and Tobho are being repaired and upgraded for drill rig access.

The initial priority RC drilling program is anticipated to take up to two weeks to complete, with final multi-element laboratory assay results available shortly thereafter. The initial drill program is expected to commence in November. All drilled intervals will initially be analysed on site using portable XRF to guide ongoing drilling operations.

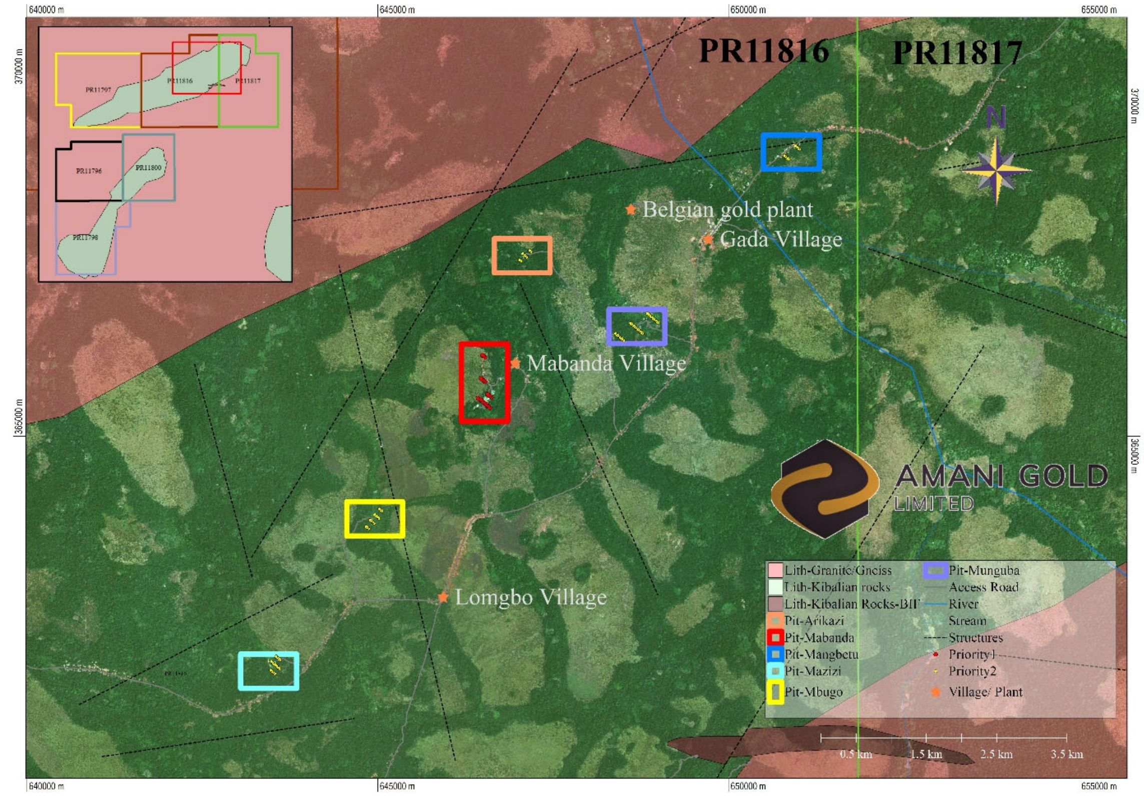

Figure 6. Map showing the location of proposed Reverse Circulation drillhole locations Gada Gold Project (priority one RC drillhole locations in RED, tenement boundaries and selected artisanal pits also shown)

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

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

Your Directors present their report together with the financial statements of Amani Gold Limited and the entities it controlled at the end of, or during, the year ended 30 June 2019 ("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 Eckhof [1]
Chairman
Dip. Geol. TU, AusIMM
(appointed Director on 30 January 2019)

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

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

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

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

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

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

Sik Lap Chan
Managing Director and CEO
MAusIMM, MAIG
(appointed Director on 11 July 2017)

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

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

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

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

Grant Thomas
Executive Director
BSc (Hon)
(Director from 1 January 2018 to 16 November 2018. Reappointed as a Director on 21 December 2018)

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

Mr Thomas has over 30 years of professional experience covering project acquisition, mineral exploration and resource project evaluations for several minerals, including diamonds, gold, iron ore, copper, lead, zinc, uranium, fluorspar and coal in Australia, China, South Africa, Tajikistan, Kazakhstan, Brazil, Cambodia and Mongolia.

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

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

Qiuming Yu[2]
Executive Director
(appointed Director on 11 July 2017)

[2] Mr Yu acted as the Company's Chairman until 9 April 2019.

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

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

Antony Truelove[3]
Non-Executive Director
BSc (Hon)
(Director since 27 March 2018)

[3] Mr Truelove is considered to be an Independent Non-Executive Director

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

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

Sheng Fu
Non-Executive Director

Mr Sheng Fu was appointed as a Non-Executive Director on 11 July 2017 and resigned on 21 December 2018.

COMPANY SECRETARY

Craig McPherson
BCom, CA

Mr McPherson was appointed as Company Secretary of Amani Gold Limited on 27 March 2018.

CORPORATE STRUCTURE

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

- Amani Consulting sarl
- Giro Goldfields sarl
- Amani Minerals (HK) Limited
- Congold sasu
- Burey Resources Pty Ltd

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 loss after tax for the year ended 30 June 2019 was $32,856,510 (30 June 2018: $1,562,315). No dividends were paid during the year and the Directors do not recommend payment of a dividend.

EARNINGS PER SHARE

Basic loss per share for the year was 1.35 cents (30 June 2018: 0.10 cents).

REVIEW OF OPERATIONS / OPERATING AND FINANCIAL REVIEW

The Group is engaged in mineral exploration in the 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 2019 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. Due to the inherent risky nature of the Group's activities, the Directors are unable to comment on the likely results or success of these strategies. The Group's activities are also subject to numerous risks, mostly outside the Board's and management's control. These risks can be specific to the Group, generic to the mining industry and generic to the stock market as a whole. The key risks, expressed in summary form, affecting the Group and its future performance include but are not limited to:

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

In the opinion of the Directors, significant changes in the state of affairs of the Group that occurred during the year ended 30 June 2019 were as follows:

- On 13 September 2018 the Company announced that it had completed a placement in the amount of $680,500 through the issue of 45,366,667 new shares at $0.015 per share;
- On 11 December 2018 the Company announced that it had completed a placement in the amount of $400,000 through the issue of 100,000,000 new shares at $0.004 per share;
- On 24 January 2019 the Company announced that it had completed a placement and the conversion of a convertible note in the amount of $2,022,500. The company issued 63,533,333 new shares in satisfaction of the convertible note and 71,300,000 new shares in satisfaction of the placement at $0.015 which settled the current loan of $1,069,500;
- On 4 February 2019 the Company announced a non renounceable rights issue to eligible shareholders to raise $3.69m at $0.002 per share. The non renounceable rights issue completed on 1 March 2019 and the Company subsequently issued 1,843,863,747 shares for $3,687,727;
- On 31 May 2019 the Company announced that it had completed a placement in the amount of $3,046,000 through the issue of 1,523,000,000 shares at $0.002 per share.

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.

- On 16 August 2019 the Company announced a placement to raise up to $2.5M through the issue of 883M fully paid ordinary shares (New Shares) at a price of $0.003. Completion of the placement and issue of the New Shares remains subject to shareholder approval in October 2019.

- On 19 August 2019 the Company announced that it has signed a Memorandum of Understanding (MoU) with LA SOCIÉTÉ MINIÈRE DE KILO-MOTO SA ("SOKIMO"), to acquire six (6) highly prospective gold Exploration Permits in the DRC (Gada Project). The MoU is for an initial six month period during which the company has the right to carry out legal and technical due diligence and to explore the Gada Project tenements. Following the initial six mponth due diligence period, the Company at its discretion, will negotiate an enter into a definitive agreement with SOKIMO.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

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

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 2019 are:

	Directors' meetings held during period of office	**Directors' meetings attended**
Klaus Eckhof (appointed 30 January 2019)	5	4
Chan Sik Lap	8	8
Grant Thomas	8	8
Yu Qiuming	8	1
Antony Truelove	8	6
Fu Sheng (resigned 21 December 2018)	3	0

There were 8 directors' meetings held during the year. However, matters of Board business have also been resolved by circular resolutions of Directors, which are a record of decisions made at a number of informal meetings of the Directors held to control, implement and monitor the Group's activities throughout the period.

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

DIRECTORS' INTERESTS

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

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

(1) Mr Yu has a relevant interest in 600 million shares, as directors and controllers of Luck Winner Investment Limited which is the registered holder of 600 million shares in the Company.
(2) Performance rights vest over three equal tranches and convert into shares on a one-for-one basis in the event that the company's shares trade at minimum volume weighted average prices (tranche 1: $0.0075; tranche 2: $0.01; and tranche 3: $0.0125) for 10 consecutive trading days.
(3) Performance rights vest over three equal tranches and convert into shares on a one-for-one basis in the event that the company's shares trade at minimum volume weighted average prices (tranche 1: $0.02; tranche 2: $0.04; and tranche 3: $0.06) for 20 consecutive trading days.

SHARE OPTIONS AND PERFORMANCE RIGHTS

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

	Number	Exercise Price	Expiry Date
Unlisted Options	7,500,000	$0.03	31 December 2020
	7,500,000	$0.04	31 December 2020
	7,500,000	$0.05	31 December 2020
	9,500,000	$0.08	2 November 2019
	9,500,000	$0.10	2 November 2019
	40,000,000	$0.0075	27 May 2022
	40,000,000	$0.01	27 May 2022
	40,000,000	$0.0125	27 May 2022

There were no unlisted options issued to employees during the year under the Employee Option Plan. 120 million unlisted options were issued to a corporate advisor during the year, with such options issued with shareholder approval. No unlisted options were exercised.

During the prior year, 211,415 listed options were exercised and converted into shares. The remaining 434,039,922 listed options expired on 31 July 2017.

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

	Number	Vesting Price	Expiry Date
Unlisted Options	20,000,000	$0.02	31 December 2020
	20,000,000	$0.04	31 December 2020
	20,000,000	$0.06	31 December 2020
	229,000,000	$0.0075	27 May 2022
	229,000,000	$0.01	27 May 2022
	229,000,000	$0.0125	27 May 2022
	10,000,000	$0.0075	31 December 2021
	10,000,000	$0.01	31 December 2021
	10,000,000	$0.0125	31 December 2021

All of the performance rights listed above were granted during the current year, including 720,000,000 which were issued to directors. No performance rights vested during the year.

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

Remuneration Report – Audited

The Director in office during the period are contained on Page 14 of this report. Other than the Directors there were no Key Management Personnel.

Remuneration philosophy

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

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

Remuneration committee

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

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

Remuneration structure

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

Non-executive Directors remuneration

Objective

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

Structure

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

The Board aims to reviews the remuneration packages applicable to the non-executive Directors on a regular basis. The Board considers fees paid to non-executive directors of comparable companies when undertaking its review process. The Board determines the level of remuneration to be paid to non-executive Directors as considered appropriate in the circumstances. Non-executive Directors fees are currently $36,000 per annum.

The remuneration of the non-executive Directors for the year ending 30 June 2019 is detailed in Table 2 of this report.

Executive Directors remuneration

Objective

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

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

Structure

Remuneration consists of the following key elements:
- Fixed remuneration
- Variable remuneration

Fixed remuneration

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

The fixed component of the Executive Director remuneration for the year ending 30 June 2019 is detailed in Table 2 of this report.

Variable remuneration – Long Term Incentive ('LTI')

Objective

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

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

Structure

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

Remuneration is not linked to past group performance but rather towards generating future shareholder wealth through share price performance. Amani Gold Ltd listed on 14 December 2006 at 20c per share and the share price at 30 June 2019 was 0.2 cents (2018: 0.9 cents). With the exception of the 2017 year, the Company has recorded a loss each financial year to date as it carries out exploration activities on its tenements. The profit recorded in the 2017 year was due to the disposal of foreign subsidiaries. No dividends have been paid.

Service agreements

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

Mr Chan is employed under an employment agreement with Amani Gold Limited which provides for base salary arrangements as follows: i) HK$125,000 per month for the period ending 31 August 2019; and ii) HK150,000 per month from 1 September 2019. In addition Amani Gold Limited has paid HK$5,000 per month towards insurance for Mr Chan. The agreement with Mr Chan provides for 3 months notice of intention to resign. Amani may terminate the agreement by giving 3 months notice. If a change of control event occurs Mr Chan will be entitled to a termination payment equal to 12 months cash salary in lieu of notice.

Mr Thomas is employed under a written employment agreement with Amani Gold Limited which provides for base salary arrangements of $234,000 (plus superannuation). The agreement with Mr Thomas provides for 3 months notice of intention to resign. Amani may terminate the agreement by giving 3 months notice. If a change of control event occurs Mr Chan will be entitled to a termination payment equal to 12 months cash salary in lieu of notice.

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

Table 2: Director and other Executives Remuneration for the year ended 30 June 2019

Director		Short Term					
		Cash Salary/Fees $	Non-Cash Benefits $	Post Employment Superannuation $	EquityValue of Incentive securities $	Total $	Incentive securities as a Percentage of Remuneration %
K P Eckhof (i)	**2019**	**60,000**	**-**	**-**	**11,556**	**71,556**	**16%**
Chairman	2018	97,497	-	-	-	97,497	-
Chan Sik Lap (ii)	**2019**	**241,822**	**8,079**	**-**	**24,000**	**273,901**	**9%**
Managing Director	2018	158,599	-	-	-	158,599	-
G Thomas (iii)	**2019**	**198,920**	**-**	**18,897**	**4,333**	**222,150**	**2%**
Executive Director	2018	75,000	-	4,275	-	79,275	-
Yu Qiuming (iv)	**2019**	**30,000**	**-**	**-**	**26,167**	**56,167**	**47%**
Executive Director	2018	-	-	-	-	-	-
T Truelove (v)	**2019**	**36,000**	**-**	**-**	**722**	**36,722**	**2%**
Non-executive	2018	9,000	-	-	-	9,000	-
Fu Sheng (vi)	**2019**	**-**	**-**	**-**	**-**	**-**	-
Non-executive	2018	-	-	-	-	-	-
M A Calderwood (vii)	**2019**	**-**	**-**	**-**	**-**	**-**	-
Non-executive	2018	12,000	-	1,140	-	13,140	-
S M Shah (viii)	**2019**	**-**	**-**	**-**	**-**	**-**	-
Non-executive	2018	15,000	-	1,425	-	16,425	-
Total	**2019**	**566,742**	**8,079**	**18,897**	**66,778**	**660,496**	
	2018	367,096	-	6,840	-	373,936	

(i) Mr Eckhof was a a director of the company until 27 March 2018 and was reappointed as a director on 30 January 2019. During the current year Mr Eckhof was issued 240 million performance rights valued at $416,000. The value of the performance rights is recognised over the vesting period and the charge to the profit or loss account for the reporting period was $11,556 (2018: $nil).

(ii) Mr Chan was appointed as a director on 11 July 2017 and with effect from 1 September 2017 was appointed in an executive role. From 1 April 2018, Mr Chan has been appointed Managing Director and CEO. During the current year Mr Chan was issued 165 million performance rights valued at $294,000. The value of the performance rights is recognised over the vesting period and the charge to the profit or loss account for the reporting period was $24,000 (2018: $nil).

(iii) Mr Thomas was appointed as a director on 1 January 2018 and will effect from 1 April 2018 was appointed in an executive role until his resignation on 16 November 2018. Mr Thomas was reappointed as an executive director on 21 December 2018. During the current year Mr Thomas was issued 90 million performance rights valued at $156,000. The value of the performance rights is recognised over the vesting period and the charge to the profit or loss account for the reporting period was $4,333 (2018: $nil).

(iv) Mr Yu was appointed as a director on 11 July 2017. Mr Yu did not receive any remuneration from the date of his appointment till 31 March 2019 following which remuneration commenced. During the current year Mr Yu was issued 210 million performance rights valued at $372,000. The value of the performance rights is recognised over the vesting period and the charge to the profit or loss account for the reporting period was $26,167 (2018: $nil).

(v) Mr Truelove was appointed as a director on 27 March 2018. During the current year Mr Truelove was issued 15 million performance rights valued at $26,000. The value of the performance rights is recognised over the vesting period and the charge to the profit or loss account for the reporting period was $722 (2018: $nil).

(vi) Mr Fu was appointed as a director on 11 July 2017. He did not receive any remuneration during the year.

(vii) Mr Calderwood resigned as a director on 31 December 2017.

(viii) Mr Shah resigned as a director on 27 March 2018.

Performance Rights Granted as Compensation

Details on performance rights that were granted as compensation to each key management person during the year ended 30 June 2019 and details on performance rights that vested during the period ended 30 June 2019 are as follows:

Performance Rights	**Number granted**	**Grant Date**	**Fair value per right at grant date**	**Exercise price per right**	**Vesting price**	**Expiry date**	**Maximum total value of grant yet to vest**
Klaus Eckhof:							
<u>27/05/22 Rights</u>							
- tranche 1	80,000,000	27/05/19	$0.0018	-	$0.0075	27/05/22	$140,000
- tranche 2	80,000,000	27/05/19	$0.00173	-	$0.001	27/05/22	$134,555
- tranche 3	80,000,000	27/05/19	$0.00167	-	$0.0125	27/05/22	$129,889
Chan Sik Lap:							
<u>27/05/22 Rights</u>							
- tranche 1	45,000,000	27/05/19	$0.0018	-	$0.0075	27/05/22	$78,750
- tranche 2	45,000,000	27/05/19	$0.00173	-	$0.001	27/05/22	$75,688
- tranche 3	45,000,000	27/05/19	$0.00167	-	$0.0125	27/05/22	$73,062
<u>31/12/20 Rights</u>							
- tranche 1	10,000,000	18/12/18	$0.003	-	$0.02	31/12/20	$21,250
- tranche 2	10,000,000	18/12/18	$0.002	-	$0.04	31/12/20	$14,167
- tranche 3	10,000,000	18/12/18	$0.001	-	$0.06	31/12/20	$7,083
G Thomas:							
<u>27/05/22 Rights</u>							
- tranche 1	30,000,000	27/05/19	$0.0018	-	$0.0075	27/05/22	$52,500
- tranche 2	30,000,000	27/05/19	$0.00173	-	$0.001	27/05/22	$50,458
- tranche 3	30,000,000	27/05/19	$0.00167	-	$0.0125	27/05/22	$48,708
Yu Qiuming:							
<u>27/05/22 Rights</u>							
- tranche 1	60,000,000	27/05/19	$0.0018	-	$0.0075	27/05/22	$105,000
- tranche 2	60,000,000	27/05/19	$0.00173	-	$0.001	27/05/22	$100,917
- tranche 3	60,000,000	27/05/19	$0.00167	-	$0.0125	27/05/22	$97,417
<u>31/12/20 Rights</u>							
- tranche 1	10,000,000	18/12/18	$0.003	-	$0.02	31/12/20	$21,250
- tranche 2	10,000,000	18/12/18	$0.002	-	$0.04	31/12/20	$14,167
- tranche 3	10,000,000	18/12/18	$0.001	-	$0.06	31/12/20	$7,083
T Truelove:							
<u>27/05/22 Rights</u>							
- tranche 1	5,000,000	27/05/19	$0.0018	-	$0.0075	27/05/22	$8,750
- tranche 2	5,000,000	27/05/19	$0.00173	-	$0.001	27/05/22	$8,410
- tranche 3	5,000,000	27/05/19	$0.00167	-	$0.0125	27/05/22	$8,118

Performance rights will vest subject to meeting specific performance conditions. Tranche 1, 2 and 3 performance rights have market vesting conditions being a daily volume weighted average share price at the vesting price outlined in the table above over a minimum of 10 trading days (in the case of the 27/08/22 performance rights) and 20 trading days (in the case of the 31/12/10 performance rights). Market vesting conditions have not been met and the rights have not been converted into shares.

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

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

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

Shareholdings of Key Management Personnel

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

	Balance at 1 July 2018	**Acquired**	**Other Movements**	**Balance at 30 June 2019**
Directors				
Klaus Eckhof	Nil[1]	-	-	Nil
Chan Sik Lap	Nil	-	-	Nil
G Thomas	200,000	200,000	-	400,000
Yu Qiuming	300,000,000	300,000,000	-	600,000,000
A Truelove	Nil	-	-	Nil
Fu Sheng	300,000,000	-	-	300,000,000[2]

[1]Balance represents the shares held at the date of appointment as a director
[2]Balances represent the shares held at the date of retirement as a director

Performance Rights of Key Management Personnel

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

	Balance at 1 July 2018	**Received as Remuneration**	**Exercised / converted**	**Expired**	**Balance at 30 June 2019**
Directors					
Klaus Eckhof	Nil[1]	240,000,000	-	-	240,000,000
Sik Lap Chan	Nil	165,000,000	-	-	165,000,000
Grant Thomas	Nil	90,000,000	-	-	90,000,000
Yu Qiuming	Nil	210,000,000	-	-	210,000,000
A Truelove	Nil	15,000,000	-	-	15,000,000
Fu Sheng	Nil	-	-	-	Nil[2]

[1]Balance represents the shares held at the date of appointment as a director
[2]Balances represent the shares held at the date of retirement as a director

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 Audited Remuneration Report

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company's Constitution requires it to indemnify directors and officers of any entity within the consolidated entity against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. An indemnity is also provided to the Company's auditors under the terms of their engagement. Directors and officers of the consolidated entity have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The insurance premium, amounting to $16,096 (2018 - $13,942) 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 2018 to 30 June 2019 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 2019 BDO Corporate Finance provided $2,500 (2018: $25,500) in non-audit related services. Refer to Note 4 in the financial statements for further details. The directors are satisfied that the provision of non-audit services by the auditor did not compromoise the auditor independence requirements of the *Corporations Act.*

AUDITOR'S INDEPENDENCE DECLARATION

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

The independence declaration is located on the next page.

Signed in accordance with a resolution of Directors.

Chan Sik Lap
Director - 27 September 2019

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 NEIL SMITH TO THE DIRECTORS OF AMANI GOLD LIMITED

As lead auditor of Amani Gold Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

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

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

Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth, 27 September 2019

Amani Gold Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

	Notes	2019 $	2018 $
Revenue from continuing operations	2	**631**	93,960
Consultants and corporate costs		**(663,989)**	(1,023,290)
Employee benefits expense		**(476,326)**	(215,337)
Share based payments expense	3, 14	**(70,207)**	-
Depreciation expense		**(62,846)**	(33,020)
Occupancy expenses		**(61,331)**	(67,597)
Travel expenses		**(549,269)**	(266,733)
Foreign exchange (loss)		**(26,413)**	(50,298)
Impairment of exploration and evaluation assets	11	**(30,946,760)**	-
Loss before related income tax		**(32,856,510)**	(1,562,315)
Income tax (expense)/benefit	5	**-**	-
Loss for the year after income tax		**(32,856,510)**	(1,562,315)
Net Loss attributable to:			
Owners of Amani Gold Limited		**(18,959,098)**	(1,453,571)
Non-controlling interest		**(13,897,412)**	(108,744)
		(32,856,510)	(1,562,315)
Other comprehensive income/(loss)			
Exchange differences on translation of foreign operations		**1,536,767**	**995,632**
Total comprehensive loss for the year		**(31,319,743)**	**(566,683)**
Total comprehensive loss attributable to:			
Owners of Amani Gold Limited		**(17,350,534)**	**(441,920)**
Non-controlling interest		**(13,969,209)**	**(124,763)**
		(31,319,743)	**(566,683)**
Earnings/(Loss) per share for the year attributable to the members of Amani Gold Limited			
Basic and diluted loss per share	6	(1.35) cents	(0.10) cents

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

Amani Gold Limited
Consolidated Statement of Financial Position
As at 30 June 2019

	Notes	2019 $	2018 $
Current Assets			
Cash and cash equivalents	8	**3,521,896**	867,360
Other receivables	9	**28,068**	24,476
Total Current Assets		**3,549,964**	891,836
Non-Current Assets			
Other receivables	9	**11,000**	11,000
Property, plant & equipment	10	**257,093**	378,469
Exploration and evaluation expenditure	11	**15,248,690**	39,958,658
Total Non-Current Assets		**15,516,783**	40,348,127
Total Assets		**19,066,747**	41,239,963
Current Liabilities			
Trade and other payables	12a	**604,326**	221,850
Loan	12b	**-**	675,054
Total Liabilities		**604,326**	896,904
Net Assets		**18,462,421**	40,343,059
Equity			
Contributed equity	13	**72,101,504**	62,868,356
Reserves	15	**10,929,517**	9,114,996
Accumulated losses		**(50,858,328)**	(31,899,230)
Capital and reserves attributed to the owners of Amani Gold Limited		**32,172,693**	40,084,122
Non-controlling interest		**(13,710,272)**	258,937
Total Equity		**18,462,421**	40,343,059

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 2019

	Contributed Equity	Accumulated Losses	Option Premium Reserve	Share based Reserves	Foreign Currency Translation Reserve	Non-controlling interest	Total Equity
	$	$	$	$	$	$	$
Balance at 1 July 2017	47,883,517	(30,445,659)	1,396,044	5,611,008	845,574	383,699	25,674,183
Loss for the year	-	(1,453,571)	-	-	-	(108,744)	(1,562,315)
Exchange differences on translation of foreign operations	-	-	-	-	1,011,650	(16,018)	995,632
Total comprehensive loss for the year	-	(1,453,571)	-	-	1,011,650	(124,762)	(566,683)
Transactions with equity holders in their capacity as equity holders							
Share and listed option issue	15,010,571	-	-		-	-	15,010,571
Share issue costs	(25,732)	-	-		-	-	(25,732)
Share based payments expense – options	-	-	-	250,720	-	-	250,720
Transactions with non-controlling interests	-	-	-		-	-	-
Balance at 30 June 2018	**62,868,356**	**(31,899,230)**	**1,396,044**	**5,861,728**	**1,857,224**	**258,937**	**40,343,059**

Amani Gold Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2019

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

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

	Notes	2019 $	2018 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		**(1,475,714)**	(1,747,488)
Interest received		**631**	93,960
Net Cash outflows from Operating Activities	19	**(1,475,083)**	(1,653,528)
Cash Flows from Investing Activities			
Payments for plant and equipment		**(5,450)**	(353,640)
Payments for exploration and development expenditure		**(4,562,740)**	(13,763,920)
Payments for rental bonds		**-**	(11,000)
Net Cash outflows from Investing Activities		**(4,568,190)**	(14,128,560)
Cash Flows from Financing Activities			
Proceeds from securities issues		**7,814,228**	15,010,571
Securities issue expenses		**(467,830)**	(25,732)
Repayment of loan		**-**	(91,081)
Proceeds from borrowings		**1,348,963**	675,054
Net Cash inflows from Financing Activities		**8,695,361**	15,568,812
Net increase / (decrease) in Cash and Cash Equivalents		**2,652,088**	(213,276)
Cash and cash equivalents at the beginning of the year		**867,360**	1,062,471
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		**2,448**	18,165
Cash and Cash Equivalents at End of Year	8	**3,521,896**	867,360

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 2019, the consolidated entity conducted operations in Australia, and the Democratic Republic of Congo. The financial statements have also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

Going Concern Basis

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

The Group has the ability to seek to raise funds from shareholders or other investors and intends to raise such funds as and when required to complete its projects. Subsequent to year end, the Group announced that it had received commitments to issue 833 million fully paid ordinary shares (New Shares) at a price of $0.003 each for $2.5 million ('Placement').

The Group has no source of operating cash inflows, other than interest income, and has incurred net cash outflows from operating and investing activities for the year ended 30 June 2019 of $6,043,273 (2018: $15,782,088).

At 30 June 2019, the Group had cash balances of $3,521,896 (2018: $867,360).

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

Adoption of New and Revised Standards and change in Accounting Standards

Early adoption of accounting standards
The Group has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2018.

New and amended standards adopted by the Group
A number of new or amended standards became applicable for the current reporting period for which the Group has adopted:

- AASB 15 Revenue from Contracts with Customers; and
- AASB 9 Financial Instruments.

The new accounting policies are disclosed below. There is no impact on the Group for the year ended 30 June 2019.

AASB 15 Revenue from contracts with Customers
AASB 15 Revenue from contracts with Customers replaces AASB 118 Revenue. AASB 15 was adopted by the Group on 1 July 2018. AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers.

The Company has considered AASB 15 and determined that there is no impact on the financial statements as the Group is not generating sales revenue at this stage.

The Group's new revenue accounting policy is detailed below:

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable component, the Group estimates the expected consideration for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

AASB 9 Financial Instruments
AASB 9 Financial Instruments replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 Financial Instruments from 1 July 2018 did not give rise to any transitional adjustments.

The new accounting policies (applicable from 1 July 2018) are set out below.

Classification and measurement:
Except for certain trade receivables the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: The Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Impairment:
From 1 July 2018, the Group will assess, on a forward-looking basis, any expected credit losses (ECLs) associated with any debt instruments carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

New and amended standards not yet adopted by the Group
Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 reporting period. The Group's assessment of the impact of these new standards and interpretations that may have an impact on the Group is set out below:

AASB 16 Leases
AASB 16 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. Amani has not yet determined the impact on the group accounts. This standard is not applicable until the financial year commencing 1 July 2019.

Statement of Compliance

These financial statements were authorised for issue on 27 September 2019.

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

Basis of Consolidation

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

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

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

Parent Entity Financial Information

The financial information for the parent entity, Amani Gold Limited, disclosed in Note 21 has been prepared on the same basis as the consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

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

The functional currencies of the overseas subsidiaries are as follows:

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

At the end of the reporting period, the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Amani Gold Limited at the closing rate at the end of the reporting period and income and expenses are translated at the weighted average exchange rates for the year. All resulting exchange differences are recognised in other comprehensive income as a separate component of equity (foreign currency translation reserve). On disposal of a foreign entity, the cumulative exchange differences recognised in foreign currency translation reserves relating to that particular foreign operation is recognised in profit or loss.

Taxes

Income tax

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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 2019, 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.

Goods and Services Tax (GST)

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

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

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

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

Property, plant and equipment

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

Plant and equipment

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Depreciation

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

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

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

Mineral interest acquisition, exploration and development expenditure

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

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

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

Impairment testing

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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.

Convertible Notes

Convertible Notes issued by the Company comprise of notes that can be converted to share capital at the election of the Company. Where convertible notes do not give rise to an obligation to pay cash that the Company cannot avoid and will be settled in a fixed number of equity instruments they are classified as equity.

The full amount of the convertible notes issued during the year were classified as equity on initial recognition due to the number of shares to be issued to settle the notes being fixed as the notes were interest free for the first four months and the number of shares to be issued to be settled being the face value of the notes divided by $0.015 per share. There was no material obligation under the convertible note deeds for the Company to pay cash that it cannot avoid.

There is no subsequent measurement of these notes unless the convertible note deeds are modified.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

Share based payments

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

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

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

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

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

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

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

(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 17, under existing contractual terms of a shareholder agreement a feasibility study was required to be completed by 31st December 2018 at the Giro Gold Project. Based on the amendment to the shareholder agreement, concluded in December 2017, with Societe Miniere De Kilo Moto SA ("Sokimo"), a company wholly owned by the DRC Government (the original holder of the Giro exploitation permits), an agreement was reached between the parties that the deadline for completion of the feasibility study would be extended up to 31st December 2018, a further 12-month extension could be requested if Amani shows that the work to complete the feasibility study is progressing positively.

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

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

(b) Share Based Payments to employees

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

(c) Control Over Subsidiaries

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(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 17.

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

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

(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	
	2019	2018
	$	$

2. REVENUE

Other revenue includes the following:		
Interest - other parties	**631**	93,960
	631	93,960

3. EXPENSES

During the year share based payments expense of $70,207 (2018: $nil) were recorded as an expense with a further $135,750 (2018: $nil) recorded in equity as share issue costs related to a capital raising.

4. AUDITOR'S REMUNERATION

Audit services:

- Amounts paid or payable to auditors of the Group – BDO Audit (WA) Pty Ltd	**53,093**	45,433

In addition, during the year BDO Corporate Finance provided $2,500 (2018: $25,500) in non-audit related services.

5. INCOME TAX EXPENSE

(a) The prima facie tax benefit at 27.5% (2018: 27.5%) on loss for the year is reconciled to the income tax provided in the financial statements as follows:

	Consolidated 2019 $	Consolidated 2018 $
Profit / (loss) before income tax	**(32,856,510)**	(1,562,315)
Prima facie income tax expense / (benefit) @ 27.5%	**(9,035,540)**	(429,637)
Tax effect of permanent differences:		
Capital raising costs	**(130,120)**	(105,029)
Legal fees	**32,781**	6,117
Exploration expenses	**(1,304,554)**	(3,869,384)
Impairment	**8,510,359**	-
Employee option expense / share based payments	**19,307**	-
	(1,907,767)	(4,397,933)
Income tax benefit not brought to account	**1,907,767**	4,397,933
Income tax expense	**-**	-

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

	Consolidated 2019 $	Consolidated 2018 $
Deferred Tax Assets at 27.5%:		
- Carry forward revenue losses	**18,107,155**	16,197,737
- Capital raising costs	**236,988**	260,132
- Provisions and accruals	**2,400**	(7,425)
	18,346,543	16,450,444

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 2019 Cents	Consolidated 2018 Cents
Basic and diluted loss per share	**(1.35)**	(0.10)
	2019 Number	2018 Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	**2,434,620,485**	1,556,851,441

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

7. SEGMENT INFORMATION

The Directors have 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	
	2019	2018
	$	$
Reportable segment loss	**31,037,828**	330,180
Reportable segment assets	**15,480,492**	40,238,526
Reportable segment liabilities	**(196,580)**	(779,059)
Reconciliation of reportable segment profit or loss		
Reportable segment loss	**(31,037,828)**	(330,180)
Other revenue / income	**631**	93,960
Unallocated:		
Corporate expenses	**(1,819,313)**	(1,326,095)
Loss before tax	**(32,856,510)**	(1,562,315)
Reconciliation of reportable segment assets to total assets and liabilities		
Segment assets	**15,480,492**	40,238,526
Unallocated:		
Corporate assets	**3,586,255**	1,001,437
	19,066,747	41,239,963
Segment liabilities	**(196,580)**	(779,059)
Unallocated:		
Corporate liabilities	**(407,746)**	(117,845)
	(604,326)	(896,904)

8. CASH AND CASH EQUIVALENTS

	Consolidated	
	2019	2018
	$	$
Cash at bank and in hand	**3,521,896**	867,360

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

	Consolidated	
	2019	2018
	$	$

9. OTHER RECEIVABLES

	2019 $	2018 $
Current		
Other receivables	**28,068**	24,476
	28,068	24,476
Non-Current		
Other receivable	**11,000**	11,000
	11,000	11,000

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

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

10. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2019	2018
	$	$
Plant and equipment		
At cost	**541,814**	519,457
Less accumulated depreciation	**(284,721)**	(140,988)
	257,093	378,469

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.

	2019 $	2018 $
Balance at the beginning of the year	**378,469**	99,420
Additions	**5,450**	353,640
Depreciation expense	**(137,571)**	(86,557)
Foreign currency translation difference movement	**10,745**	11,966
Carrying amount at the end of the year	**257,093**	378,469

11. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2019	2018
	$	$
Exploration and evaluation phase – at cost		
Balance at the beginning of the year	**39,958,658**	24,787,528
Expenditure incurred during the year	**4,743,831**	14,070,486
Impairment	**(30,946,760)**	-
Foreign currency translation difference movement	**1,492,961**	1,100,644
Carrying amount at the end of the year	**15,248,690**	39,958,658

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.

Impairment

Subsequent to the end of the reporting period, the consolidated entity announced a placement to raise up to $2.5M through the issue of 883M fully paid ordinary shares (New Shares) at a price of $0.003. Completion of the placement and issue of the New Shares remains subject to shareholder approval in October 2019. The placement to sophisticated and professional investors is being conducted by Hartleys Limited.

As a result of the placement and the independent value placed on the company by third party investors, the consolidated entity has assessed its capitalised exploration and evaluation expenditure assets for impairment and recorded an impairment loss of $30,946,760 in relation to the DRC project (2018: $Nil). The consolidated entity's assessment of recoverable amount is $15,248,690. The recoverable amount is based on the number of fully paid ordinary shares outstanding at balance date as applied to the value per share paid by thid party investors under the placement, adjusted for estimated costs of disposal.

12a. TRADE AND OTHER PAYABLES

	Consolidated	
	2019	2018
	$	$
Current		
Trade and other payables	**604,326**	221,850
	604,326	221,850

Terms and conditions relating to the above financial instruments:

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

Risk exposure:

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

12b. LOANS

	Consolidated	
	2018	2018
	$	$
Current		
Other loan [i]	**-**	675,054
	-	675,054

(i) This loan was unsecured, interest free and repayable upon demand. Loans owing in the prior year and those amounts advanced during the year were repaid by the issue of shares in January 2019.

13. CONTRIBUTED EQUITY

	Consolidated	
	2019	2018
	$	$
(a) Issued and paid-up share capital		
Ordinary shares, fully paid 5,213,227,494 (2018: 1,566,163,747)	**72,101,504**	62,868,356

Movements in Ordinary Shares:

Details	Number of Shares	$
Balance at 1 July 2017	1,257,452,332	47,883,517
July 2017 capital raising at a price of $0.05 per share	300,000,000	15,000,000
July 2017 exercise of listed options at $0.05 per option	211,415	10,571
Conversion of performance rights	8,500,000	-
Less: Share issue costs	-	(25,732)
Balance at 30 June 2018	1,566,163,747	62,868,356
Balance at 1 July 2018	1,566,163,747	62,868,356
September 2018 placement at $0.015 per share	45,366,667	680,500
December 2018 placement at $0.004 per share	100,000,000	400,000
January 2019 placement and convertible note at $0.015 per share[1]	134,833,333	2,022,500
March 2019 rights issue at $0.002 per share	1,636,363,747	3,272,728
March 2019 placement at $0.002	1,730,500,000	3,461,000
Less: Share issue costs	-	(603,580)
Balance at 30 June 2019	5,213,227,494	72,101,504

1. The January 2019 Placement and convertible note was accounted for as outlined in Note 1 on page 38.

	Consolidated	
	2019	2018
(b) Listed Share Options	**$**	$
Options to subscribe for ordinary shares nil (2018: nil)	**-**	-

Movements in Options:

Details	Number of Options	$
Balance at 1 July 2017	434,251,337	1,396,044
Exercise of options	(211,415)	-
Expiry of options	(434,039,922)	-
Balance at 30 June 2018	-	1,396,044
Balance at 1 July 2018	-	1,396,044
Exercise of options	-	-
Expiry of options	-	-
Balance at 30 June 2019	-	1,396,044

(c) Unlisted Options

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

Exercise Period	Note	Exercise Price	Opening Balance 1 July 2018	Options Issued 2018/19	Exercised/ Cancelled/ Expired 2018/19	Closing Balance 30 June 2019
			Number	*Number*	*Number*	*Number*
15 Apr 2016 – 31 Dec 2020	(i)	0.03	7,500,000	-	-	7,500,000
15 Apr 2016 – 31 Dec 2020	(i)	0.04	7,500,000	-	-	7,500,000
15 Apr 2016 – 31 Dec 2020	(i)	0.05	7,500,000	-	-	7,500,000
2 Nov 2016 – 2 Nov 2016	(ii)	0.08	9,500,000	-	-	9,500,000
2 Nov 2016 – 2 Nov 2019	(ii)	0.10	9,500,000	-	-	9,500,000
27 May 2019 – 27 May 2022	(iii)	0.0075	-	40,000,000	-	40,000,000
27 May 2019 – 27 May 2022	(iii)	0.01	-	40,000,000	-	40,000,000
27 May 2019 – 27 May 2022	(iii)	0.0125	-	40,000,000	-	40,000,000
			41,500,000	120,000,000	-	161,500,000
Weighted average exercise price ($)			0.06			0.0236

2018 - 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 2017	Options Issued 2017/18	Exercised/ Cancelled/ Expired 2017/18	Closing Balance 30 June 2018
			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 2016	(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
Weighted average exercise price ($)			0.06			0.06

(i) In the 2016 year 10 million options were issued as part of the remuneration package for the Company's directors. In addition, 22.5 million options were issued to a corporate advisor for equity market and strategic advice in market positioning and corporate strategy.

(ii) In the 2017 year, 19 million options were issued under the Employee Option Plan for nil consideration as part of the remuneration package of employees of the Company. Refer to Note 14 for further details.

(iii) In the 2019 year, 120 million options were issued to a corporate advisor for equity market and strategic advice in market positioning and corporate strategy.

The weighted average contractual life of the unlisted options are 1.42 (2018: 1.73) 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

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

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

2018 - 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 2017/18	Exercised/ Cancelled 2017/18	Closing Balance 30 June 2018
		Number	*Number*	*Number*	*Number*
31 December 2017	(i)	8,500,000	-	(8,500,000)	-
		8,500,000	-	(8,500,000)	-

(i) Performance rights vest subject to meeting specific performance conditions. 17 million performance rights were issued comprising two tranches of 8.5 million each. Tranche 1 performance rights had a market vesting condition being a share price of 5 cents or more over a consecutive 20 day business period. Tranche 2 performance rights had 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 2 performance rights vested during the year ended 30 June 2018 and the Tranche 1 performance rights vested during the year ended 30 June 2017 and were converted into shares.

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

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

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

(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.

(e) Convertible Notes

During the year the Company issued unsecured convertible notes with a face value of $953,000 as part of a capital raising exercise and to settle borrowings.

Terms of the convertible note are as follows:

i. Maturity date – 12 months from the date of advance;
ii. Interest payable – 6% per annum, commencing 4 months from the date of issue;
iii. Repayment: The Company could elect to repay all or part of the outstanding convertible notes at any time prior to the maturity date. In addition, the Company could elect to convert any of the convertible notes into new shares at $0.015 per share.

The issue of shares upon conversion of the notes was approved at a meeting of shareholders convened on 30 November 2018.

During the reporting period the company issued 63,533,333 shares at $0.015 per share in full satisfaction of the convertible note

14. SHARE BASED PAYMENTS EXPENSE

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

Non Plan based payments
The Company also makes share based payments to consultants and / or service providers from time to time, not under any specific plan. The Amani Gold Limited Employee Option Plan does not allow for issue of options to the directors of the parent entity. Hence, specific shareholder approval is obtained for any share based payments to directors of the parent entity. 120 million options (2018: nil) were issued during the year under an engagement letter with a corporate advisor for services related to raising of new capital.

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

Expenses arising from share-based payment transactions
Other share based payments, not under any plans, are as follows (with additional information provided in Note 13 above):

	2019	**2019**	2018	2018
	Number	**$**	Number	$
2019 Performance rights to director, Mr Yu (i)	**30,000,000**	**17,500**	-	-
2019 Performance rights to director, Mr Chan (i)	**30,000,000**	**17,500**	-	-
2019 Performance rights to director, Mr Yu (ii)	**180,000,000**	**8,667**	-	-
2019 Performance rights to director, Mr Chan (ii)	**135,000,000**	**6,500**	-	-
2019 Performance rights to director, Mr Eckhof (ii)	**240,000,000**	**11,556**	-	-
2019 Performance rights to director, Mr Thomas (ii)	**90,000,000**	**4,333**	-	-
2019 Performance rights to director, Mr Truelove (ii)	**15,000,000**	**722**	-	-
2019 Performance rights to other parties (ii)	**27,000,000**	**1,300**	-	-
2019 Performance rights to other parties (iii)	**30,000,000**	**2,129**	-	-
Total		**70,207**	-	-

(i) 60 million performance rights were granted during the year ended 30 June 2019 (refer to Note 13(d) for more information). The fair value of the performance rights estimated at that time was $120,000. None of the performance rights vested during the current year. A balance of $35,000 was recognised as a share based payment expense in the current year.

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

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

(ii) 687 million performance rights were granted during the year ended 30 June 2019 (refer to Note 13(d) for more information). The fair value of the performance rights estimated at that time was $1,190,800. None of the performance rights vested during the current year. A balance of $33,078 was recognised as a share based payment expense in the current year.

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

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

(iii) 30 million performance rights were granted during the year ended 30 June 2019 (refer to Note 13(d) for more information). The fair value of the performance rights estimated at that time was $66,000. None of the performance rights vested during the current year. A balance of $2,129 was recogined as a share based payment expense during the year.

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

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

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

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

30 June 2019	**120m unlisted options**		
Model Inputs	**Tranche 1**	**Tranche 2**	**Tranche 3**
Quantity	40,000,000	40,000,000	40,000,000
Exercise price (cents)	$0.0075	$0.01	$0.0125
Grant date	4 March 2019	4 March 2019	4 March 2019
Expiry date	27 May 2022	27 May 2022	27 May 2022
Share price at grant date (cents)	$0.002	$0.002	$0.002
Expected volatility (%)	140	140	140
Risk free rate (%)	1.28	1.28	1.28
Fair value per option	$0.00121	$0.00113	$0.00106

The share based payment expense of $135,750 (2018: $nil) relating to the 120 million options issued during the year ended 30 June 2019 was recogined as a cost of issuing shares expensed direct to equity.

15. RESERVES

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

	Consolidated	
	2019	2018
	$	$
Share based payments reserve (Note 15a)	**5,931,935**	5,861,728
Option premium reserve (Note 15b)	**1,531,794**	1,396,044
Foreign currency translation reserve (Note 15c)	**3,465,788**	1,857,224
	10,929,517	9,114,996
Non-controlling interest reserve (Note 15d)	**(13,710,272)**	258,936
(a) **Movement During the Year – Share based payment**		
Opening balance	**5,861,728**	5,611,008
Issue of options and performance rights	**70,207**	250,720
Closing balance	**5,931,935**	5,861,728
(b) **Movement During the Year – Option premium**		
Opening balance	**1,396,044**	1,396,044
Issue of options	**135,750**	-
Closing balance	**1,531,794**	1,396,044
(c) **Movement During the Year – Foreign Currency Translation**		
Opening balance	**1,857,224**	845,574
Foreign currency translation differences	**1,608,564**	1,011,650
Closing balance	**3,465,788**	1,857,224

(d) **Movement During the Year – Non-controlling interest**

Opening balance	**258,937**	383,699
NCI share of loss for the year	**(13,897,412)**	(108,744)
Foreign currency translation differences	**(71,797)**	(16,018)
Closing balance	**(13,710,272)**	258,937

Nature and purpose of reserves

Share based payment Reserve

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

Option Premium Reserve

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

Foreign Currency Translation Reserve

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

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.

16. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from their use of financial instruments:
- credit risk
- liquidity risk
- market risk

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

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

(a) Credit Risk

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

(i) Investments

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

(ii) Receivables

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

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

Exposure to credit risk

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

(b) Liquidity Risk

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

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

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

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

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

	Less than 6 months	**6 – 12 months**	**Over 1 year**	**Total**
	$	**$**	**$**	**$**
Group at 30 June 2019				
Financial Liabilities:				
Current:				
Trade and other payables	604,326	-	-	604,326
Short-term borrowings	-	-	-	-
Total Financial Liabilities	604,326	-	-	604,326

	Less than 6 months	6 – 12 months	Over 1 year	Total
Group at 30 June 2018				
Financial Liabilities:				
Current:				
Trade and other payables	221,850	-	-	221,850
Short-term borrowings	675,054	-	-	675,054
Total Financial Liabilities	896,904	-	-	896,904

(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.

The company's assets include 4.65 million shares in Blox Inc. The Company is exposed to fluctuations in the share price of Blox Inc. The investment will be recorded at fair value at each reporting date, with changes in value recognised directly in other comprehensive income. As at 30 June 2018 and 2019, the investment has been impaired to nil.

(i) Foreign exchange risk

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

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

(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:

		30 June 2019		30 June 2018	
	Notes	**Assets**	**Liabilities**	Assets	Liabilities
		$	**$**	$	$
United States Dollar		**653,679**	**352,054**	226,220	779,060
		653,679	**352,054**	226,220	779,060

The following significant exchange rates applied during the year:

		Average rate		**Reporting date spot rate**	
	Notes	**2019**	2018	**2019**	2018
		$	$	**$**	$
United States Dollar		**0.71**	0.74	**0.70**	0.77

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.

		Consolidated	
	Notes	**2019**	2018
+10% Strengthening of the Australian Dollar		**$**	$
(Profit) or loss	(i)	**(57,811)**	(14,788)
Equity	(ii)	**(27,420)**	50,258
-10% Weakening of the Australian Dollar			
(Profit) or loss	(i)	**70,658**	18,074
Equity	(ii)	**33,514**	(61,427)

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

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

(iv) Interest Risk

The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's cash and cash equivalents. At 30 June 2019 the weighted average interest rate on cash and cash equivalents was $Nil (2018: $Nil)

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

(d) Net fair values

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

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

(e) Capital risk management

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

There are no externally imposed capital requirements.

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

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

17. CONTINGENCIES

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

Under existing contractual terms of a shareholder agreement a feasibility study was required to be completed by 31st December 2018 at the Giro Gold Project. Based on the amendment to the shareholder agreement, concluded in December 2017, with Societe Miniere De Kilo Moto SA ("Sokimo"), a company wholly owned by the DRC Government (the original holder of the Giro exploitation permits), an agreement was reached between the parties that the deadline for completion of the feasibility study would be extended up to 31st December 2018, a further 12-month extension could be requested if Amani shows that the work to complete the feasibility study is progressing positively.

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

On conclusion of feasibility studies and a decision to mine at the Giro Project, payments of US$2.5 million and US$0.35 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 (2018: Nil).

18. COMMITMENTS

(a) Capital commitments

There were no capital commitments, not provided for in the financial statements as at 30 June 2019.

(b) Lease commitments: non-cancellable operating lease

Amani Gold Limited entered into a lease agreement for the use of office space at its corporate office effective from 1 April 2018 to its expiry date of 31 March 2020.

	Consolidated	
	2019	2018
	$	$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**33,750**	41,250
One year to five years	**-**	33,750
Total	**33,750**	75,000

19. STATEMENTS OF CASH FLOWS

(a) Reconciliation of loss after income tax to net cash outflow from operating activities	**2019** **$**	2018 $
Profit / (loss) after income tax	**(32,856,510)**	(1,562,315)
Add back non-cash items:		
Depreciation	**62,846**	33,020
Share based payments expense	**70,207**	-
Impairment	**30,946,760**	-
Net exchange differences	**(2,448)**	(34,184)
Change in assets and liabilities:		
(Increase) / Decrease in receivables	**14,160**	(14,509)
Increase / (Decrease) in operating payables	**289,902**	(75,540)
Net cash outflow from operating activities	**(1,475,083)**	(1,653,528)

(b) Non-Cash Financing and Investing Activities

Share based payments of $nil (2018 - $250,720) were classified and capitalised under exploration expenditure for incentive securities awarded to exploration staff. In addition, share based payment expenses of $135,750 (2018 - $nil) were classified as share issue costs and recorded directly in equity.

During the year the company repaid loans outstanding from the prior year of $675,054 (2018: $nil) through the issue of shares in full satisfaction satisfaction of the debt.

20. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

	2019	2018
	$	$
Short term remuneration	**593,718**	373,936
Share based payments	**66,778**	-
	660,496	373,936

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	
	2019	2018
	$	$
Accounting, secretarial and corporate service fees paid or payable to Corporate Consultants Pty Ltd, a company in which Mr Shah has beneficial interests.	**-**	157,182
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.	**-**	22,500

(b) Parent entity

Amani Gold Limited is the ultimate parent entity.

21. PARENT ENTITY DISCLOSURES

Financial position

	Parent	
	2019	2018
	$	$
Assets		
Current assets	**2,896,285**	828,282
Non-current assets (note i)	**15,099,366**	39,026,676
Total assets	**17,995,651**	39,854,958
Liabilities		
Current liabilities	**407,746**	117,845
Total liabilities	**407,746**	117,845
Net Assets	**17,587,905**	39,737,113
Equity		
Issued capital	**72,101,504**	62,868,356
Accumulated losses	**(63,150,237)**	(30,389,015)
Reserves		
Share based reserves	**5,931,935**	5,861,728
Option premium reserve	**1,531,794**	1,396,044
Foreign current translation reserve	**1,172,909**	-
Total equity	**17,587,905**	39,737,113

Financial performance

	Parent	
	2019	2018
	$	$
Loss for the year	**29,136,550**	411,899
Total comprehensive loss	**29,136,550**	411,899

(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 17.

For details on commitments, see Note 18.

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 2019	Consolidated Entity Interest 2018	Class of Shares
Parent Entity		**%**	%	
Amani Gold Limited	Australia			
Subsidiary				
Amani Consulting sarl[1]	DRC	**85%**	85%	Ord
- Giro Goldfields sarl	DRC	**65%**	65%	Ord
Burey Resources Pty Ltd	Australia	**100%**	100%	Ord
Amani Minerals (HK) Limited	Hong Kong	**100%**	-	Ord
Congold sasu	DRC	**100%**	-	Ord

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

22. EVENTS OCCURRING AFTER THE REPORTING DATE

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

- On 16 August 2019 the Company announced a placement to raise up to $2.5M through the issue of 883M fully paid ordinary shares (New Shares) at a price of $0.003. Completion of the placement and issue of the New Shares remains subject to shareholder approva in October 2019.

- On 19 August 2019 the Company announced that it has signed a Memorandum of Understanding (MoU) with LA SOCIÉTÉ MINIÈRE DE KILO-MOTO SA ("SOKIMO"), to acquire six (6) highly prospective gold Exploration Permits in the DRC (Gada Project). The MoU is for an initial six month period during which the company has the right to carry out legal and technical due diligence and to explore the Gada Project tenements. Following the initial six mponth due diligence period, the Company at its discretion, will negotiate an enter into a definitive agreement with SOKIMO.

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 2019 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 2019.

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

Chan Sik Lap
Director

Dated 27th day of September 2019

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 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 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.

Material uncertainty related to going concern

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

Key audit matters

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

Exploration and Evaluation Expenditure

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 11, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset to the Group. As a result, the asset was required to be assessed for impairment indicators in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. Management identified indicators of impairment arising from the difference between the market capitalisation of the Group, compared to the carrying value of total net assets at 30 June 2019. Therefore management performed an impairment assessment of the Group's capitalised exploration and evaluation expenditure, and, as a result, recognised an impairment loss during the year as disclosed in note 11. We considered this to be a key audit matter due to the significant judgements and estimates used by management in assessing the recoverable amount of capitalised exploration and evaluation expenditure. The Group's policy for accounting for exploration and evaluation expenditure is disclosed in Note 1 and Note 1 (a) of the financial report.	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; • Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of relevant accounting standards; • 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; • Reviewing documentation prepared by management to assess the carrying amount of capitalised exploration and evaluation expenditure in comparison to the market capitalisation of the company at 30 June 2019; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed or any drawdown of development expenditure had been made; and • Assessing the adequacy of the related disclosures in Note 1, Note 1 (a) and Note 11 of the financial report.

Measurement of Share-based Payments

Key audit matter	How the matter was addressed in our audit
During the year ended 30 June 2019, the Group issued options and performance rights to key management personnel and consultants, which have been accounted for as share-based payments. Note 1 and Note 1(b) of the financial report discloses the accounting policy and significant estimates and judgements applied to these arrangements. Notes 13 and 14 of the financial report contains further disclosure of these arrangements. Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payments in accordance with AASB 2: Share Based Payments, we consider the Group's calculation of the share-based payment expense to be a key audit matter.	Our procedures included, but were not limited to: • Reviewing market announcements and board minutes to ensure all the new share-based payments granted during the year have been accounted for; • Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Evaluating management's methodology for calculating the fair value of the share-based payments including assessing the valuation inputs using internal specialists where required; • Recalculating estimated fair value of the share based payments using relevant valuation methodologies; • Assessing the allocation of the share-based payment expense over management's expected vesting period; and • Assessing the adequacy of the related disclosures in Notes 1, 1(b), 13 and 14 to 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 2019, 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 on pages 19 to 25 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Amani Gold Limited, for the year ended 30 June 2019, 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

Neil Smith

Director

Perth, 27 September 2019

The shareholder information set out below was applicable as at 10 September 2019.

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 2019: https://www.amanigold.com/corporate/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	600,000,000
Okapi Resources Limited	310,347,420

Distribution of equity security holders

Spread of Holding	Number of Holders	Number of Units
1 to 1,000	60	9,706
1,001 to 5,000	84	270,067
5,001 to 10,000	145	1,209,643
10,001 to 100,000	873	40,479,038
100,001 and over	1036	5,171,259,040
	2,198	5,213,227,494

The number of shareholdings comprising less than a marketable parcel was 1,324.

Twenty Largest Shareholders	Number of Shares	% Held
LUCK WINNER INVESTMENT LIMITED	600,000,000	11.51
J P MORGAN NOMINEES AUSTRALIA LIMITED	420,038,629	8.06
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	359,838,688	6.90
OKAPI RESOURCES LIMITED	310,347,420	5.95
MS JINGYU CHEN	259,174,441	4.97
MCNEIL NOMINEES PTY LTD	230,100,000	4.41
BNP PARIBAS NOMS PTY LTD	193,012,759	3.70
MR MAOSEN ZHONG	150,129,803	2.88
SHINING MINING COMPANY LIMITED	134,833,333	2.59
MAX ASSET HOLDINGS PTY LTD	98,310,535	1.89
WARGONT NOMINEES PTY LTD <ACCUMULATION ENTREPT A/C>	81,750,000	1.57
PERSEUS MINING LIMITED	57,530,199	1.10
MR MARK GASSON	50,694,840	0.97
DIXTRU PTY LTD	47,500,000	0.91
TIME STRONG LIMITED	45,367,334	0.87
CHAMPION DRAGON INTERNATIONAL INVESTMENT LIMITED	45,366,000	0.87
SNOWBALL 3 PTY LTD <ANTONIO TORRESAN SUPER A/C>	45,000,000	0.86
MAINVIEW HOLDINGS PTY LTD	45,000,000	0.86
YUAN JIMING	42,222,222	0.81
MISS SUET LAI WONG	41,388,888	0.79
	3,257,605,091	62.47

Voting Rights

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

On-market buy-back

There is no current on-market buy-back.

Unquoted equity securities

Class	Number
Unlisted Options – exercisable at $0.0075 to $0.10 each on or before 22 May 2022	161,500,000

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

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

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