AMANI GOLD LIMITED

(ABN 14 113 517 203)

ANNUAL REPORT
2018

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Securities trade on the Australian Securities Exchange – ANL

Amani Gold Limited
Chairman's Message
For the year ended 30 June 2018

Dear Shareholders,

I am pleased to present the 2018 Annual Report for Amani Gold Limited (ASX: ANL).

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

Attendent with a new change of Board and management, the Company has spent considerable time and effort in developing a new corporate outlook, expressing our intention to become a major gold player with over 10 Moz Au resources in the DRC, building on from the existing 2.3 Moz Au Resource at Giro. As such, the Company announced in June its new strategy which is divided into three key areas:

- Mining
- Discovery
- Acquisition

The Board and Management is now focused on moving toward project feasibility and potential gold production, with all efforts now directed to implementing this strategy. As part of this, resource estimates for the Giro Gold Project will be upgraded and new resource estimates will be completed for prospects such as Douze Match where we have completed over 400 drill holes to date.

Our Giro Gold Project shows significant opportunity to build on the existing resource, given it demonstrates the same geological setting as Randgold's 16 Moz Kibali Gold Deposit which is located just 35km away from Giro.

The drilling program throughout the year was a resounding success with a total of 10 diamond core drill holes for 1,050m and 120 RC drill holes for 7,024m completed on Kebigada satellite targets: Congo Ya Sika, Kebigada North and Kebigada NW extension targets and at the Douze Match prospect.

The Company is already well placed with its existing DRC assets as a foundation for the +10 Moz goal and will aggressively work towards achieving it by implementing the new strategy over the coming year to include:

- Extending and defining mineralisation at Kebigada
- Complete Feasibility Study
- Assess near term mining options
- Define Kebigada Satellite and Douze Match mineralisation – integrated Mine Plan
- Discoveries via exploration through extensive geochemical and geophysical surveys
- Major drilling campaigns 10,000-15,000m (RC and core)
- Aggressive acquisition of quality gold projects

We look forward to working towards production throughout this coming year and wish to thank all of our shareholders for their continued support.

YU Qiuming
Chairman

REVIEW OF OPERATIONS

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

The Amani Giro Gold Project is located within the Moto Greenstone Belt, NE Democratic Republic of Congo (DRC). The Project comprises two permits covering 497km² (PE's 5046 and 5049) and is located 35km west of Randgold / Anglo Ashanti's 16 Moz Kibali depositis (Figure 1).

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

To put into perspective and significance of the area, Rangold has signed a JV agreement for 51% of the Moku Licences which border Giro to the east.

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

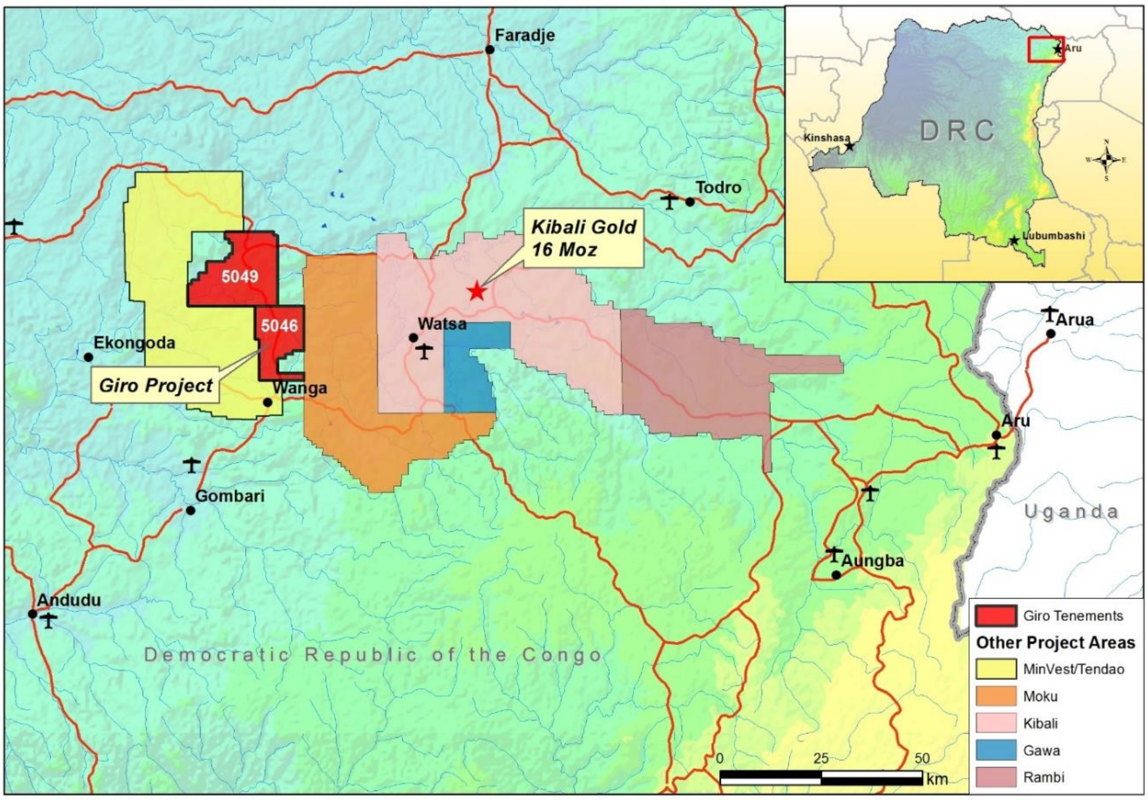

Figure 1: Giro project location in north-east Democratic Republic of Congo

During the year, Amani completed extensive Reverse Circulation ("RC") and diamond drilling programmes to expand the current global gold resource of 45.62 million tonnes for 2.14 million ounces of gold at 1.5g/t Au for the Kebigada deposit (0.9g/t Au cut-off grade) by delineating satellite prospects and to define a resource at the highly prospective Douze Match prospect (resource estimate underway).

The drilling campaign was completed between November 2017 – February 2018 and comprised a total of 10 diamond core drill holes for 1,050m and 120 RC drill holes for 7,024m on Kebigada satellite targets, namely; Congo Ya Sika, Kebigada North and Kebigada NW extension targets and at Douze Match prospect (Figures 2-4).

Regional and infill soil sampling programmes were completed over gold targets with full coverage of both PE's 5046 and 5049.

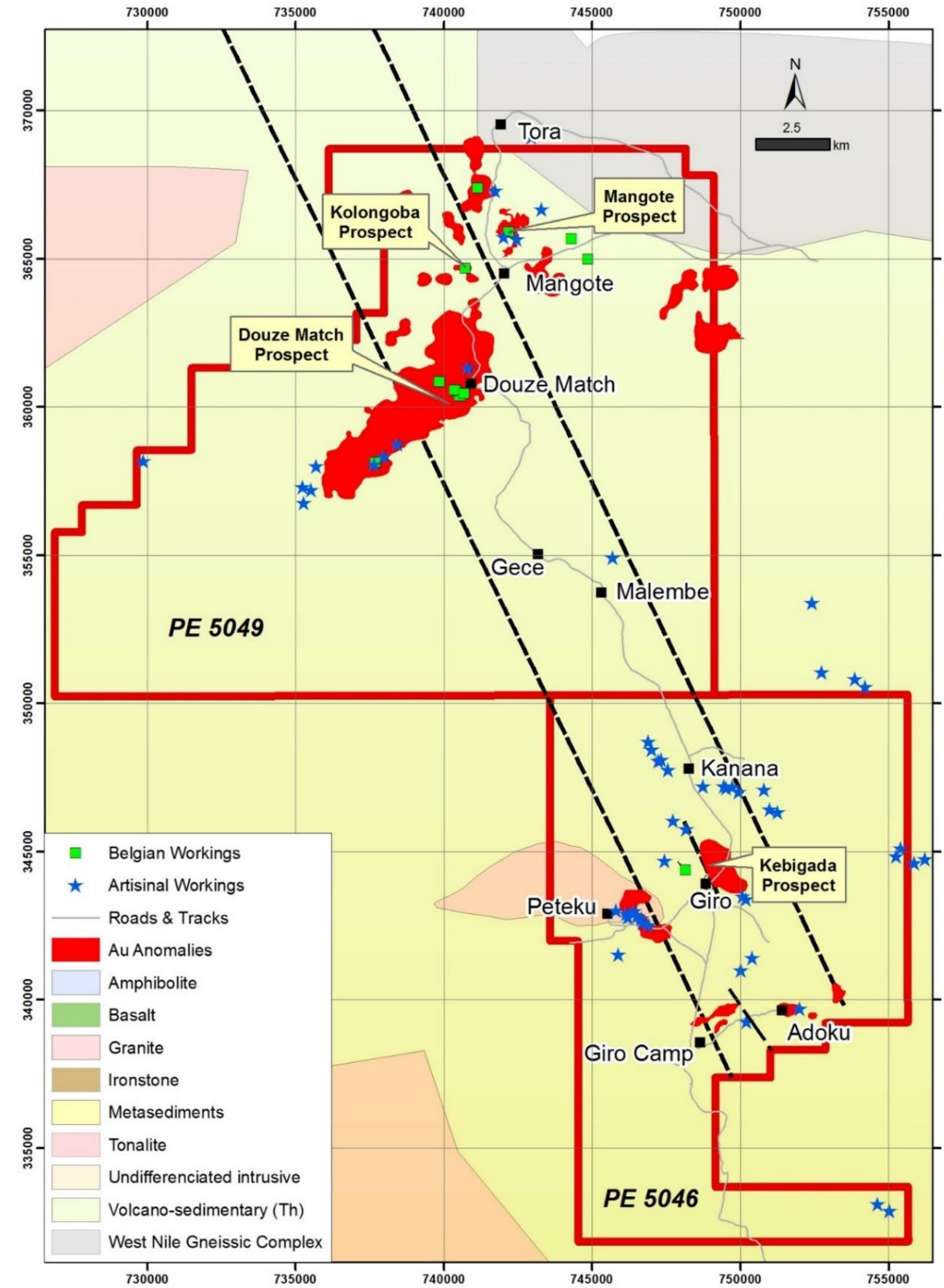

Figure 2: Tenement Map at Giro showing prospects, interpreted structural corridor and soil anomalies

Kebigada and Satellite Prospects

Amani has outlined a gold resource at Kebigada, within the Giro Gold Project, of 45.62Mt @ 1.46g./t Au for 2.14Moz at a cut-off grade of 0.9g/t Au (see ASX Announcement 20 October 2017, Table 1).

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

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

Notes:

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

Drilling

During the year, at Kebigada, a total of 61 RC drill holes for 3,450m were completed on Kebigada satellite targets which were previously identified in exploration as either soil anomalies, IP/resistivity anomalies or areas of extensive artisanal mining activities (Figure 3).

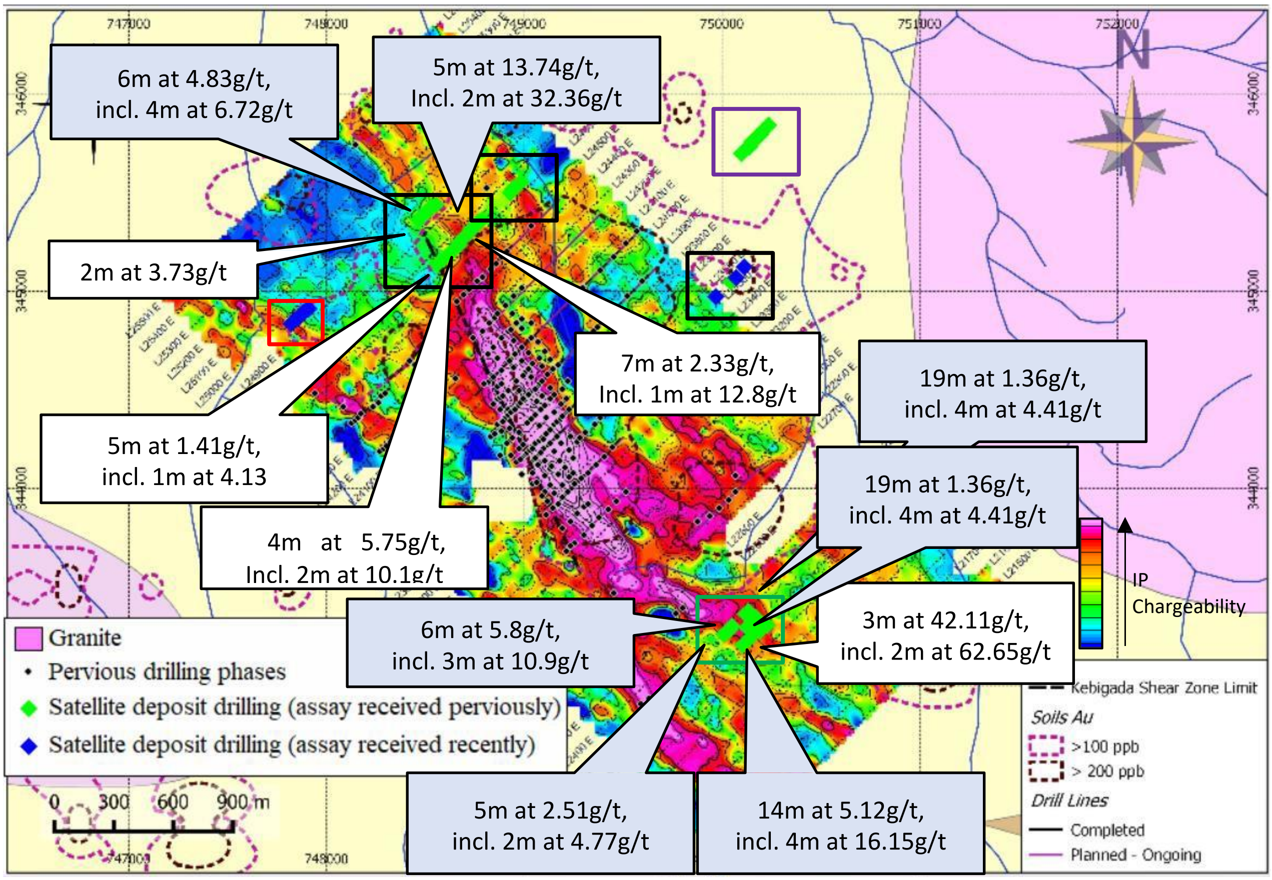

Figure 3: Kebigada satellite targets and selected assay results. Map shows both Soil and IP Chargeability anomalies. Anomaly zones are Congo Ya Sika (green frame), Giro Vein (Red frame), Belgians Trench (Purple frame) and Kebigada East, North and Northeast (black frames)

Amani has previously reported high grade gold drill hole assay results from the 61 RC holes which were completed at Congo Ya Sika, Kebigada East, Kebigada Northwest and Giro Vein (see ASX Announcements 2 January 2018, 15 February 2018, 19 April 2018 and Quarterly Report June 2018), with significant highlights including:

- Kebigada NW Extension:
  - 6m at 4.83g/t Au from 45m, incl. 4m at 6.72g/t Au from 45m (GRRC274)
  - 5m at 1.41g/t Au from 30m, incl. 1m at 4.13g/t Au from 30m (GRRC279)
  - 4m at 5.75g/t Au from 29m, incl. 2m at 10.10g/t Au from 29m (GRRC282)
  - 7m at 2.33g/t Au from 20m, incl. 1m at 12.8g/t Au from 20m (GRRC284)
  - 5m at 13.74g/t Au from 21m, incl. 2m at 32.36g/t Au from 22m (GRRC285)

- Congo Ya Sika
  - 3m at 42.11g/t Au from 10m, incl. 2m at 62.56g/t Au from 10m (GRRC297)

- Kebigada Northwest and Giro Vein
  - 3m at 1.22g/t Au from 12m (GRRC300)
  - 3m at 1.24g/t Au from 42m (GRRC302)
  - 6m at 0.98g/t Au from 54m (GRRC306)
  - 6m at 0.90g/t Au from 11m (GRRC307)

Douze Match

During the year, at Douze Match, a total of 10 diamond core drill holes for 1,050m and 59 RC drill holes for 3,574m were completed, principally as infill drilling to to define a resource (resource estimate underway). The drilling campaign was completed between November 2017 – February 2018 (Figure 4).

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

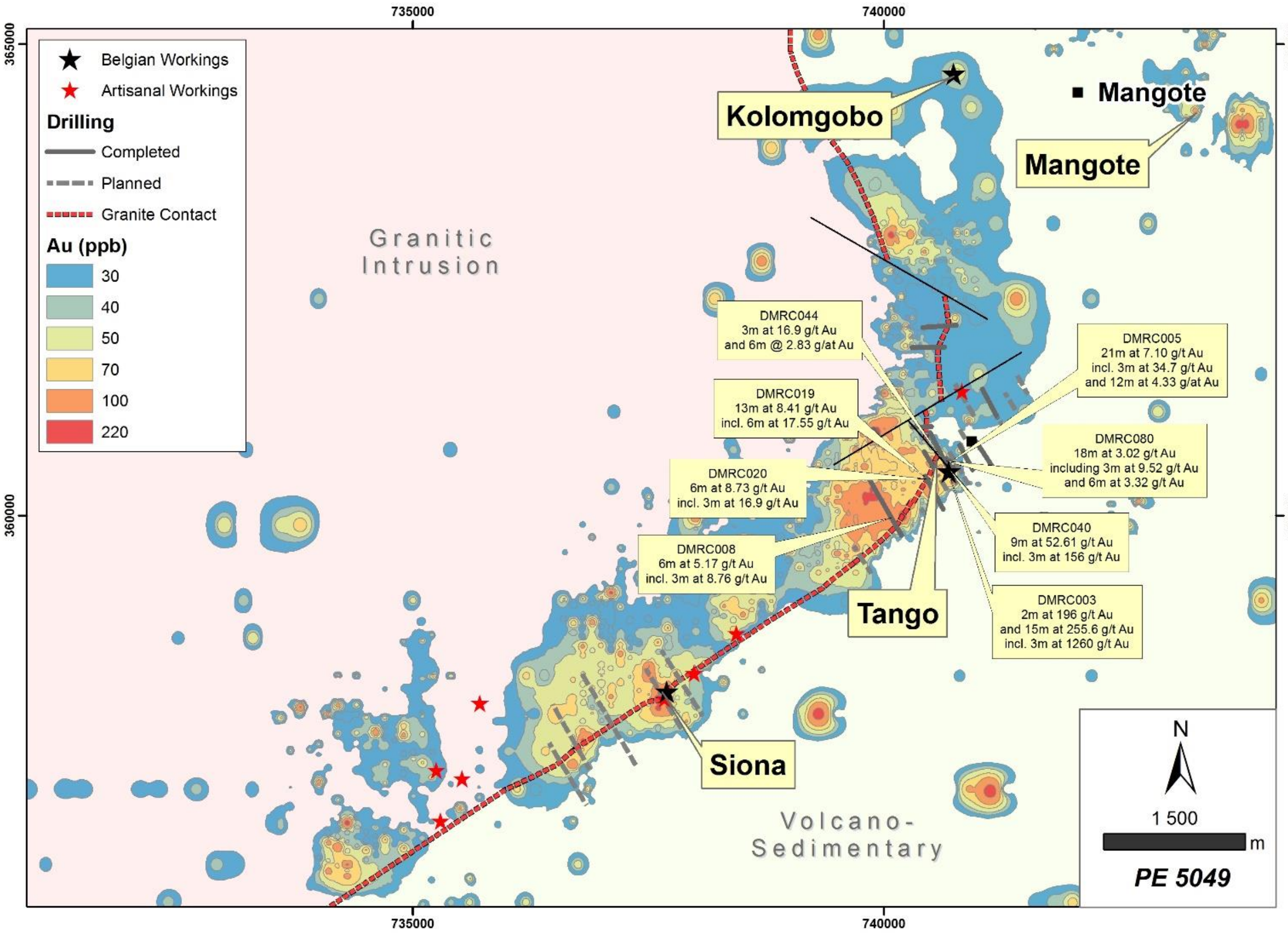

Figure 4: Douze Match surface soil results, drill hole traverses and selected assay results

Amani has previously reported high grade gold drill hole assay results from the 10 diamond core and 61 RC holes which were completed at Douze Match (see ASX Announcements 2 January 2018, 15 February 2018, 19 April 2018 and Quarterly Report June 2018), with significant highlights including:

- Douze Match
  - 7m at 3.32g/t Au from 29m, (DMRC249)
  - 5m at 4.01g/t Au from 16m, (DMRC282)
  - 14m at 2.84g/t Au from 54m, (DMRC286)
  - 17m at 2.05g/t Au from 36m, (DMRC287)
  - 14m at 4.11g/t Au from 16m, (DMRC289)
  - 6m at 3.00g/t Au from 77m, (DMRC293)
  - 11m at 4.69g/t Au from 77m, incl. 2.0m at 22.75g/t Au from 76m (DMR301)
  - 14m at 2.72g/t Au from 28m, (DMRC311)
  - 16m at 1.24g/t Au from 80m, incl. 3.4m at 2.42g/t Au from 85.5m and 2m at 2.23g/t Au from 94m (DMDD009)

- 16m at 1.75g/t Au from 52.5m, incl. 5.75m at 3.54g/t Au from 60m and 18.3m at 3.89g/t Au from 72.7m, incl. 11.3m at 5.68g/t Au from 72.7m (DMDD010)
- 12m at 1.95g/t Au from 110m, incl. 0.85m at 6.05g/t Au from 111.2m, 0.7m at 9.57g/t Au from 116.3m and 1.8m at 3.44g/t Au from 120.2m (DMDD014)
- 5m at 1.83g/t Au from 11m, incl. 1m at 6.23g/t Au from 11m (DMRC321)
- 7m at 3.67g/t Au from 12m, incl. 3m at 7.74g/t Au from 12m (DMRC343)
- 10m at 2.08g/t Au from 27m, incl. 6m at 3.19g/t Au from 31m (DMRC344)
- 4m at 3.11g/t Au from 98m, incl. 3m at 3.79g/t Au from 98m, (DMRC346)
- 4m at 3.81g/t Au from 0m, incl. 2m at 3.81g/t from 2m and 13m at 1.63g/t from 14m, incl. 2m at 5.78g/t from 14m (DMRC351)
- 4m at 3.53g/t Au from 22m, incl. 1m at 9.88g/t Au from 22m, (DMRC352)
- 4m at 7.03g/t Au from 51m (DMRC354)
- 4m at 2.95g/t Au from 27m, incl. 1m at 9.45g/t Au from 29m, (DMRC385)

The drilling results have confirmed the NE-SW trending nature of the gold mineralization at Douze Match. It is interpreted that the NE-SW trending mineralisation at Douze Match may have a shallow NE-dipping plunge which may be tested by several diamond core drill holes in follow-up drill campaigns.

In May a total of 392 drill hole, auger and surface samples, for approximately 750kg, were selected from Douze Match oxide zone and dispatched to laboratories in China for sighter metallurgical studies.

Following the success of the drill program outlining significant gold mineralization at multiple prospects, Amani has planned an additional 10-15,000m of combined RC and diamond drilling at Giro Gold Project in late 2018 to increase ore body confidence at the main Kebigada deposit, fully delineate Congo Ya Sika and Kebigada NW, Kolongoba targets and Douze Match plus test additional prospects as they are defined (Figure 2).

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 Australian Institute of Geoscientists. Mr Thomas is a director of Amani Gold Limited. Mr Thomas has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr 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 2018 ("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.

Qiuming Yu
Chairman from 11 July 2017
(appointed Director on 11 July 2017)

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

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

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

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

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

In the last three years Sheng Fu has not been, an is currently not, a director of any ASX listed companies.

Sik Lap Chan[1]
MAusIMM, MAIG
Managing Director and CEO
(appointed Director on 11 July 2017)

[1] With effect from 1 September 2017, Mr Chan has been appointed in an executive role and with effect from 1 April 2018, Mr Chan has been appointed Managing Director and CEO

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

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

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

Grant Thomas[2]
BSc (Hon)
Executive Director
(Director since 1 January 2018)
[2] With effect from 1 April 2018, Mr Thomas has been appointed in an executive role as Technical Director

Grant Thomas Mr Thomas is a geoscientist and experienced company director and is currently director of ASX listed company Kazakhstan Potash Corporation Limited. Mr Thomas has previously served as Managing Director of ASX listed Tianshan Goldfields Limited, Celsius Coal Limited, ActivEX Limited and has held senior positions with Rio Tinto Exploration (Australia, Brazil and China) and Hamersley Iron. Mr Thomas has 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, Sydney, Hong Kong and Singapore. Mr Thomas has been involved with successful project leadership and exploration discoveries within Australia and China including; Homestead, Mount Sheila and Mount Sylvia (iron ore) and 2.4Moz Au Xinjiang Gold Mountain and Kuan Gou (gold) discoveries. Mr Thomas holds a bachelor's degree in science from Adelaide University.

In the past three years Mr Thomas has been a director of ASX listed company ActivEX Limited, and he is currently a director of ASX listed company Kazakhstan Potash Corporation Limited.

Antony Truelove[3]
BSc (Hon)
Non-Executive Director
(Director since 27 March 2018)
[3] Mr Truelove is considered to be and Independent Non-Executive Director

Mr Truelove is a geologist and experienced company director and is currently managing director of unlisted UK based company Anglo Saxony Mining 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 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, an is currently not, a director of any ASX listed companies.

Klaus Peter Eckhof
Dip. Geol. TU, AusIMM

Mr Eckhof served as the Company's Managing Director and Chief Executive Officer up to 12 August 2014, and as part-time Executive Chairman up to 11 July 2017. Mr Eckhof resigned on 27 March 2018.

Mark Andrew Calderwood
MAusIMM

Mr Calderwood was appointed as a Non-Executive Director on 12 August 2014 and resigned on 31 December 2017.

Susmit Mohanlal Shah
BSc Econ, CA

Mr Shah was appointed as a Non-Executive Director and Company Secretary on 16 June 2005 and resigned on 27 March 2018.

COMPANY SECRETARY **Craig McPherson** **BCom, CA**	Mr McPherson was appointed as Company Secretary of Amani Gold Limited on 27 March 2018.
Susmit Mohanlal Shah **BSc Econ, CA**	Mr Shah was appointed as a Non-Executive Director and Company Secretary on 16 June 2005 and resigned 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
- Burey Resources Pty Ltd (dormant)

PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity during the course of the year was acquiring and exploring mineral interests, prospective for precious metals and energy.

RESULTS AND DIVIDENDS

The consolidated loss after tax for the year ended 30 June 2018 was $1,562,315 (30 June 2017: profit after tax $257,624). No dividends were paid during the year and the Directors do not recommend payment of a dividend. The profit for the prior reporting period includes $1,991,919 recognised as a gain on the disposal of subsidiaries in Guinea and Ghana. The gain primarily comprises a historical foreign currency translation gain of $2,062,807, which was transferred from the foreign currency translation reserve to profit or loss for the period as a result of the disposal of the West African subsidiaries.

EARNINGS PER SHARE

Basic loss per share for the year was 0.10 cents (30 June 2017: profit 0.02 cents).

REVIEW OF OPERATIONS / OPERATING AND FINANCIAL REVIEW

The Group is engaged in mineral exploration for metals and energy in North-East Democratic Republic of Congo ("DRC"). A review of the Group's operations, including information on exploration activity and results thereof, financial position, strategies and projects of the consolidated entity during the year ended 30 June 2018 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

During the first quarter of the financial year, the Company completed a $15 million private placement with Luck Winner Investment Limited to fund its exploration activities and to supplement working capital.

EVENTS SUBSEQUENT TO REPORTING DATE

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

- On 9 August 2018 the Company announced that it had received commitments to issue 116,666,667 fully paid ordinary shares (New Shares) at a price of $0.015 each for $1.75M ('Placement'). In addition, the Company agreed to issue convertible notes with a face value of $0.953M ('Notes'). The Notes have a 12-month maturity from the date of issue ('Maturity Date') and will attract interest at a rate of 6% per annum, commencing from the date which is 4 months from the date of issue. The Company may elect to repay all or part of the outstanding Notes at any time prior to the Maturity Date. In addition, the Company may elect to convert any of the Notes into new shares at $0.015 per share.

  The Placement and Notes will be applied to the Company's project in the DRC (including relocation of artisanal miners), repayment of unsecured loans and for general working capital purposes.

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 2018 are:

	Directors' meetings held during period of office	Directors' meetings attended
Yu Qiuming (appointed 11 July 2017)	5	4
Fu Sheng (appointed 11 July 2017)	5	1
Chan Sik Lap (appointed 11 July 2017)	5	5
G Thomas (appointed 1 January 2018)	4	4
T Truelove (appointed 27 March 2018)	3	3
K P Eckhof (resigned 27 March 2018)	2	2
M A Calderwood (resigned 31 December 2018)	1	1
S M Shah (resigned 27 March 2018)	2	2
K P Thomson (resigned 11 July 2017)	-	-

There were 5 directors' meetings held during the year. However, matters of Board business have been resolved by circular resolutions of Directors, which are a record of decisions made at a number of informal meetings of the Directors held to control, implement and monitor the Group's activities throughout the period.

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

DIRECTORS' INTERESTS

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

	Fully Paid Ordinary Shares	Options Over Ordinary Shares
Qiuming Yu (appointed 11/7/17)	300,000,000[(1)]	-
Sheng Fu (appointed 11/7/17)	300,000,000[(1)]	-
Sik Lap Chan (appointed 11/7/17)	-	-
Grant Thomas (appointed 1/1/18)	200,000	-
Antony Truelove (appointed 27/3/18)	-	-

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

SHARE OPTIONS AND PERFORMANCE RIGHTS

As at the date of this report, there are 41,500,000 unlisted options on issue.

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

There were no unlisted options issued to employees during the year under the Employee Option Plan. 10,000,000 unlisted options previously issued to directors under the Employee Option Plan lapsed during the year following their resignation. No unlisted options were exercised.

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

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

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

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

Remuneration committee

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

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 remunearation 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 2018 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 2018 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 2018 was 0.9 cents (2017: 4.3 cents). The shares recorded high and low points of 4.5c and 0.8 cents during the year. 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 Chan is employed under an employment agreement with Amani Gold Limited which provides for base salary arrangements as follows: i) $200,000 per annum for the period ending 31 August 2018; ii) $250,000 per annum for the period ending 31 August 2019; iii) $300,000 per annum from 1 September 2019. The agreement with Mr Chan provides for 3 months notice of intention to resign. Amani may terminate the agreement by giving 3 months notice.

Mr Thomas is employed under a written employment agreement with Amani Gold Limited as Chief Technical Officer which provides for base salary arrangements of $180,000 (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.

Table 2: Director and other Executives Remuneration for the year ended 30 June 2018

Director		Short Term		Post Employment	Equity Value of Incentive securities		
		Cash Salary/Fees $	Non-Cash Benefits $	Superannuation $	Incentive securities $	Total $	Incentive securities as a Percentage of Remuneration %
Yu Qiuming (i)	**2018**	-	-	-	-	-	-
Non-executive Chairman	2017	-	-	-	-	-	-
Fu Sheng (ii)	**2018**	-	-	-	-	-	-
Non-executive	2017	-	-	-	-	-	-
Chan Sik Lap (iii)	**2018**	**158,599**	-	-	-	**158,599**	-
Managing Director	2017	-	-	-	-	-	-
G Thomas (iv)	**2018**	**75,000**	-	**4,275**	-	**79,275**	-
Executive Director	2017	-	-	-	-	-	-
T Truelove (v)	**2018**	**9,000**	-	-	-	**9,000**	-
Non-executive	2017	-	-	-	-	-	-
K P Eckhof (vi)	**2018**	**97,497**	-	-	-	**97,497**	-
Executive Chairman	2017	129,996	-	-	130,100	260,096	50%
M A Calderwood (vii)	**2018**	**12,000**	-	**1,140**	-	**13,140**	-
Non-executive	2017	24,000	-	2,280	-	26,280	-
S M Shah (viii)	**2018**	**15,000**	-	**1,425**	-	**16,425**	-
Non-executive	2017	20,000	-	1,900	140,479	162,379	87%
K P Thomson (ix)	**2018**	-	-	-	-	-	-
Non-executive	2017	24,000	-	-	-	24,000	-
M Gasson (x)	**2018**	-	-	-	-	-	-
Exploration Manager	2017	180,000	-	-	153,453	333,453	46%
Total	**2018**	**367,096**	-	**6,840**	-	**373,936**	
	2017	377,996	-	4,180	424,032	806,208	

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

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

(iii) Mr Chan was appointed as a director on 11 July 2017. With effect from 1 September 2017, Mr Chan has been appointed in an executive role and with effect from 1 April 2018, Mr Chan has been appointed Managing Director and CEO.

(iv) Mr Thomas was appointed as a director on 1 Janaury 2018. With effect from 1 April 2018, Mr Thomas has been appointed in an executive role as Technical Director.

(v) Mr Truelove was appointed as a director on 27 March 2018.

(vi) Mr Eckhof resigned as a director on 27 March 2018. During the prior year, Mr Eckhof was issued 24.25 million shares from the vesting of performance rights issued in FY2015 and FY2016. No additional incentive securities were issued during the current year. In FY2016, 22.5 million performance rights valued at $447,750 were issued to Mr Eckhof. These performance rights were valued over the vesting period and the charge to the profit or loss account for the prior reporting period of $130,100.

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

(viii) Mr Shah resigned as a director on 27 March 2018. During the prior year, Mr Shah was issued 25.25 million shares from the vesting of performance rights issued in FY2015 and FY2016. No additional incentive securities were issued during the current year. In FY2016, 22.5 million performance rights valued at $447,750 were issued to Mr Shah. These performance rights were valued over the vesting period and the charge to the profit or loss account for the prior reporting period of $140,479.

(ix) Mr Thomson resigned as a director on 11 July 2017.

(x) Mr Gasson resigned as exploration manager in the prior financial year. During the prior year, Mr Gasson was issued 26.5 million shares from the vesting of performance rights issued in FY2015 and FY2016. No additional incentive securities were issued during the current year. In FY2016, 22.5 million performance rights valued at $447,750 were issued to Mr Gasson. These performance rights were valued over the vesting period and capitalised to deferred exploration expenditure for the prior reporting period of $153,453.

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 2017	Received as Remuneration[1]	Other Movements	Balance at 30 June 2018
Directors				
Yu Qiuming	300,000,000[2]	-	-	300,000,000
Fu Sheng	300,000,000[2]	-	-	300,000,000
Chan Sik Lap	Nil[2]	-	-	Nil
G Thomas	200,000[2]	-	-	200,000
A Truelove	Nil[2]	-	-	Nil
Klaus Eckhof	24,250,000	1,750,000	-	26,000,000[3]
Mark Calderwood	2,609,862	-	-	2,609,862[3]
Susmit Shah	17,350,000	2,750,000	-	20,100,000[3]
Kevin Thomson	Nil	-	-	Nil[3]
Mark Gasson	26,700,000	4,000,000	-	30,700,000[3]

[1]Shares issued to Messrs Eckhof, Shah and Gasson were on vesting and conversion of previously issued performance rights
[2]Balances represent the shares held at the date of appointment as a director
[3]Balances represent the shares held at the date of retirement as a director

Optionholdings and Performance Rights of Key Management Personnel

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

	Balance at 1 July 2017	Received as Remuneration	Exercised / converted	Expired	Balance at 30 June 2018
Directors					
Klaus Eckhof					
– Performance rights	1,750,000	-	(1,750,000)	-	Nil[1]
Mark Calderwood					
- Options	5,000,000	-	-	(5,000,000)	Nil[1]
Susmit Shah					
- Options	1,050,000	-	-	(1,050,000)	Nil[1]
- Performance rights	2,750,000	-	(2,750,000)	-	Nil[1]
Kevin Thomson					
- Options	5,000,000	-	-	(5,000,000)	Nil[1]
Other KMP					
Mark Gasson					
- Options	100,000	-	-	(100,000)	-
- Performance rights	4,000,000	-	(4,000,000)	-	-

[1]Balances represent the shares held at the date of retirement as a director

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

Loans to key management personnel and their related parties

There were no loans outstanding at the reporting date to key management personnel and their related parties.

Use of Remuneration Consultants

The Company did not use any remuneration consultants during the period.

End of 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 $13,942 (2017 - $7,082) 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 2017 to 30 June 2018 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 2018 BDO Corporate Finance provided $25,500 (2017: $nil) in non-audit related services. Refer to Note 4 in the financial statements for further details.

AUDITOR'S INDEPENDENCE DECLARATION

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

The independence declaration is located on the next page.

Signed in accordance with a resolution of Directors.

Chan Sik Lap
Director - 28 September 2018

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Australia

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

As lead auditor of Amani Gold Limited for the year ended 30 June 2018, 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.

M Cutt

Matthew Cutt

Director

BDO Audit (WA) Pty Ltd

Perth, 28 September 2018

Amani Gold Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

	Notes	2018 $	2017 $
Revenue from continuing operations	2	**93,960**	98,321
Consultants and corporate costs		**(1,023,290)**	(507,293)
Due diligence costs	3	**-**	(326,798)
Employee benefits expense		**(215,337)**	(407,833)
Share based payments expense	3, 14	**-**	(270,579)
Depreciation expense	3	**(33,020)**	(25,111)
Occupancy expenses		**(67,597)**	(73,852)
Travel expenses	3	**(266,733)**	(167,288)
Foreign exchange (loss)	3	**(50,298)**	(53,862)
Gain on disposal of subsidiaries	3	**-**	1,991,919
Profit / (loss) before related income tax		**(1,562,315)**	257,624
Income tax (expense)/benefit	5	**-**	-
Profit /(loss) for the year after income tax		**(1,562,315)**	257,624
Net Profit /(loss) attributable to:			
Owners of Amani Gold Limited		**(1,453,571)**	245,084
Non-controlling interest		**(108,744)**	12,540
		(1,562,315)	257,624
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**995,632**	(679,232)
Reclassification to profit or loss on disposal of foreign subsidiaries		**-**	(2,062,807)
Total comprehensive income/(loss) for the year		**(566,683)**	(2,484,415)
Total comprehensive income/(loss) attributable to:			
Owners of Amani Gold Limited		**(441,920)**	(2,478,619)
Non-controlling interest		**(124,763)**	(5,796)
		(566,683)	(2,484,415)
Earnings/(Loss) per share for the year attributable to the members of Amani Gold Limited			
Basic and diluted gain / (loss) per share	6	(0.10) cents	0.02 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 2018

	Notes	2018 $	2017 $
Current Assets			
Cash and cash equivalents	8	**867,360**	1,062,471
Other receivables	9	**24,476**	211,777
Total Current Assets		**891,836**	1,274,248
Non-Current Assets			
Other receivables	9	**11,000**	-
Property, plant & equipment	10	**378,469**	99,420
Exploration and evaluation expenditure	11	**39,958,658**	24,787,528
Total Non-Current Assets		**40,348,127**	24,886,948
Total Assets		**41,239,963**	26,161,196
Current Liabilities			
Trade and other payables	12a	**221,850**	395,932
Loan	12b	**675,054**	91,081
Total Liabilities		**896,904**	487,013
Net Assets		**40,343,059**	25,674,183
Equity			
Contributed equity	13	**62,868,356**	47,883,517
Reserves	15	**9,114,996**	7,852,626
Accumulated losses		**(31,899,230)**	(30,445,659)
Capital and reserves attributed to the owners of Amani Gold Limited		**40,084,122**	25,290,484
Non-controlling interest		**258,937**	383,699
Total Equity		**40,343,059**	25,674,183

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 2018

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

Amani Gold Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2018

	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
Profit 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**

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

	Notes	2018 $	2017 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		**(1,747,488)**	(1,577,763)
Interest received		**93,960**	81,581
Net Cash outflows from Operating Activities	19	**(1,653,528)**	(1,496,182)
Cash Flows from Investing Activities			
Payments for plant and equipment		**(353,640)**	(98,732)
Payments for exploration and development expenditure		**(13,763,920)**	(8,381,797)
Option payment to acquire project		**-**	(326,798)
Payments for rental bonds		**(11,000)**	-
Net Cash outflows from Investing Activities		**(14,128,560)**	(8,807,327)
Cash Flows from Financing Activities			
Proceeds from securities issues		**15,010,571**	11,825,542
Securities issue expenses		**(25,732)**	(661,431)
Repayment of loan		**(91,081)**	(239,916)
Proceeds from borrowings		**675,054**	91,081
Net Cash inflows from Financing Activities		**15,568,812**	11,015,276
Net increase / (decrease) in Cash and Cash Equivalents		**(213,276)**	711,767
Cash and cash equivalents at the beginning of the year		**1,062,471**	416,453
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		**18,165**	(65,749)
Cash and Cash Equivalents at End of Year	8	**867,360**	1,062,471

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 2018, 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 116,666,667 fully paid ordinary shares (New Shares) at a price of $0.015 each for $1.75M ('Placement'). In addition, the Company agreed to issue convertible notes with a face value of $0.953M ('Notes'). The Placement and Notes will be applied to the Company's project in the DRC (including relocation of artisanal miners), repayment of unsecured loans and for general working capital purposes.

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 2018 of $15,782,088 (2017: $10,303,509).

At 30 June 2018, the Group had cash balances of $867,360 (2017: $1,062,471).

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.

The Group may be unable to realise its assets and discharge its liabilities in the ordinary course of businesss.

Adoption of New and Revised Standards

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2018, and have not been applied in preparing these consolidated financial statements. Those which may be relevant are set out below.

AASB 9 Financial Instruments
AASB 9, published July 2014, replaces existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected loss model for calculating impairment on financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from AASB 139.

AASB 9 is effective for annual periods beginning on or after 1 January 2018 with early adoption permitted.

AASB 16 Leases
AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AAS8 117. An entity be required to recognise a lease liability and a fight of use asset in its balance sheet for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases.

Lessor accounting remains largely unchanged from AASB 117.

The group is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the group's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

The Group does not plan to adopt this standard early and its impact on the Group is not significant.

Statement of Compliance

These financial statements were authorised for issue on 28 September 2018.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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.

Revenue recognition

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

Interest income is recognised in the statement of profit or loss and other comprehensive income as it accrues, using the effective interest method.

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

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments readily convertible to cash.

Foreign currency transactions and balances

The functional and presentation currency of Amani Gold Limited is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period.

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

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

The functional currencies of the overseas subsidiaries are as follows:

Democratic Republic of Congo subsidiaries United States Dollars (USD)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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.

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 2018, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Investments and other financial assets

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

Loans and receivables

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

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

Available-for-sale financial assets

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

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

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

Mineral interest acquisition, exploration and development expenditure

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

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

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

Impairment testing

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

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.

Earnings per share

Basic earnings per share is determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends), by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and any expenses associated with dividends and interest of 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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:

(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 is 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 angreement was reached between the parties that the deadline for completion of the feasibility study would be extended up to 31st December 2018, with a further 12-month extension if Amani shows that the work to complete the feasibility study is progressing positively.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(b) Share Based Payments to employees

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

(c) Control Over Subsidiaries

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

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

(d) Contingent liabilities

Under the terms of the agreement to acquire an interest in Amani Consulting sarl (Amani Consulting) the Company may be liable in the future to make additional payments subject to certain events occurring as described in Note 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	
	2018	2017
	$	$

2. REVENUE

Other revenue includes the following:

Foreign exchange gain	**-**	6,254
Interest - other parties	**93,960**	81,581
Others	**-**	10,486
	93,960	98,321

3. EXPENSES

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

Depreciation expense	**33,020**	25,111
Due diligence costs [1]	**-**	326,798
Foreign exchange loss	**50,298**	53,862
Rental expense, minimum lease payments	**67,597**	73,852
Share based payments expense	**-**	270,579
Salaries, wages and employment expenses	**215,337**	407,833
Travel and accommodation	**266,733**	167,288
Gain on disposal of subsidiaries [2]	**-**	(1,991,919)

1. A cash fee of US$250,000 was paid to Medidoc FZE to acquire the exclusive right to negotiate an interest in the Tendao project, which borders the Giro Gold project.
2. On 29 December 2016, the Company disposed its 100% interest in subsidiaries, Burey Gold (Ghana) Ltd and Burey Gold Guinee SARL for nominal consideration. The Company recognised a gain on disposal of $1,991,919 at the half year, and the two subsidiaries were deconsolidated fom the Group at 31 December 2016. The foreign currency translation reserve carrying value of $2,062,807 was transferred to profit or loss.

4. AUDITOR'S REMUNERATION

Audit services:

- Amounts paid or payable to auditors of the Group – BDO Audit (WA) Pty Ltd	**45,433**	36,494

In addition, during the year BDO Corporate Finance provided $25,500 (2017: $nil) in non-audit related services.

5. INCOME TAX EXPENSE

	Consolidated	
	2018	2017
	$	$
(a) The prima facie tax benefit at 27.5% (2017: 30%) on loss for the year is reconciled to the income tax provided in the financial statements as follows:		
Profit / (loss) before income tax	**(1,562,315)**	257,624
Prima facie income tax expense / (benefit) @ 30%	**(429,637)**	77,287
Tax effect of permanent differences:		
Capital raising costs	**(105,029)**	(114,546)
Legal fees	**6,117**	14,362
Exploration expenses	**(3,869,384)**	(2,750,059)
Employee option expense / share based payments	**-**	81,174
Consultants – Capital	**-**	98,039
	(4,397,932)	(2,593,743)
Income tax benefit not brought to account	**4,397,932**	2,593,743
Income tax expense	**-**	-

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

Deferred Tax Assets at 30%:		
- Carry forward revenue losses	**16,197,737**	12,882,415
- Capital raising costs	**260,132**	366,990
- Provisions and accruals	**(7,425)**	7,500
	16,450,444	13,256,905

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	
	2018	2017
	Cents	Cents
Basic and diluted gain / (loss) per share	**(0.10)**	0.02
	2018	2017
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	**1,556,851,441**	1,242,649,981

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

7. SEGMENT INFORMATION

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	
	2018	2017
	$	$
Revenue from external sources	**-**	-
Reportable segment profit	**330,180**	43,482
Reportable segment assets	**40,238,526**	25,330,920
Reportable segment liabilities	**(779,059)**	(240,092)
Reconciliation of reportable segment profit or loss		
Reportable segment profit / (loss)	**(330,180)**	43,482
Other revenue / income	**93,960**	90,450
Unallocated:		
Corporate expenses	**(1,326,095)**	(1,868,227)
Gain on disposal of foreign subsidiaries	**-**	1,991,919
Profit /(loss) before tax	**(1,562,315)**	257,624
Reconciliation of reportable segment assets to total assets and liabilities		
Segment assets	**40,238,526**	25,330,920
Unallocated:		
Corporate assets	**1,001,437**	830,276
	41,239,963	26,161,196
Segment liabilities	**(779,059)**	(240,092)
Unallocated:		
Corporate liabilities	**(117,845)**	(246,920)
	(896,904)	(487,012)

8. CASH AND CASH EQUIVALENTS

	Consolidated	
	2018	2017
	$	$
Cash at bank and in hand	**867,360**	1,062,471

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

9. OTHER RECEIVABLES

	Consolidated 2018 $	2017 $
Current		
Other receivables	**24,476**	211,777
	24,476	211,777
Non-Current		
Other receivable	**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 2018 $	2017 $
Plant and equipment		
At cost	**519,457**	152,871
Less accumulated depreciation	**(140,988)**	(53,451)
	378,469	99,420

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.

	2018 $	2017 $
Balance at the beginning of the year	**99,420**	39,812
Additions	**353,640**	86,904
Disposals	**-**	(9,314)
Depreciation expense	**(86,557)**	(25,111)
Foreign currency translation difference movement	**11,965**	7,129
Carrying amount at the end of the year	**378,469**	99,420

11. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2018 $	2017 $
Exploration and evaluation phase – at cost		
Balance at the beginning of the year	**24,787,528**	16,051,030
Expenditure incurred during the year	**14,070,486**	9,166,863
Foreign currency translation difference movement	**1,100,645**	(430,365)
Carrying amount at the end of the year	**39,958,658**	24,787,528

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.

In order to carry out future infill drill programs at Kebigada to upgrade and add to the existing mineral resources, the Amani Group commenced relocation of artisanal miners and sections of the Giro village during the reporting period. The relocation activities, at a cost of approximately $6.2m during the reporting period, were carried out primarily by a sub-commission constituted under the terms of a regulatory legal deed and appointed by and under the control of the Government of the Haut-Uele Province.

12a. TRADE AND OTHER PAYABLES

	Consolidated	
	2018	2017
	$	$
Current		
Trade and other payables	**221,850**	395,932
	221,850	395,932

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	2017
	$	$
Current		
Other loan [i]	**675,054**	91,081
	675,054	91,081

(i) This loan is unsecured, interest free and repayable upon demand.

13. CONTRIBUTED EQUITY

	Consolidated	
	2018	2017
	$	$
(a) Issued and paid-up share capital		
Ordinary shares, fully paid 1,566,163,747 (2017: 1,257,452,332)	**62,868,356**	47,883,517

Movements in Ordinary Shares:

Details	Number of Shares	$
Balance at 1 July 2016	962,237,497	36,719,406
July 2016 capital raising at a price of $0.054 per share	216,199,999	11,674,800
Conversion of performance rights	76,000,000	-
August 2016 exercise of listed options at $0.05 per option	3,014,836	150,742
Less: Share issue costs	-	(661,431)
Balance at 30 June 2017	1,257,452,332	47,883,517
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	-	(25,731)
Balance at 30 June 2018	1,566,163,747	62,868,356

	Consolidated	
	2018	2017
(b) Listed Share Options	**$**	$
Options to subscribe for ordinary shares nil (2017: 434,251,337)	**1,396,044**	1,396,044

Movements in Options:

Details	Number of Options	$
Balance at 1 July 2016	437,266,173	1,388,544
Exercise of options	(3,014,836)	-
Prior year issue of options recognised in current year	-	7,500
Balance at 30 June 2017	434,251,337	1,396,044
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

(c) Unlisted Options

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	(ii)	0.03	7,500,000	-	-	7,500,000
15 Apr 2016 – 31 Dec 2020	(ii)	0.04	12,500,000	-	(5,000,000)	7,500,000
15 Apr 2016 – 31 Dec 2020	(ii)	0.05	12,500,000	-	(5,000,000)	7,500,000
2 Nov 2016 – 2 Nov 2016	(iii)	0.08	9,500,000	-	-	9,500,000
2 Nov 2016 – 2 Nov 2019	(iii)	0.10	9,500,000	-	-	9,500,000
			51,500,000	-	(10,000,000)	41,500,000
Weighted averge exercise price ($)			0.06			0.06

2017 - Options to take up ordinary shares in the capital of the Company have been granted as follows:

Exercise Period	Note	Exercise Price	Opening Balance 1 July 2016	Options Issued 2016/17	Exercised/ Cancelled/ Expired 2016/17	Closing Balance 30 June 2017
			Number	*Number*	*Number*	*Number*
5 Sept 2014 -31 Dec 2016	(i)	$0.05	47,500,000	-	(47,500,000)	-
15 Apr 2016 – 31 Dec 2020	(ii)	$0.03	7,500,000	-	-	7,500,000
15 Apr 2016 – 31 Dec 2020	(ii)	$0.04	12,500,000	-	-	12,500,000
15 Apr 2016 – 31 Dec 2020	(ii)	$0.05	12,500,000	-	-	12,500,000
2 Nov 2016 – 2 Nov 2016	(iii)	$0.08	-	9,500,000	-	9,500,000
2 Nov 2016 – 2 Nov 2019	(iii)	$0.10	-	9,500,000	-	9,500,000
			80,000,000	19,000,000	(47,500,000)	51,500,000
Weighted averge exercise price ($)			0.05	0.09		0.06

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

(ii) 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.

(iii) 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.

The weighted average contractual life of the unlisted options are 1.73 (2017: 2.85) 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

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)	-

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

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

(i) Performance rights vest subject to meeting specific performance conditions. The 17 million performance rights issued comprise two tranches of 8.5 million each. Tranche 1 performance rights 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. The 67.5 million performance rights issued in the year ended 30 June 2016 comprise of three tranches of 22.5 million each. Tranche 1, 2 and 3 performance rights had a market vesting condition being the Company's shares trade at a daily volume weighted average share price ("VWAP") of at least 3, 4 and 5 cents respectively for a consective period of at least 10 trading days. During the prior year ended 30 June 2017, these rights vested and were converted into shares.

(d) Terms and conditions of contributed equity

Ordinary Shares:
Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

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 year, no options (2017: 19 million) 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. No options (2017: nil) were issued during the year.

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):

	2018	**2018**	2017	2017
	Number	**$**	Number	$
2016 Performance rights to director, Mr Klaus Eckhof (i)	-	-	22,500,000	111,938
2016 Performance rights to director, Mr Susmit Shah (i)	-	-	22,500,000	111,938
2015 Performance rights to director, Mr Klaus Eckhof (ii)	-	-	3,500,000	18,162
2015 Performance rights to director, Mr Susmit Shah (ii)	-	-	5,500,000	28,541
2016 Performance rights to Mr Mark Gasson (iii)		-	22,500,000	-
2015 Performance rights to Mr Mark Gasson (ii and iii)	-	-	8,000,000	-
Total		-		270,579

(i) 67.5 million performance rights were granted during the year ended 30 June 2016 (refer to Note 13(c) for more information). The fair value of the performance rights estimated at that time was $895,500. These performance rights vested and were converted into shares during the year end 30 June 2017 and were expensed over the updated vesting period. Nil (2017: $223,875) was recognised as share based payment expense during the year.

(ii) 17 million performance rights were granted in 2015 (not under any plans). Refer to Note 13(c) for further details of the grant. The fair value of the performance rights estimated at the time of grant was $296,650 with a vesting period of up to 31 December 2017. The first tranche of performance rights (8.5 million) vested during the prior year and second tranche of performance rights (8.5 million) vested during the current year end. Based on this revised vesting of performance rights, the balance share based payment expense of $46,703 was recognised during the prior year.

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

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

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

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

The share based payment expense of $250,720 (2017: $487,287) relating to the 19 million options issued during the year ended 30 June 2017 was capitalised as deferred exploration expenditure.

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	
	2018	2017
	$	$
Share based payments reserve (Note 15a)	**5,861,728**	5,611,008
Option premium reserve (Note 15b)	**1,396,044**	1,396,044
Foreign currency translation reserve (Note 15c)	**1,857,224**	845,574
	9,114,996	7,852,626
Non-controlling interest reserve (Note 15d)	**258,936**	383,699
(a) **Movement During the Year – Share based payment**		
Opening balance	**5,611,008**	4,699,689
Issue of options and performance rights to directors and key management personnel	**250,720**	270,579
Issue of performance rights to key management personnel which is capitalised to deferred exploration expenditure	**-**	640,740
Closing balance	**5,861,728**	5,611,008
(b) **Movement During the Year – Option premium**		
Opening balance	**1,396,044**	1,388,544
Issue of listed options	**-**	7,500
Closing balance	**1,396,044**	1,396,044
(c) **Movement During the Year – Foreign Currency Translation**		
Opening balance	**845,574**	3,593,410
Foreign currency translation differences	**1,011,650**	(685,029)
Disposal of foreign subsidiaries	**-**	(2,062,807)
Closing balance	**1,857,224**	845,574
(d) **Movement During the Year – Non-controlling interest**		
Opening balance	**383,699**	365,363
NCI share of profit / (loss) for the year	**(108,744)**	12,540
Foreign currency translation differences	**(16,018)**	5,796
Closing balance	**258,937**	383,699

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 liabilitiesbased on the earliest date on which the Group can be required to pay.

	Less than 6 months	**6 – 12 months**	**Over 1 year**	**Total**
	$	**$**	**$**	**$**
Group at 30 June 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

	Less than 6 months	6 – 12 months	Over 1 year	Total
Group at 30 June 2017	$	$	$	$
Financial Liabilities:				
Current:				
Trade and other payables	395,932	-	-	395,932
Short-term borrowings	91,081	-	-	91,081
Total Financial Liabilities	487,013	-	-	487,013

(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 2017 and 2018, 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 2018		**30 June 2017**	
	Notes	**Assets**	**Liabilities**	**Assets**	**Liabilities**
		$	**$**	**$**	**$**
United States Dollar		**226,220**	**779,060**	**512,344**	**302,236**
		226,220	**779,060**	**512,344**	**302,236**

The following significant exchange rates applied during the year:

	Notes	Average rate 2018 $	Average rate 2017 $	Reporting date spot rate 2018 $	Reporting date spot rate 2017 $
United States Dollar		**0.74**	**0.75**	**0.77**	**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.

	Notes	Consolidated 2018 $	Consolidated 2017 $
+10% Strengthening of the Australian Dollar			
(Profit) or loss	(i)	**(14,788)**	**(20,242)**
Equity	(ii)	**50,258**	**(38,777)**
-10% Weakening of the Australian Dollar			
(Profit) or loss	(i)	**18,074**	**24,741**
Equity	(ii)	**(61,427)**	**47,394**

(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 2018 the weighted average interest rate on cash and cash equivalents was Nil (2017: 2.09%)

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.

As described in Note 17, under existing contractual terms of a shareholder agreement a feasibility study is 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 angreement was reached between the parties that the deadline for completion of the feasibility study would be extended up to 31st December 2018, with a further 12-month extension if Amani shows that the work to complete the feasibility study is progressing positively.

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

In view of the nature of the trigger events and the early stage of exploration activity at the Giro Gold Project, these liabilities are contingent in nature and no values were allocated as liabilities in this financial report (2017: Nil).

18. COMMITMENTS

(a) Capital commitments

There were no capital commitments, not provided for in the financial statements as at 30 June 2018.

(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	
	2018	2017
	$	$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**41,250**	-
One year to five years	**33,750**	-
Total	**75,000**	-

19. STATEMENTS OF CASH FLOWS

(a) Reconciliation of loss after income tax to net cash outflow from operating activities	**2018** **$**	2017 $
Profit / (loss) after income tax	**(1,562,315)**	**257,624**
Add back non-cash items:		
Depreciation	**86,556**	**25,111**
Share based payments expense	**-**	**270,579**
Net exchange differences	**(34,184)**	**(54,699)**
Disposal of subsidiaries	**-**	**(1,991,919)**
Change in assets and liabilities:		
(Increase) / Decrease in receivables	**(14,509)**	**(128,781)**
Increase / (Decrease) in operating payables	**(129,076)**	**125,903**
Net cash outflow from operating activities	**(1,653,528)**	**(1,496,182)**

(b) Non-Cash Financing and Investing Activities

Share based payments of $250,720 (2017 - $628,740) were classified and capitalised under exploration expenditure for incentive securities awarded to exploration staff.

20. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

	2018 $	2017 $
Short term remuneration	**373,936**	**382,176**
Share based payments	**-**	**424,032**
	373,936	**806,208**

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	
	2018 **$**	2017 $
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**	**140,318**
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**	**30,841**
Balances due to Directors and Director Related Entities at year end		
- included in trade creditors and accruals	**-**	**12,487**

(b) Parent entity

Amani Gold Limited is the ultimate parent entity.

21. PARENT ENTITY DISCLOSURES

Financial position

	Parent 2018 $	Parent 2017 $
Assets		
Current assets	**828,282**	830,276
Non-current assets (note i)	**39,026,676**	24,330,096
Total assets	**39,854,958**	25,160,372
Liabilities	**,**	
Current liabilities	**117,845**	246,920
Total liabilities	**117,845**	246,920
Net Assets	**39,737,113**	24,913,452
Equity		
Issued capital	**62,868,356**	47,883,516
Accumulated losses	**(30,389,015)**	(29,977,116)
Reserves		
Share based reserves	**5,861,728**	5,611,008
Option premium reserve	**1,396,044)**	1,396,044
Total equity	**39,737,113**	**24,913,452**

Financial performance

	Parent 2018 $	Parent 2017 $
Loss for the year	**411,899**	3,245,145
Total comprehensive loss	**411,899**	3,245,145

(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 2018 %**	**Consolidated Entity Interest** 2017 %	**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

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 9 August 2018 the Company announced that it had received commitments to issue 116,666,667 fully paid ordinary shares (New Shares) at a price of $0.015 each for $1.75M ('Placement'). In addition, the Company agreed to issue convertible notes with a face value of $0.953M ('Notes'). The Notes have a 12-month maturity from the date of issue ('Maturity Date') and will attract interest at a rate of 6% per annum, commencing from the date which is 4 months from the date of issue. The Company may elect to repay all or part of the outstanding Notes at any time prior to the Maturity Date. In addition, the Company may elect to convert any of the Notes into new shares at $0.015 per share.

  The Placement and Notes will be applied to the Company's project in the DRC (including relocation of artisanal miners), repayment of unsecured loans and for general working capital purposes.

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 2018 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 2018.

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 28th day of September 2018

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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 2018, 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 2018 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

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>
As disclosed in Note 11, the Group incurred significant exploration and evaluation expenditure during the year and at 30 June 2018 the carrying value of the exploration and evaluation expenditure represents a significant asset to the Group. Included within the current year expenditure is $6.2 million relating to relocation activities undertaken on the Group's licence area.
The Group's policy for accounting for exploration and evaluation expenditure is disclosed in Note 1 and Note 1 (a) of the financial report.
The carrying value of the exploration and evaluation asset is a key audit matter due to the level of procedures undertaken to evaluate managements application of the requirements of relevant accounting standards in light of any indicators of impairment that may be present.
Judgement is applied in determining the appropriateness of expenditure capitalised as exploration expenditure in accordance with relevant accounting standards, combined with the significance of expenditure capitalised during the year and the unique nature of the village relocation costs resulted in this being a key audit matter.
</td><td>
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;
Verifying relocation expenditure capitalised during the year for compliance with the recognition and measurement criteria of relevant accounting standards;
Reviewing supporting documentation relating to the relocation expenditure;
Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes;
Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
Considering whether any facts or circumstances existed to suggest impairment testing was required; and
Assessing the adequacy of the related disclosures in Note 1, Note 1 (a) and Note 11 of the financial report.

</td></tr>
</table>

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 2018, 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 at:

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

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 20 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Amani Gold Limited, for the year ended 30 June 2018, 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

M Cutt

Matthew Cutt

Director

Perth, 28 September 2018

The shareholder information set out below was applicable as at 17 September 2018.

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 2018: 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	300,000,000
JP Morgan Nominees Australia Limited	105,414,249

Distribution of equity security holders

Size of Holding	Ordinary Shares (ANL)
1 to 1,000	62
1,001 to 5,000	92
5,001 to 10,000	172
10,001 to 100,000	1,056
100,001 and over	526
	1,908

The number of shareholdings comprising less than a marketable parcel was 1,908.

Twenty Largest Shareholders	Number of Shares	% Held
J P MORGAN NOMINEES AUSTRALIA LIMITED	316,772,775	19.66
LUCK WINNER INVESTMENT LIMITED	300,000,000	18.62
BNP PARIBAS NOMS PTY LTD <DRP>	295,620,705	18.34
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	122,835,269	7.62
PERSEUS MINING LIMITED	72,530,199	4.5
TIME STRONG LIMITED	45,366,667	2.82
YUAN JIMING	42,222,222	2.62
KANG XIAO HAN	21,111,111	1.31
CITICORP NOMINEES PTY LIMITED	17,793,152	1.1
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	17,263,141	1.07
REDLAND PLAINS PTY LTD <BRIAN RODAN SUPER FUND A/C>	8,455,500	0.52
MR KENG HUAT GOH	8,219,276	0.51
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	7,901,333	0.49
VICEX HOLDINGS PROPRIETARY LIMITED <VICEX SUPER A/C>	7,000,000	0.43
MR BRIAN BERNARD RODAN	5,298,600	0.33
REDLAND PLAINS PTY LTD <MAJESTIC INVESTMENT FUND A/C>	5,273,000	0.33
MR JOHN PHILIP DANIELS	4,612,403	0.29
CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	4,182,350	0.26
ESM LIMITED	4,000,000	0.25
MR MEIZHAI GUO	3,899,999	0.24
	1,310,357,702	81.31

Voting Rights

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

On-market buy-back

There is no current on-market buy-back.

Unquoted equity securities

Class	Number
Unlisted Options – exercisable at 3 to 10 cents each on or before 31 December 2020	41,500,000

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

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 the terms of an agreement between Amani Consulting and Sokimo, Amani Consulting was required to complete a feasibility study at the Giro Gold Project by February 2017. The parties have been in discussion and negotiation for an extension of the date for completion of a feasibility study and, in March 2017, Sokimo confirmed its in-principle agreement to grant a two year extension however at this point in time formal binding agreements to that effect have not yet been executed by the parties (Sokimo has not issued any notice of breach).