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ASX Release

## **AMANI TO RAISE \$25M WITH CORNERSTONE TO UNDERPIN EXPLORATION AND DEVELOPMENT ACTIVITIES**

Amani Gold Limited (ASX: ANL) ("Amani" or "the Company") is pleased to announce that it has entered into a non-binding Memorandum of Understanding ("MOU") to raise \$25 million through the issue of 500 million shares at \$0.05 each and 250 million free attaching options exercisable at \$0.07 each with a term of two years from the date of issue.

Subject to completion, the capital raising proceeds will underpin the funding of further infill drilling and metallurgical testwork required for pre-feasibility and feasibility studies at Kebigada, social studies and implementation of key social initiatives to pave the way for development activities at Kebigada and continuing exploration to better define the mineralised potential of additional targets identified at the Giro Gold Project. In addition, and, subject to due diligence and satisfactory commercial negotiations, Amani will commence an aggressive exploration programme on the adjoining Tendao project.

The MOU is with Hong Kong company, Luck Winner Investment Limited ("LW"). LW is a special purpose investment company established by a Chinese investment group to invest in the Giro Gold Project. Two key shareholders of LW, Mr. Yu Qiuming and Mr. Fu Sheng have many years of experience in the development and mining of copper and gold projects in China. Mr. Yu has more than ten years of experience in senior management of mining companies, including with capital and project finance markets. Mr. Fu has a wealth of mining projects experience, more than ten years of mine management experience and broad management skills.

The Board of Amani recognises that the interest and commitment shown by LW in Amani represents a significant statement of confidence in the Giro Project and the potential for gold exploration at Tendao and the ongoing work that Amani is undertaking in establishing a major gold project in the Democratic Republic of Congo ("DRC").

Chairman Klaus Eckhof said, "Subject to completion, this capital raising will put Amani in a very strong position to take the Giro Gold Project through to completion of feasibility studies and assist with a comprehensive exploration program at Tendao. The raising introduces a cornerstone investor in the Company at an attractive premium for existing shareholders. We look forward to welcoming Luck Winner as a long term and supportive shareholder to the Amani register."

LW's investment in Amani is subject to completion of due diligence by no later than 25 May 2017 (LW representatives have already completed a site visit). Upon completion of due diligence to the sole satisfaction of LW, the parties will enter into a binding subscription agreement, which amongst other things, will give LW the right to nominate Board members. Based on current issued capital, LW will acquire approximately 28% of the issued shares on a post completion basis. Consequently, the transaction is subject to Amani shareholder approval for the purposes of the Corporations Act and ASX Listing Rules. A shareholders' meeting will be convened in due course and an independent expert's report will be commissioned to assist shareholders in their approval process.



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## **Project Background and Potential – Giro Gold Project**

The Giro Gold Project comprises two exploitation permits covering a surface area of 497km<sup>2</sup> and lies within the Kilo-Moto Belt, a significant under-explored greenstone belt which hosts Randgold Resources' 17-million ounce Kibali group of deposits, lying within 30km of Giro. Kibali produced 585,946 ounces of gold in 2016 and is targeting production of 610,000 ounces for 2017, confirming a favourable mining environment in the region.

Historically, Belgian miners produced from high grade gold veins and laterite at Giro, Peteku, Douze Match, Mangote and Kai-Kai, all of which lie within an interpreted 30km structural corridor which transgresses both licenses from the SE to the NW. Initial focus was at Giro where Amani's exploration was concentrated on drilling and geochemical sampling in the area mined historically during Belgian rule and in areas currently being mined by artisanal means. Drilling under Amani's >200ppb gold-in-soil anomaly which extends over 2,000m x 900m, defined a significant zone of mineralisation over 1,400m x 400m which is open at depths exceeding 150m. Highly significant diamond and RC drilling results included 97m at 2.56g/t Au from surface, 47m at 4.13g/t Au from 25m, incl. 29m at 5.93g/t Au from 25m and 38.1m at 2.53g/t Au from 191m including 30.6m at 3.00g/t Au from 198.5m. The Giro Prospect is cross-cut by numerous high-grade ENE-trending structures currently mined by artisanal miners and identified in the diamond drilling. One such vein at Peteku reported 4m at 21.7g/t Au.

The Company has completed soil sampling programmes for complete coverage of the corridor and is in process of sampling the remaining areas of both licences for new discovery or to assist with identifying areas to be dropped off to reduce licence fees. Highly significant soil anomalies were defined at Douze Match and Adoku where shallow scout drilling at Douze Match returned exceptional results of 2m at 196g/t Au from 12m and 15m at 255.6g/t Au from 15m, including 3m at 1,260g/t Au from 15m. Mineralisation at Douze Match is more complicated than expected and the Amani is doing follow up work to better understand controls on mineralization.

To the north, Belgian colonials mined two deposits on PE 5049 up to the end of the colonial era in the 1960s. These were the Mangote open pit where historic drilling results included 0.6m at 37g/t Au and 0.35m at 485g/t Au and the Kai-Kai underground workings. There is no record of methods used to obtain these results. Only quartz veins were sampled historically by the Belgians although recent diamond drilling reported a best intersection of 8.91m at 3.09g/t Au from 78.05m confirming potential for a broader zone of mineralisation surrounding high grade quartz veins. Both deposits are associated with a 1km long soil anomaly.