AFRICAN GOLD GROUP

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2020 and 2019

(Expressed in United States Dollars)

(Unaudited)

AFRICAN GOLD GROUP

AFRICAN GOLD GROUP, INC.
NOTICE TO SHAREHOLDERS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

Responsibility for Consolidated Financial Statements

The accompanying condensed interim consolidated financial statements for African Gold Group, Inc. for the three months ended March 31, 2020 and 2019 have been prepared by management in accordance with International Financial Reporting Standards applicable to interim financial reporting (see note 1 to the condensed interim consolidated financial statements). Recognizing that the Company is responsible for both the integrity and objectivity of the condensed interim consolidated financial statements, management is satisfied that these condensed interim consolidated financial statements have been fairly presented.

Auditors Involvement

McGovern Hurley LLP, Chartered Accountants, the external auditors of African Gold Group, Inc., have not audited or performed review procedures applicable to auditor review of condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019.

African Gold Group Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expresed in U.S. Dollars)

As at:		March 31, 2020 (unaudited)		December 31, 2019
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**407,822**	$	543,452
Receivables		**66,756**		40,038
Prepaid expenses		**855**		54,332
Total current assets		**475,433**		637,822
Non-current assets				
Exploration and evaluation assets (Note 4)		**28,762,187**		27,476,812
Property and equipment (Note 5)		**258,129**		247,846
Total assets	**$**	**29,495,749**	$	28,362,480
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 6)	**$**	**4,454,369**	$	4,542,294
Total liabilities		**4,454,369**		4,542,294
SHAREHOLDERS' EQUITY				
Share capital (Notes 8(a) and (b))		**58,356,162**		57,159,199
Reserve - share based payments (Note 8(c))		**646,458**		488,775
Warrants (Note 8(d))		**4,669,474**		4,136,743
Accumulated other comprehensive loss		**(5,911,972)**		(6,157,052)
Accumulated deficit		**(32,718,742)**		(31,807,479)
Total shareholders' equity		**25,041,380**		23,820,186
Total liabilities and shareholders' equity	**$**	**29,495,749**	$	28,362,480

Going concern (Note 2)
Contingencies and commitments (Note 9)
Subsequent event (Note 12)

Approved on behalf of the Directors:

"John Begeman"	***"Stan Bharti"***
Director	**Director**

The accompanying summary of significant accounting policies and notes are an integral part of the condensed interim consolidated financial statements.

African Gold Group Inc.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Expresed in U.S. Dollars)

(Unaudited)

		Three months ended March 31, 2020		Three months ended March 31, 2019
Expenses				
Administrative and general	**$**	**207,421**	$	78,844
Consulting and personnel costs (Note 6)		**322,715**		272,442
Amortization (Note 5)		**5,792**		-
Foreign exchange loss		**217,652**		569,627
Share based payments (Notes 6, 8(c))		**174,099**		-
Net (loss) for the period before the undernoted		**(927,679)**	$	(920,913)
Foreign currency translation differences		**245,080**		560,786
Comprehensive (loss) for the period	**$**	**(682,599)**	$	(360,127)
Average weighted shares outstanding - basic and diluted		**84,142,328**		48,021,393
Basic and diluted (loss) per share	**$**	**(0.01)**	$	(0.02)

The accompanying summary of significant accounting policies and notes are an integral part of the condensed interim consolidated financial statements.

African Gold Group Inc.

Condensed Interim Consolidated Statements of Equity

(Expresed in U.S. Dollars)
(Unaudited)

	Common Shares		Share Based Payments	Warrants	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Equity
	#	$	$	$	$	$	$
Balance, December 31, 2018	47,944,342	54,608,270	503,328	2,130,420	(7,464,066)	(27,624,739)	22,153,213
Shares for debt settlement (Note 8(b))	266,666	30,054	-	-	-	-	30,054
Other comprehensive income	-	-	-	-	560,786	-	560,786
Net (loss) for the period	-	-	-	-	-	(920,913)	(920,913)
Balance, March 31, 2019	48,211,008	54,638,324	503,328	2,130,420	(6,903,280)	(28,545,652)	21,823,140
Balance, December 31, 2019	78,177,898	57,159,199	488,775	4,136,743	(6,157,052)	(31,807,479)	23,820,186
Private placement (Note 8(a))	12,171,050	1,295,615	-	512,600	-	-	1,808,215
Share issuance costs (Note 8(a))	-	(78,521)	-	-	-	-	(78,521)
Broker warrants (Note 8(d))	-	(20,131)	-	20,131	-	-	-
Share based payments (Note 8(c))	-	-	174,099	-	-	-	174,099
Expiry of stock options (Note 8(c))	-	-	(16,416)	-	-	16,416	-
Other comprehensive income	-	-	-	-	245,080	-	245,080
Net (loss) for the period	-	-	-	-	-	(927,679)	(927,679)
Balance, March 31, 2020	90,348,948	58,356,162	646,458	4,669,474	(5,911,972)	(32,718,742)	25,041,380

African Gold Group Inc.

Condensed Interim Consolidated Statement of Cash Flows
(Expressed in U.S. Dollars)
(Unaudited)

	Three months ended March 31, 2020	Three months ended March 31, 2019
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Net (loss) for the period	**$ (927,679)**	$ (920,913)
Items not involving cash:		
Amortization (Note 5)	**5,792**	-
Share-based compensation (Note 8(c))	**174,099**	-
Foreign exchange loss	**245,080**	588,657
	(502,708)	(332,256)
Change in non-cash working capital items		
Receivables	**(26,718)**	18,300
Prepaid expenses	**53,477**	1,942
Accounts payable and accrued liabilities	**(136,620)**	356,424
	(612,569)	44,410
FINANCING ACTIVITIES		
Private placement (Note 8(b))	**1,808,215**	-
Share issue costs (Note 8(b))	**(78,521)**	-
	1,729,694	-
INVESTING ACTIVITIES		
Investment in property, plant & equipment	**(57,292)**	-
Investment in exploration and evaluation asset	**(1,195,463)**	(16,044)
	(1,252,755)	(16,044)
Effect of movement in exchange rates on cash held	**-**	(27,871)
CHANGE IN CASH DURING THE PERIOD	**(135,630)**	495
CASH, beginning of the period	**$ 543,452**	$ 31,191
CASH, end of the period	**$ 407,822**	$ 31,686
SUPPLEMENTAL INFORMATION:		
Issuance of broker warrants	20,131	-

1. NATURE OF BUSINESS

African Gold Group, Inc. (the "Company" or "AGG") was incorporated in Ontario, Canada on October 2, 2002, is a gold exploration and development company engaged in the exploration and development of properties located in West Africa. The Company's assets include mining licenses located in Mali and Burkina Faso, West Africa. The Company shares are listed on the TSX Venture Exchange trading under the symbol "AGG". The address of the Company's head office is 65 Queen Street West, Suite 805, Toronto, Ontario, Canada M5H 2M5.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves and the achievement of the Company's ability to dispose of its interests on an advantageous basis. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements.

2. GOING CONCERN

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Accordingly, the condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and meet its liabilities and commitments in other than the normal course of business and at amounts different from those in the consolidated financial statements.

The Company reported a net loss of $927,679 for the three months ended March 31, 2020 (three months ended March 31, 2019 - $920,913) and a cashflow used in operations of $612,569 (three months ended March 31, 2019 - $30,520). At March 31, 2020, the Company has working capital deficit of $3,978,936 (December 31, 2019 - $3,904,472). At present, the Company has no producing properties and consequently has no current operating income or cash flows.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern is dependent on its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. The Company believes that it will be able to access funds from certain shareholders or potential investors in order to ensure that the Company can continue to fund on-going administrative expenses; however, the receipt of such funds remains uncertain. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms (Note 12). These material uncertainties cast significant doubt on the Company's ability to continue as a going concern. If the going concern assumption were not appropriate, material adjustments may be needed to these consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed interim consolidated financial statements, have been prepared in US dollars, in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). The policies applied in these condensed interim consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as at March 31, 2020. The policies as set out in the Company's Annual Consolidated Financial Statements for the twelve months ended December 31, 2019 were consistently applied to all periods.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 21, 2020.

New accounting standards

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2020 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The adoption of IAS 1 on January 1, 2020 did not have a material impact on the Company's condensed interim consolidated financial statements.

4. EXPLORATION AND EVALUATION ASSETS

Mali Concessions

AGG holds certain exploration and operating permits for gold and other minerals in Mali, Africa. These permits are subject to renewal processes in 2021 and 2023 and expire in 2025.

Kobada		**March 31, 2020**		**December 31, 2019**
Opening balance	$	27,476,812	$	23,624,076
Drilling and feasibility study		315,384		2,415,528
Project management/ engineering		701,660		744,276
Site development and maintenance		69,425		273,166
Camp		93,838		211,599
Geologists		-		2,625
Assays and sampling		71,905		38,896
Vehicle rent and maintenance		26,614		42,733
Travel		6,549		94,091
Security		-		830
Permits		-		28,992
Ending balance	**$**	**28,762,187**	$	27,476,812

(Expressed in U.S. Dollars)

5. PROPERTY AND EQUIPMENT

During the last quarter of 2019, the Company was building a camp dormitory for all the workers to reside at the Kobada mine site. Furniture and equipment was also purchased for the camp.

Cost	Equipment	Furniture and fixture	Building	Total
Cost at December 31, 2018	$ -	$ -	$ -	$ -
Additions	47,370	17,118	194,859	259,347
Cost at December 31, 2019	$ 47,370	$ 17,118	$ 194,859	$ 259,347
Additions	-	16,075	-	16,075
Cost at March 31, 2020	$ 47,370	$ 33,193	$ 194,859	$ 275,422
Accumulated Amortization				
Balance at December 31, 2018	$ -	$ -	$ -	$ -
Additions	7,106	1,712	2,683	11,501
Balance at December 31, 2019	$ 7,106	$ 1,712	$ 2,683	$ 11,501
Additions	3,020	770	2,002	5,792
Balance at March 31, 2020	$ 10,126	$ 2,482	$ 4,685	$ 17,293
Net book value at December 31, 2019	$ 40,264	$ 15,406	$ 192,176	$ 247,846
Net book value at March 31, 2020	$ 37,244	$ 30,711	$ 190,174	$ 258,129

6. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

		March 31, 2020		December 31, 2019
Exploration and development suppliers and contractors	**$**	**2,448,773**	$	2,392,363
Corporate payables		**1,307,509**		1,451,844
Mali VAT		**673,637**		673,637
Licence fee		**24,450**		24,450
Total accounts payable	**$**	**4,454,369**	$	4,542,294

7. RELATED PARTY TRANSACTIONS

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Related party transactions are in the normal course of business and are recorded at the amount agreed to between the parties.

a) Stan Bharti, CEO and Chairman of the Company, is the Executive Chairman of Forbes & Manhattan, Inc. ("F&M"), a corporation that provides administrative and consulting services to the Company, including but not limited to strategic planning and business development. F&M charges a monthly consulting fee of CDN$25,000 ($18,589) totaling CDN$75,000 ($55,766) for the three months ended March 31, 2020 (March 31, 2019 - CDN$75,000 ($56,415)). As of March 31, 2020, CDN$113,000 ($79,650) (December 31, 2019 - CDN$113,000 ($87,000)) was owed to F&M. The amount owing is unsecured, non-interest bearing and due on demand. Included in accounts payable as at March 31, 2020 is CDN$66,483 ($46,862) (December 31, 2019 - CDN$215,000 ($165,529)) owed to other key management personnel.

(Expressed in U.S. Dollars)

7. RELATED PARTY TRANSACTIONS (continued)

b) During the three months ended March 31, 2020, the Company issued a total of nil stock options to directors and officers of the Company (March 31, 2019 - nil) and recorded $47,380 in share-based payments (March 31, 2019 - $nil) in relation to the amortization of the estimated fair value of options granted during the year ended December 31, 2019 (see note 8(c)).

c) On January 31, 2020, Stan Bharti, CEO and Chairman of the Company subscribed for 179,500 units of the Company (see Note 8(b)).

The remuneration of directors and key management of the Company was as follows:

	Three months ended March 31, 2020	Three months ended March 31, 2019
Remuneration	**$ 164,476**	$ 157,437
Share-based payments	**47,380**	-
Short term employee benefits	**$ 211,857**	$ 157,437

8. SHARE CAPITAL, RESERVE FOR SHARE BASED PAYMENTS AND WARRANTS

a) Shares authorized

The Company is authorized to issue an unlimited number of common shares with no par value. The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

On April 15, 2019, the Company received TSX Venture Exchange approval to consolidate its common shares. One new common share of the Company was issued for up to every 7.5 previously existing common share of the Company. The principal effects of the consolidation was that the number of shares of the Company issued and outstanding was consolidated from 361,582,671 existing common shares prior to consolidation to 48,211,008 new common shares after consolidation. The consolidation of common shares, options, warrants and related share amounts have been reflected retrospectively in these condensed interim consolidated financial statements.

	Number of shares	**$**
Balance as of December 31, 2018	47,944,342	54,608,270
Shares for debt	266,666	30,054
Private placement	28,240,222	2,539,076
Share issuance costs	-	(304,471)
Broker warrants issued	-	(235,967)
Exercise options	226,668	75,689
Exercise warrants	1,500,000	446,548
Balance as of December 31, 2019	78,177,898	57,159,199
Private placement	12,171,050	1,295,615
Share issuance costs	-	(20,131)
Broker warrants issued	-	(78,521)
Balance as of March 31, 2020	90,348,948	58,356,162

8. SHARE CAPITAL, RESERVE FOR SHARE BASED PAYMENTS AND WARRANTS

b) Share transactions

On March 5, 2019, pursuant to an engagement agreement entered into with an arm's length service provider, the Company issued 266,666 common shares of the Company at a deemed price of CDN$0.375 per common share in full and final settlement of the CDN$100,000 ($74,930) owing to a service provider. The common shares were subject to a statutory hold period of four months and one day from the date of issuance.

On June 28, 2019, the Company closed a non-brokered private placement for 13,999,191 units at a price of CDN$0.21 per unit for gross proceeds of CDN$2,939,830 ($2,246,324). Each unit consists of one common share of the Company and one common share purchase warrant, entitling the holder to acquire one additional regular common share at an exercise price of CDN$0.30 for a period of 24 months from issuance. In connection with the offering, the Company paid finder's fees of $179,474 in cash and issued 166,110 non-transferable finder's warrants. Each finder's warrant will entitle the holder thereof to acquire one common share at a price of CDN$0.30 at any time prior to June 28, 2021. The issue date fair value of the warrants and finder's warrants were estimated at $977,408 and $22,681 respectively using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility based on the historical volatility of the Company's shares of 203%; risk-free interest rate of 1.44% and an expected life of 2 years. Directors, officers and related companies participated and acquired a total of 10,626,191 units of this private placement for gross proceeds of CDN$2,231,500 ($1,705,089).

On August 27, 2019, the Company closed a non-brokered private placement for 14,241,031 units at a price of CDN$0.21 per unit for gross proceeds of CDN$2,990,617 ($2,254,028). Each unit consists of one common share of the Company and one common share purchase warrant, entitling the holder to acquire one additional regular common share at an exercise price of CDN$0.30 for a period of 24 months from issuance. In connection with the offering, the Company paid finder's fees of $124,997 in cash and issued 696,723 non-transferable finder's warrants. Each finder's warrant will entitle the holder thereof to acquire one common share at a price of CDN$0.30 at any time prior to August 27, 2021. The issue date fair value of the warrants and finder's warrants were estimated at $983,869 and $213,286 respectively using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility based on the historical volatility of the Company's shares of 204%; risk-free interest rate of 1.39% and an expected life of 2 years. Directors, officers and related companies participated and acquired a total of 200,000 units of this private placement for gross proceeds of CDN$42,000 ($31,655).

On December 12, 2019, 226,668 shares were issued as a result of exercise of stock options at CDN$0.225 per common share. On December 20, 2019, 1,500,000 shares were issued as a result of exercise of stock warrants at CDN$0.30 per common share.

On January 31, 2020, the Company closed a non-brokered private placement of common shares for gross proceeds of CDN$1,500,000 ($1,133,530). The Company issued 7,500,000 units ("Unit") at a price of CDN$0.20 per Unit. Each Unit consists of one common share of the Company and one half of a common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CDN$0.25 per common share until January 31, 2022. In connection with the closing of the non-brokered private placement, the Company has paid aggregate finder's fees of CDN$37,150 ($28,074) in cash and 182,275 finder's warrants ("Finder's Warrants") to certain finders. Each Finder Warrant will entitle the holder thereof to purchase one Common Share at a price of CDN$0.25 for a period of 24 months from the date of the closing. The issue date fair value of the warrants and finder's warrants were estimated at $322,524 and $20,131 respectively using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility based on the historical volatility of the Company's shares of 198%; risk-free interest rate of 1.43% and an expected life of 2 years. The Company incurred additional costs of issue of CDN$28,467 ($21,600). A director of the Company participated and acquired a total of 179,500 units of this private placement for gross proceeds of CDN$35,900 ($27,130).

8. SHARE CAPITAL, RESERVE FOR SHARE BASED PAYMENTS AND WARRANTS

b) Share transactions

On March 10, 2020, the Company closed the second and final tranche of the previously announced CDN$2 million non-brokered private placement financing of common shares for gross proceeds of CDN$684,210 ($498,310). Together with the closing of the first tranche of the offering, the Company raised gross proceeds of CDN$2,184,210 ($1,631,480). Pursuant to the final tranche, the Company issued 3,421,050 units of the Company at a price of CDN$0.20 for gross proceeds of CDN$684,210 ($498,310). Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CDN$0.25 per common share until March 9, 2022. In connection with the closing of the final tranche, the Company has paid aggregate finders' fees of CDN$27,500 ($20,028) in cash. The issue date fair value of the warrants was estimated at $140,303 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility based on the historical volatility of the Company’s shares of 194%; risk-free interest rate of 0.53% and an expected life of 2 years.

On March 17, 2020, the Company closed the first tranche of an announced non-brokered private placement financing of common shares for gross proceeds of CDN$250,000 ($176,375). Pursuant to the first tranche, the Company issued 1.25 million units of the Company at a price of CDN$0.20 per unit for gross proceeds of CDN$250,000 ($176,375). Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CDN$0.25 per common share until March 17, 2022. In connection with the closing of the first tranche, the company has paid aggregate finders' fees of CDN$12,500 ($8,819) in cash. The issue date fair value of the warrants was estimated at $49,773 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility based on the historical volatility of the Company’s shares of 195%; risk-free interest rate of 0.63% and an expected life of 2 years.

c) Stock options

On April 15, 2019, the Company received TSX Venture Exchange approval to consolidate its common shares. One new common share of the Company was issued for every 7.5 previously existing common share of the Company. The consolidation of options has been reflected retrospectively in these consolidated financial statements.

The Company has a Stock Option Plan (the "Plan") for its directors, officers, consultants and key employees under which the Company may grant options to acquire a maximum number of 9,034,895 (December 31, 2019 – 7,817,789) common shares, representing approximately 10% of the total issued and outstanding common shares of the Company. These options are non-transferrable and are valid for a maximum of 5 years from the date of issue. Vesting terms and conditions are determined by the Board of Directors at the time of the grant. The exercise price of the options is fixed by the Board of Directors of the Company at the time of the grant at the market price of the common shares, subject to all regulatory requirements. Expected volatility has been determined using the share price of the Company for the period equivalent to the life of the options prior to grant date.

For options issued to employees, directors and officers, the fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(Expressed in U.S. Dollars)

8. SHARE CAPITAL, RESERVE FOR SHARE BASED PAYMENTS AND WARRANTS (continued)

c) Stock options (continued)

Options issued to non-employees are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted, using a valuation model.

On June 3, 2019, the Company granted 2,690,002 options to directors, officers and consultants of the Company with an exercise price of CDN$0.225 per share. Half of the options vested immediately while the other half of the options vest on June 3, 2020. The fair market value of the options vested was estimated to be CDN$444,262 ($329,420) using the Black Scholes option pricing model based on the following assumptions: risk-free rate of 1.29%, expected volatility of 170%, an estimated life of 5 years and an expected dividend yield of 0%.

On June 14, 2019, 1,716,666 options were cancelled.

On June 24, 2019, 266,667 options expired, unexercised.

On August 7, 2019, the Company granted 800,000 options to directors, officers and consultants of the Company with an exercise price of CDN$0.25 per common share. The options vested immediately. The fair market value of the options vested was estimated to be CDN$188,731 ($141,661) using the Black Scholes option pricing model based on the following assumptions: risk-free rate of 1.21%, expected volatility of 170%, an estimated life of 5 years and an expected dividend yield of 0%.

On August 13, 2019, the Company granted 2,000,000 options to an officer of the Company with an exercise price of CDN$0.25 per common share. The options vest as follows: 25% vest upon the completion of bankable feasibility study, 25% vest upon approval of the EIA and permits, 25% vest upon the start of construction and 25% vest upon the completion of construction. The fair market value of the options vested was estimated to be CDN$112,536 ($84,469) using the Black Scholes option pricing model based on the following assumptions: risk-free rate of 1.24%, expected volatility of 170%, an estimated life of 5 years and an expected dividend yield of 0%.

On October 10, 2019, 101,667 options were cancelled.

On December 12, 2019, 226,667 options were exercised at CDN$0.225 per common share.

On March 2, 2020, the Company granted a total of 1.2 million stock options to certain consultants of the Company pursuant to the Company's stock option plan. Half of the stock options vest immediately and the remainder vest on the first anniversary of the grant. Each stock option may be exercised at a price of CDN$0.20 per option for a period of five years from the date of grant. The fair market value of the options vested was estimated to be CDN$121,418 ($90,906) using the Black Scholes option pricing model based on the following assumptions: risk-free rate of 1.07%, expected volatility of 165%, an estimated life of 5 years and an expected dividend yield of 0%.

As at March 31, 2020, the Company had the following stock options outstanding:

Date of grant	Options outstanding	Options exercisable	Exercise price	Expiry date	Remaining life in years
June 3, 2019	2,260,001	1,016,667	$ 0.23	June 3, 2024	4.18
August 7, 2019	800,000	800,000	0.25	August 7, 2024	4.36
August 13, 2019	2,000,000	-	0.25	August 13, 2024	4.37
March 2, 2020	1,200,000	600,000	0.20	March 2, 2025	4.92
	6,260,001	2,416,667			4.41

(Expressed in U.S. Dollars)

8. SHARE CAPITAL, RESERVE FOR SHARE BASED PAYMENTS AND WARRANTS (continued)

c) Stock options (continued)

A summary of the Company's stock option activity during the period is as follows:

	Three months ended March 31, 2020			Year ended December 31, 2019		
	Number of options		**Weighted average exercise price**	Number of options		Weighted average exercise price
Balance, beginning of period	**5,161,668**	**$**	**0.24**	1,983,333	$	0.53
Forfeited	**(101,667)**		**0.23**	(1,716,666)		0.56
Expired	**-**		**-**	(266,667)		0.45
Granted	**1,200,000**		**0.20**	5,490,002		0.24
Exercised	**-**		**-**	(226,667)		0.23
Cancelled	**-**		**-**	(101,667)		0.24
Balance, end of period	**6,260,001**	**$**	**0.23**	5,161,668	$	0.24

d) Warrants

On April 15, 2019, the Company received TSX Venture Exchange approval to consolidate its common shares. One new common share of the Company was issued for every 7.5 previously existing common share of the Company. The consolidation of warrants have been reflected retrospectively in these consolidated financial statements.

The Company has warrants outstanding entitling the holder to purchase one common share with each warrant exercisable per the terms below:

Date of issuance	**Warrants**	**Exercise Price (CDN$)**	**Expiry Date**	**Estimated Fair Value at Grant Date**	**Remaining life in years**
April 24, 2017	9,976,959	$0.90	April 24, 2020	2,044,229	0.07
June 28, 2019	12,499,191	$0.30	June 28, 2021	872,679	1.24
June 28, 2019	166,110	$0.30	June 28, 2021	22,681	1.24
August 27, 2019	14,241,031	$0.30	August 21, 2021	983,869	1.39
August 27, 2019	696,723	$0.30	August 21, 2021	213,285	1.39
January 31, 2020	3,932,275	$0.25	January 31, 2022	342,655	1.84
March 9, 2020	1,710,525	$0.25	March 9, 2022	140,303	1.94
March 17, 2020	625,000	$0.25	March 17, 2022	49,773	1.96
	43,847,814	$0.43		**4,669,474**	

For the three months ended March 31, 2020, no warrants were expired or exercised. For the year ended December 31, 2019, 454,222 warrants expired on April 24, 2019.

8. SHARE CAPITAL AND RESERVE FOR SHARE BASED PAYMENTS (continued)

d) Warrants (continued)

On June 28, 2019, the Company closed a non-brokered private placement for 13,999,191 units. Each unit consists of one common share of the Company and one common share purchase warrant, entitling the holder to acquire one additional regular common share at an exercise price of CDN$0.30 for a period of 24 months from issuance. In connection with the financing, the Company issued 166,110 broker warrants with a grant date fair value of CDN$29,683 ($22,681), an exercise price of CDN$0.30 and an expiry date of June 28, 2021.

On August 27, 2019, the Company closed a non-brokered private placement for 14,241,031 units. Each unit consists of one common share of the Company and one common share purchase warrant, entitling the holder to acquire one additional regular common share at an exercise price of CDN$0.30 for a period of 24 months from issuance. In connection with the financing, the Company issued 696,723 broker warrants with a grant date fair value of CDN$282,985 ($213,285), an exercise price of CDN$0.30 and an expiry date of August 21, 2021.

On December 20, 2019, 1,500,000 warrants were exercised at CDN$0.30 per common share.

On January 31, 2020, the Company closed a non-brokered private placement of 7,500,000 units. Each Unit consists of one common share of the Company and one half of a common share purchase warrant entitling the holder to acquire one additional common share of the Company at an exercise price of CDN$0.25 per common share until January 31, 2022. In connection with the closing of the non-brokered private placement, the Company issued 182,275 Finder's Warrants with a grant date fair value of CDN$26,640 ($20,131).

On March 10, 2020, the Company closed the second and final tranche of the previously announced $2-million non-brokered private placement financing of common shares for gross proceeds of CDN$684,210 ($498,310). Pursuant to the final tranche, the Company issued 3,421,050 units of the Company. Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CDN$0.25 per common share until March 9, 2022.

On March 17, 2020, the Company closed the first tranche of an announced non-brokered private placement financing of common shares for gross proceeds of CDN$250,000 ($176,375). Pursuant to the first tranche, the Company issued 1.25 million units of the Company at a price of CDN$0.20 per unit for gross proceeds of CDN$250,000 ($176,375). Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CDN$0.25 per common share until March 17, 2022.

9. CONTINGENCIES AND COMMITMENTS

Management Commitments

The Company is party to certain management contracts. As at March 31, 2020, these contracts require payments of approximately CDN$2,200,000 ($1,525,000) to be made upon the occurrence of a change of control to the officers and consultants of the Company. The Company is also committed to payments upon termination of approximately CDN$1,257,000 ($886,000) pursuant to the terms of these contracts as at March 31, 2020. As a triggering event has not taken place, these amounts have not been recorded in these condensed interim consolidated financial statements.

The Company is party to a contract with Senet to deliver an updated definitive feasibility study for the Kobada project. As at March 31, 2020, the remaining amount owed under the contract is approximately $1,200,000.

9. CONTINGENCIES AND COMMITMENTS (continued)

Environmental

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

10. CAPITAL MANAGEMENT

AGG manages its shareholders' equity as capital, making adjustments based on available funds, to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties to which the Company currently has an interest are in the exploration stage and as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration as well as satisfy administrative costs, the Company will spend its existing working capital and raise additional funds as needed. AGG will continue to assess new properties should sufficient geological or economic potential be demonstrated and if the Company has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the current size of the Company. There were no changes to its capital management approach during the three months ended March 31, 2020 or the year ended December 31, 2019. Neither AGG nor its subsidiaries are subject to externally imposed capital requirements, other than those of the TSX Venture Exchange ("TSXV"), which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months. As at March 31, 2020, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company has no external debt other than its accounts payable and accrued liabilities and is dependent on the capital markets to finance exploration and development activities.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Liquidity Risk
- Credit Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in the note.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

General Objectives, Policies and Processes:

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: foreign currency risk, interest rate risk and commodity price risk.

Foreign Currency Risk

Given the global nature of the Company's business, the Company's operating businesses, financial reporting results and cash flows are exposed to risks associated with foreign currency fluctuations. For the three months ended March 31, 2020, management estimates that if the United States Dollar had weakened or strengthened by 10% against the Canadian dollar and Mali CFA, assuming all other variables remained constant, the net loss would have increased or decreased by approximately $87,000. Included in cash and cash equivalents is $547,000 (December 31, 2019 - $620,000), receivables is $95,000 (December 31, 2019 - $52,000), and accounts payable and accrued liabilities is $1,268,000 (December 31, 2019 - $1,690,000) denominated in Canadian dollars.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. Sensitivity to a plus or minus 1% change in the interest rates could impact any renewals or extensions of term deposits which would have no significant impact on the net loss due to the immateriality of the interest earned.

Commodity Price Risk

The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of precious metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken. Based on management's knowledge and expertise of the financial markets, the Company believes that commodity price risk is remote as the Company is not a producing entity.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

At March 31, 2020, AGG had a cash balance of $407,822 (December 31, 2019 - $543,452) and current liabilities of $4,454,369 (December 31, 2019 - $4,542,294). As outlined in Note 2, the Company may be required to obtain additional financing for working capital and continued exploration and development of its properties.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

The Government of Mali has implemented enhanced screening and quarantine measures to reduce the spread of COVID-19. Effective March 20, 2020, the government has prohibited flights coming from countries with confirmed cases of COVID-19. The Malian government has also closed land borders to passenger traffic.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk in its cash and cash equivalents and receivables. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. Concentration of credit risk exists with respect to the Company's cash and cash equivalents as substantially the entire amount is held at a single major Canadian financial institution. Credit risk on cash and cash equivalents is minimized by depositing with only reputable financial institutions. Management has reviewed the receivable balances and determined that the balances are collectible as they are Harmonized Sales Tax (HST) rebates from the Government of Canada; accordingly, there have been no allowance for doubtful accounts recorded.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The condensed interim consolidated statements of financial position carrying amounts for cash and cash equivalents, receivables, and accounts payable and accrued liabilities approximate fair value due to their short-term nature.

12. SUBSEQUENT EVENTS

On April 21, 2020, the Company granted a total of 100,000 stock options to certain consultants of the Company pursuant to the Company's stock option plan. Half of the stock options vest immediately and the remainder vest on the first anniversary of the grant. Each stock option may be exercised at a price of CDN$0.24 per option for a period of five years from the date of grant.

On April 23, 2020, the Company granted a total of 3,000,000 stock options to certain consultants of the Company pursuant to the Company's stock option plan. Half of the stock options vest immediately and the remainder vest on the first anniversary of the grant. Each stock option may be exercised at a price of CDN$0.33 per option for a period of five years from the date of grant.

12. SUBSEQUENT EVENTS (continued)

On April 23, 2020, the Company closed the second and final tranche of an announced CDN$3,000,000 non-brokered private placement financing of common shares for gross proceeds of CDN$2,750,000. Together with the closing of the first tranche, the Company raised gross proceeds of CDN$3,000,000. Pursuant to the final tranche, the Company issued 13,750,000 units of the Company. Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CDN$0.25 per common share until April 23, 2022. In connection with the closing of the final tranche, the company has paid aggregate finders' fees of CDN$33,000 in cash and issued 140,000 finders warrants (the “Finders Warrants”) to certain finders. Each Finder Warrant will entitle the holder to purchase one common share of the Company at a price of CDN$0.25 for a period of 24 months from the date of closing of the final tranche. Certain directors of the Company participated and acquired a total of 1,400,000 units of this private placement for gross proceeds of CDN$280,000.