



AFRICAN LION GOLD plc

What distinguishes the Chifunde Gold Project from other projects?

Mineralisation on the Chifunde Gold Project occurs from surface and includes discrete high-grade gold zones surrounded by a wide lower-grade halo. The potential high volume of ore tonnages created by the grade halo may support open pit mining. For this reason, ALG's strategy is to only drill up to 250 meters during this next phase, with the goal to prove a Maiden Mineral Resource within the first 250 meters and therefore test the economic viability for open pit mining.

ALG's Chifunde Gold Project is situated within the Pan-African collision zone, which is an extension of the gold-rich Arabian-Nubian Shield. The gold deposit found on the Chifunde Gold Project is classified as a Thermal Aureole Gold (TAG) Deposit. This type of deposit forms from hydrothermal fluids associated with granitic intrusions and are known to extend from surface to a depth of several kilometres. Thermal Aureole Gold deposits form some of the world's largest gold deposits. Using the TAG model, we identified 20 Prospect Areas across our Concession for follow-up exploration and drilling.

The market acceptable standard for exploration companies is to spend millions of dollars on drilling and delineating resources. Once sufficient resources are proven, a Feasibility Study is completed, the costs of which may also be several million dollars. A Mining Concession or Mining Permit is usually only applied for after a positive Feasibility Study is completed. According to KPMG's Mining Outlook for 2022, one of the top 10 biggest risks for exploration companies is obtaining a Mining Concession which normally takes between 3 and 7 years without any major delays. This places ALG in an advantageous position as we have already successfully acquired a 17,000-hectare Mining Concession which is valid for 25 years with the option to extend for an additional 25 years.

The Mining Concession has allowed ALG to appoint an early-stage contract miner to mine and produce gold. ALG will receive a royalty of 20% above the line. The contract miner is only allowed to mine to a depth of 25 meters (overburden and oxidised zones or saprolite) so as not to compromise future open-pit designs. This cashflow from early production may make ALG self-funded for future drilling across the remainder of the Concession with the ultimate goal of proving a multi-million-ounce gold deposit.

ALG's short-term strategy (within the next 3 years) is to complete a Feasibility Study on the first open pit during 2023 and commence large-scale mining (managed by ALG) of the first open pit during 2024, while continuing to drill out a resource on the rest of the Concession.

SRK Wales completed a CPR and has defined an Exploration Target of between 220,000 and 1,369,000 ounces of gold on only 3 of the 20 Prospect Areas on the Concession. It is also worth noting that the Exploration Target is shallower than 250 meters.

ALG's goal is to list during quarter 4 of 2022, after completion of our Phase 3 drilling program, with the updated Competent Person's Report completed by quarter 3 of 2022. ALG have also managed to reserve the ticker "ALG". The company has appointed PKF as reporting auditor, Beaumont Cornish as NOMAD and Fieldfisher & Associates as company lawyer.

Company Information

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More Information



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