

# Gold Newsletter

Vol. XXXIII

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## AFRICAN GOLD GROUP

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As I scan our portfolio for companies with the most potential to explode if and when gold hits \$500, African Gold Group really jumps out.

The company has an enviable collection of projects scattered across West Africa, the world's fastest-growing gold-producing region. The collection includes a base of projects along Ghana's three main mining belts, along with over 400 square kilometers of prime gold-exploration real estate in Mali.

The 108-square-kilometer Mankranho concession is the most promising and most advanced of the bunch. Mankranho sits on the north-eastern tip of Ghana's Sefwi Gold Belt, along strike with and adjacent to Newmont's massive (10.6 million ounces gold) Ahafo project.

Not one to pussyfoot around with marginal projects, Newmont has put mine development at Ahafo on the front burner — a 525,000 ounce-per-year operation is slated to begin in the third quarter of 2006.

And, as I reported to you earlier this year, Newmont has taken an interest in the exploration potential of the sections of Ahafo surrounded by Mankranho. So much so, that the major asked AGG's permission to place electrodes for an IP survey within Mankranho's property boundaries.

Now comes word that African Gold Group will resume drilling on the Mankranho project, with an emphasis on testing the depth extensions within Area I North and Area I South. These sub-targets — the project is broken up into Areas I through IV — received the lion's share of 2004's 24-hole campaign and yielded near surface intersections grading as high as 43.4 g/t gold.

Past geophysical work uncovered an area of high resistivity and chargeability below each of these targets. AGG will probe each with a 300-meter hole, while a third hole of similar length will test another area of interest on Area II.

Though relatively modest, the concept of finding more gold at depth, based on coincident geophysical readings, jibes well with Newmont's experience at Ahafo. Simply put, one stellar hole could instantly make the project (if not the compa-

ny itself) a buyout candidate.

The Mali concessions and its other Ghanaian projects give AGG plenty to fall back on if Mankranho doesn't pan out. The company's tight share structure and its takeout potential make the current share price a bargain. Take advantage, while you still can.

### African Gold Group Inc.

Recent Share Price: .....C\$1.27  
Shares Outstanding: ...20.3 million  
Market Cap: .....C\$25.8 million  
Shares Outstanding  
Fully Diluted: .....23.7 million  
Market Cap  
Fully Diluted: .....C\$30.1 million ▲

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