

**Mwana Africa PLC
(formerly African Gold plc)**

Interim Statement

15th December 2005

The first half of the financial year saw solid progress with exploration of Mwana Africa PLC, (“The Company”) gold assets in Ghana. It also finished just before a major step forward in the development of African Gold plc (“African Gold”). As a result of the merger completed in October between African Gold and Mwana Africa Holdings (Proprietary) Limited (“Mwana”) the Company is now a truly multi-commodity, pan-African group. This merger was the culmination of a long term strategy to develop African Gold into a broad based African natural resources business with both exploration and production assets. However, it is only the first stage in the growth of Mwana Africa PLC as a major resources business, able to exploit opportunities across the African continent.

GHANA

Highlights

- Discovery of a new mineralized vein system at the Leopard prospect with widespread high grade gold mineralization.
- Initial drilling of the Boabedroo mine outlines wide zones of low grade sulphide mineralization.
- Grant of the Kurofa prospecting licence and completion of soil geochemical exploration.
- Continued trenching outlines encouraging grades on the east limb of the Banka structure, confirming drilling targets.
- Acquisition of airborne geophysical and soil geochemical data for Ahanta, indicating over four kilometres of mineralized shears, warranting a drilling programme.

Konongo

Following on the success of the Obenemase sulphide drilling programme, a new mineralized vein system was discovered at the Leopard prospect, an area which had been ignored by exploration for over 50 years, prior to the acquisition of the licence by African Gold in 2004. Drilling has outlined a series of sulphidic quartz veins with a strike length of over 400 kilometres, to a depth of 50 metres with mineralization open in depth. A further drilling programme has been designed to quantify the resource. Better intersections are as follows.

Hole ID	From(m)	Interval(m)	Au g/t
04LERC003	56.0	2.0	2.11
04LERC006	30.0	3.0	5.58

04LERC007	15.0	7.0	3.60
04LERC015	55.0	3.0	7.90
04LERC019	48.0	4.0	3.31
	55.0	1.0	6.90
	63.0	1.0	10.50
04LERC022	35.0	1.0	14.70
04LERC051	24.0	4.0	7.44
05LERC058	63.0	3.0	5.12
05LERC063	61.0	2.0	3.04
05LERC072	77.0	1.0	9.26

Drilling beneath the Boabedroo open pit intersected wide zones of sulphide mineralization in the walls of the old underground workings, indicating significant potential for a wide bulk mineable body. Better intersections are as follows:

Hole ID	From(m)	Interval(m)	Au g/t
05BBSDD001	155.0	9.0	1.22
	169.0	9.0	2.54
05BBSDD007	92.0	2.0	21.34
	135.0	10.0	5.62
05BBNDD001	4.0	28.0	1.24
	101.0	3.0	2.59
05BBNDD002	135.0	4.0	2.15
05BBNDD003	119.0	17.0	1.92
05BBNDD005	142.0	16.0	0.93

Kurofa

A prospecting licence surrounding the Konongo lease was granted in June 2005. The licence covers prospective ground north and east of Konongo including several high quality targets identified by interpretation of geophysical data. A soil geochemical sampling programme was completed over the whole area, outlining several significant gold anomalies for follow-up.

Banka

Geological mapping and trenching continued at Banka to better define the limits of surface gold mineralisation in the Banket conglomerate. Significant gold values have now been traced over wide intervals for over 3.2 kilometres on the eastern limb of the structure, warranting a first pass drilling programme. The work to date has confirmed the potential of the east limb to host a significant gold resource.

Ahanta

The Ahanta project lies at the southern limit of the Ashanti gold belt. Airborne geophysics was acquired for the whole area of the prospecting licence, indicating several major shear structures on the margins of the greenstone belt. Gold in soil geochemical anomalies have been outlined over a total strike length of 8 kilometres in parallel structures on the shears and trenching in the central portion of the eastern anomaly has defined a 1.2 kilometre bedrock gold anomaly with +1.0 g/t Au over widths of up to 32 metres.

The potential for a large bulk mineable gold deposit is considered to be very high and drilling is planned for early in 2006.

ZIMBABWE

We are in the process of integrating the African Gold operations into the Mwana operations and we will report back to shareholders on the way forward.

DEVELOPMENTS SINCE THE END OF THE INTERIM PERIOD ON 30TH SEPTEMBER 2005

ACQUISITION OF MWANA

The acquisition of major producing, exploration and development assets in Africa through the acquisition of Mwana in October this year, has transformed the Company into a cash generative production and exploration company. In 2004, Mwana produced 30,000oz gold at the Freda Rebecca mine, and 10,500 tonnes nickel at the Bindura Nickel operation in Zimbabwe. The merger enables the Company to capitalise on new development and exploration opportunities across Africa and gives access to substantial acquisition prospects in Ghana, Zimbabwe, the Democratic Republic of the Congo ("DRC") and elsewhere in Africa.

FINANCES

The Company has completed two recent fund raisings. In October 2005 the Company raised £4.35 million to fund the costs of the merger of African Gold and Mwana and raise additional working capital. On 12 December 2005 The Company announced that it had raised £13.1 million in order to take forward identified opportunities both in DRC and Zimbabwe. Following these transactions the total number of issued shares of the Company will be 178,221,154 ordinary shares of 10p each.

Our strategy is to seek joint venture partners for our exploration prospects in both the DRC and Ghana and I am happy to report that we have made substantial progress on discussions with third parties.

BOARD & MANAGEMENT

We are pleased to welcome Ken Owen to the Board as Technical Director. He will succeed Tim Wadeson who as a founding director of Mwana has played such an important part in the early development of the Mwana Group. Tim will continue as a Non Executive Director.

Ken Owen is a senior mining engineer with over 30 years experience in the industry, most recently as a mining consultant for SRK. His experience working throughout Africa, culminating in becoming Senior Vice President Mining for Anglo American Corporation of South Africa, and in different resources will be a great help to Mwana. He will take on the responsibility for technical development from Tim Wadeson, building on Tim's excellent work since the formation of Mwana Group.

In addition, we are pleased to also welcome Stuart Morris who will be joining the Board as a Non-Executive Director and has agreed to assume the role of Chairman of the Audit Committee.

Stuart brings to the Company huge experience from his time at KPMG when he was Chairman of KPMG Africa and a member of the KPMG International Executive & Board. From 1999 until 2004 Stuart was also Group Financial Director of Nedbank Group Limited.

CHANGE OF REGISTERED OFFICE ADDRESS

With effect from today, the registered office address of the Company will be Devon House, 12-15 Dartmouth Street, London SW1H 9BL.

Our Company has an exciting future. I would like to thank all those people who have contributed to the success of the Company under the name African Gold plc and to look forward to the opportunities presented by the creation and growth of Mwana Africa plc.

Oliver Baring
Chairman

MWANA AFRICA PLC (FORMERLY AFRICAN GOLD PLC)

Financial Information (Unaudited)

	Six Months Ended	
	30.09.05	30.09.04
	£'000	£'000
Group Profit and Loss		
Turnover	0	3
Operating Costs	(334)	(225)
Operating (Loss)	(334)	(222)
Taxation	0	0
(Loss) for the period	<u>(334)</u>	<u>(222)</u>
(Loss) per share	<u>(.11p)</u>	<u>(.09p)</u>

	Six Months Ended	
	30.09.05	30.09.04
	£'000	£'000
Group Balance Sheet		
Fixed Assets	6,976	4,172
Current Assets	222	489
Current Liabilities	(779)	(382)
Current Assets less Current Liabilities	(557)	107

Total Liabilities less Assets	<u>6,419</u>	<u>4,279</u>
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Share Capital and Reserves	<u>6,419</u>	<u>4,279</u>
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	30.09.05	30.09.04
	£'000	£'000
Group Cash Flow		
Net Cash Inflow from Operating Activities	(257)	(132)
Returns on Investments and Servicing of Finance	0	0
Capital Expenditure	(730)	(4,125)
Financing - Issue of Ordinary Share Capital	100	4,666
Decrease in Cash	<u>(887)</u>	<u>409</u>

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