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# Mako Gold

A.C.N. 606 241 829

**ANNUAL REPORT 30 JUNE 2022**



**Figure 1: Mako Community Liaison Officer at village celebration sponsored by Mako**

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**CORPORATE INFORMATION**

This annual report covers Mako Gold Limited (“Company” or “Mako”) as a consolidated entity comprising Mako Gold Limited and its subsidiaries (“the Consolidated Entity”). A description of the operations and of the principal activities is included in the directors’ report and the review of operations. The directors’ report is not part of the financial report.

**DIRECTORS**

Michele Muscillo (Non-Executive Chairman)  
Peter Ledwidge (Managing Director)  
Steven Zaninovich (Non-Executive Director)

**COMPANY SECRETARY**

Paul Marshall

**AUSTRALIAN BUSINESS NUMBER**

ABN 84 606 241 829

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**ASX SECURITIES**

MKG – Fully paid ordinary shares

# MAKO GOLD LIMITED ANNUAL REPORT 2022

## The directors present their review of operations for the year ended 30 June 2022

Mako Gold is an exploration company focussed on the discovery of large high-grade gold deposits in highly prospective and under-explored terrains in Côte d'Ivoire in West Africa.

## Key activities and achievements for the 12 months ended 30 June 2022<sup>1</sup>

### NAPIÉ PROJECT

#### Tchaga and Gogbala Prospects

- **Announcement of maiden 868koz Au Inferred Mineral Resource Estimate (MRE)**

Deposit	Category	Tonnes (Mt)	Grade (g/t Au)	Au (koz)
Tchaga	Inferred	14.6	1.16	545
Gogbala	Inferred	7.8	1.29	323
<b>Global Resource</b>	<b>Total</b>	<b>22.5</b>	<b>1.20</b>	<b>868</b>

*Resources reported at a cut-off grade of 0.6g/t gold. Differences may occur in totals due to rounding.*

- Robust shallow deposit with **93% (808koz) of resource within 150m of surface** and 68% (591koz) within 100m of surface
- **Grade increases with depth at both deposits**
- Tchaga and Gogbala are two of the four known prospects being explored on the Napié Project and exhibit a **clear pathway to significant resource growth**
- **Wide and high-grade drilling results at Gogbala and Tchaga leading up to the MRE**
  - Gogbala results include **17m at 4.13g/t Au, 20m at 3.41g/t Au, 35m at 1.72g/t Au, and 7m at 6.70g/t Au**
  - Tchaga results include **10m at 18.98g/t Au, 19.6m at 4.36g/t Au, 4.5m at 6.92g/t Au, and 2m at 24.06g/t Au**

#### Komoro Prospect

- **High-grade gold discovery along 9km-long intermittent artisanal workings**
  - Results include **9m at 3.26g/t Au and 1m at 30.47g/t Au**

#### Tchaga North Prospect

- Scout AC drill program completed on Tchaga North Prospect with **results up to 4m at 101g/t Au**

### KORHOGO PROJECT

- **Two +2km gold anomalies identified** from 11,000m scout auger drilling program

### CORPORATE

- Strategic \$10M Placement with cornerstone support of \$6.3M received from high quality North American and European strategic investors including Dundee Goodman Merchant Partners, DELPHI, and Sparta AG
- Finalised sale agreement to **sell the Niou Project in Burkina Faso to Nordgold** and received **payment of US\$700k** while retaining a **1% NSR** which Nordgold can purchase any time for **US\$4.5M**

<sup>1</sup> Includes events reported to ASX post 30 June 2022

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It was a very productive year for Mako with the field crews active with one or two rigs drilling throughout the field season.

A major milestone was achieved in the Company's growth cycle with the delivery of the maiden Mineral Resource Estimate (MRE) of 868koz at 1.20g/t gold on the Napié Project, within the Tchaga and Gogbala prospects.

In addition, a significant gold discovery on the Komboro Prospect demonstrates a pathway to district scale growth on the Napié Project.

At the Tchaga North Prospect, Air Core (AC) drilling returned results which included **4m at 101g/t Au**, further demonstrating the district scale potential for growth at Napié.

On the earlier-stage Korhogo Project, an 11,000m auger drill program identified large gold anomalies that present multitude drill targets.

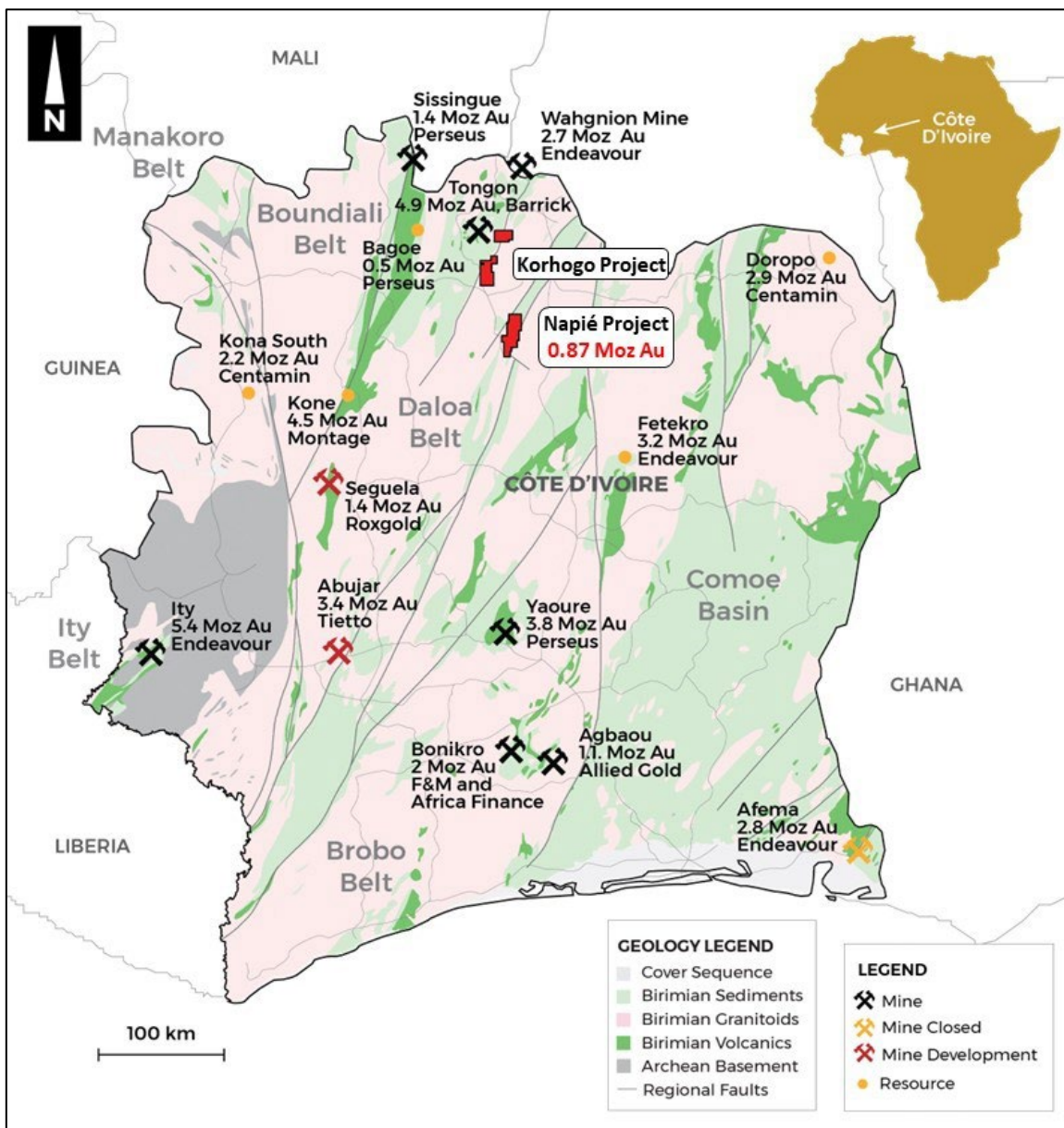


Figure 1: Mako projects on simplified geology with mines and deposits

**NAPIÉ PROJECT**

Mako Gold's flagship 224km<sup>2</sup> Napié Project is located in north-central Côte d'Ivoire within the Daloa greenstone belt (Figure 2) and consists of four significant prospects (Figure 3).

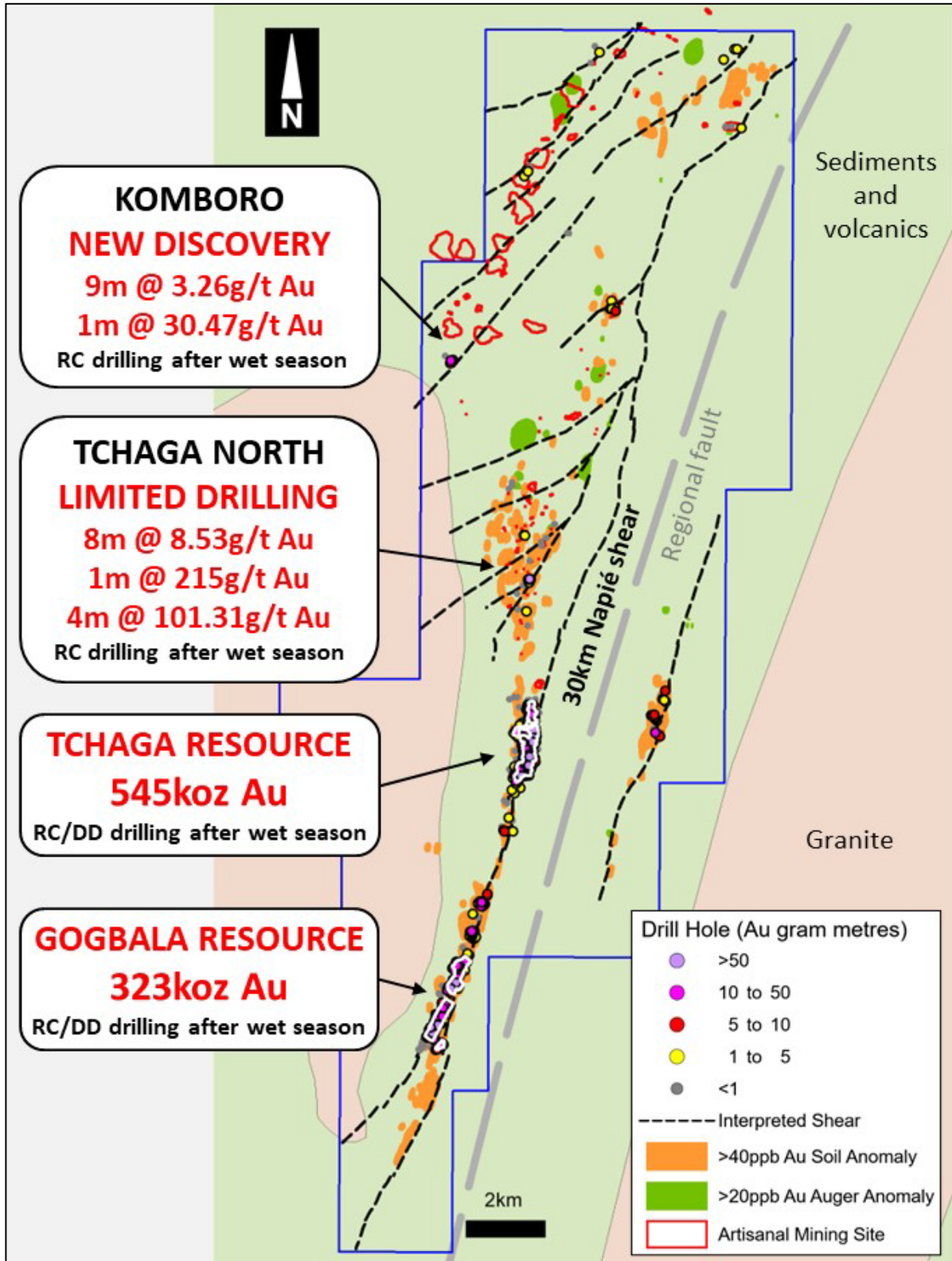


Figure 2: Napié Project – Four prospects with a pathway to resource growth along the 30km shear

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*Tchaga and Gogbala Prospects*

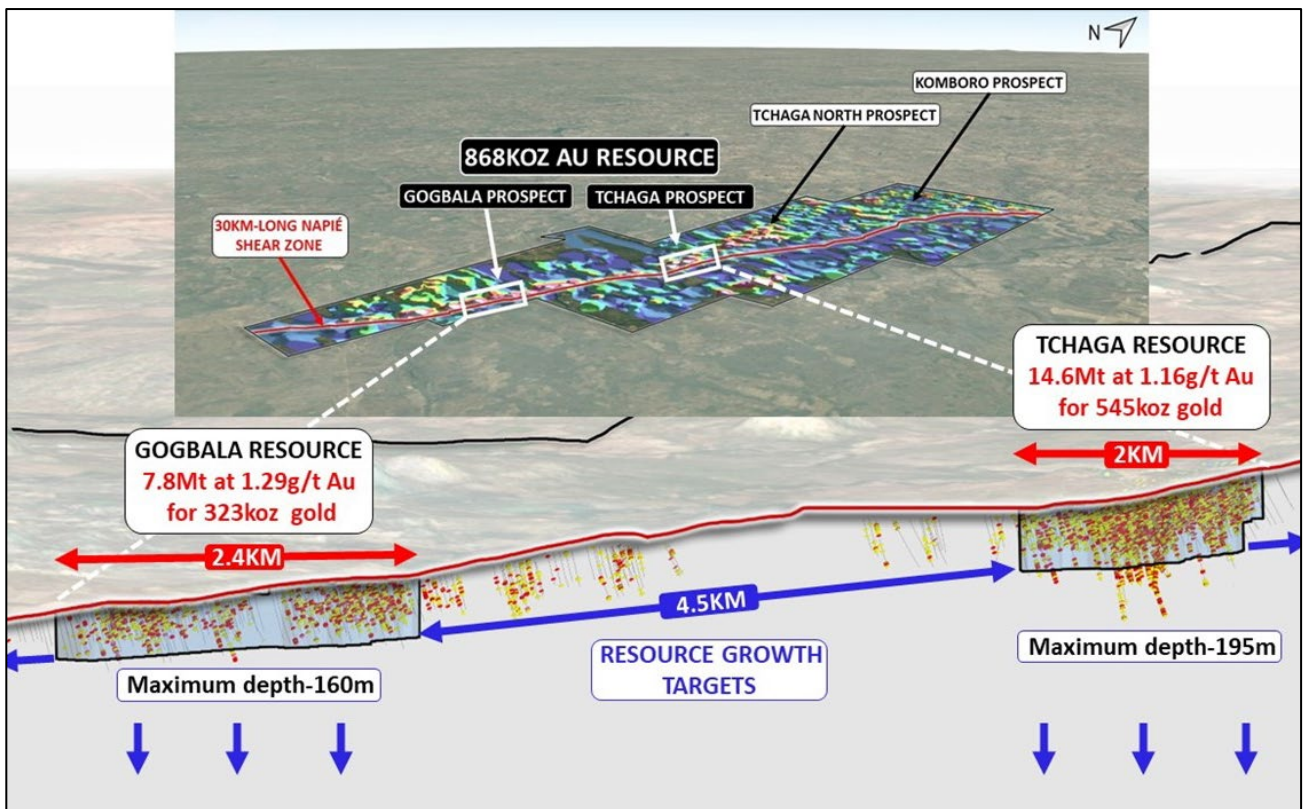
**Maiden 868koz Au Inferred Mineral Resource Estimate (MRE) announced on 13% of Napié shear**

The maiden MRE comprises the Tchaga and Gogbala prospects which **constitute only 4.4km of the 30km-long Napié Shear**. Only 13% of the Napié Shear has been systematically drilled, indicating the **strong potential for resource growth** at Napié by drilling between Tchaga and Gogbala as well as on other undrilled portions of the Napié Shear (Figure 4).

**The Napié maiden MRE is much shallower than the average 300m depth for recent resources<sup>2</sup> in West Africa.** The maximum resource depth, which is constrained by drill depth, is 195m at Tchaga and 160m at Gogbala.

Part of the Company's near-term growth strategy is to drill below the current limits of the MRE at Tchaga and Gogbala as shown by the vertical blue arrows on Figure 4, below.

The grades at Tchaga and Gogbala increase with depth, as shown in Table 1 below, supporting the strategy that **deeper drilling has the potential to add higher-grade ounces** to the resource.



**Figure 3: MRE on Tchaga and Gogbala which cover 4.4km of prospective 30km-long Napié Shear Zone**

<sup>2</sup> Average recent West African resource depth compiled from recent ASX announcements from Chesser Resources, Oklo Resources, Predictive Discovery, Tietto Minerals, Marvel Gold, and Golden Rim Resources

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Depth Interval m	Tchaga			Gogbala			Combined		
	Tonnes Mt	Grade g/t Au	Contained Metal Au oz	Tonnes Mt	Grade g/t Au	Contained Metal Au oz	Tonnes Mt	Grade g/t Au	Contained Metal Au koz
0-50	4.8	1.09	170	2.8	1.19	108	7.7	1.13	278
50-100	5.5	1.08	191	2.9	1.29	122	8.5	1.15	313
100-150	3.1	1.33	132	1.9	1.38	85	5.0	1.35	217
<b>150-BOR</b>	1.2	<b>1.38</b>	52	0.1	<b>1.90</b>	7	1.3	<b>1.42</b>	60
<b>Total</b>	<b>14.6</b>	<b>1.16</b>	<b>545</b>	<b>7.8</b>	<b>1.29</b>	<b>323</b>	<b>22.5</b>	<b>1.20</b>	<b>868</b>

Resources reported at a cut-off grade of 0.6g/t gold. BOR = Base of Resource. Differences may occur in totals due to rounding.

**Table 1: MRE grade and tonnage by depth (all in Inferred category)**

The maiden MRE at Napié is classified as Inferred. Detailed metallurgical test work and near-term infill drilling will assist with low-cost reclassification to Indicated. The majority of the resource is in fresh rock, with less than 11% in the shallow (30-40m deep) oxide zone (Table 2).

Classification	Deposit	Zone	Tonnes Mt	Grade g/t Au	Contained Metal Au Koz	Total %	
Inferred	Tchaga	Oxide	1.6	1.17	60	63%	
		Transition	1.0	1.07	34		
		Fresh	12.1	1.16	452		
		<b>Subtotal</b>	<b>14.6</b>	<b>1.16</b>	<b>545</b>		
	Gogbala	Oxide	0.8	1.24	33	37%	
		Transition	0.9	1.12	31		
		Fresh	6.2	1.31	260		
		<b>Subtotal</b>	<b>7.8</b>	<b>1.29</b>	<b>323</b>		
	<b>Global Resource</b>			<b>22.5</b>	<b>1.20</b>	<b>868</b>	<b>100%</b>

Differences may occur in totals due to rounding.

**Table 2: Napié Maiden MRE reported at a cut-off grade of 0.6g/t Au**

### TCHAGA DEPOSIT

The resource at Tchaga comprises 14.6Mt at 1.16g/t Au for **545koz contained ounces of gold**. The resource is shallow and includes high-grade lodes shown in red and pink in Figure 5. The grades increase with depth as shown in Figure 6 where the grade of the deposit below 150m increases to 1.38g/t Au. Further drilling at depth may provide an uplift in the grade of the deposit.



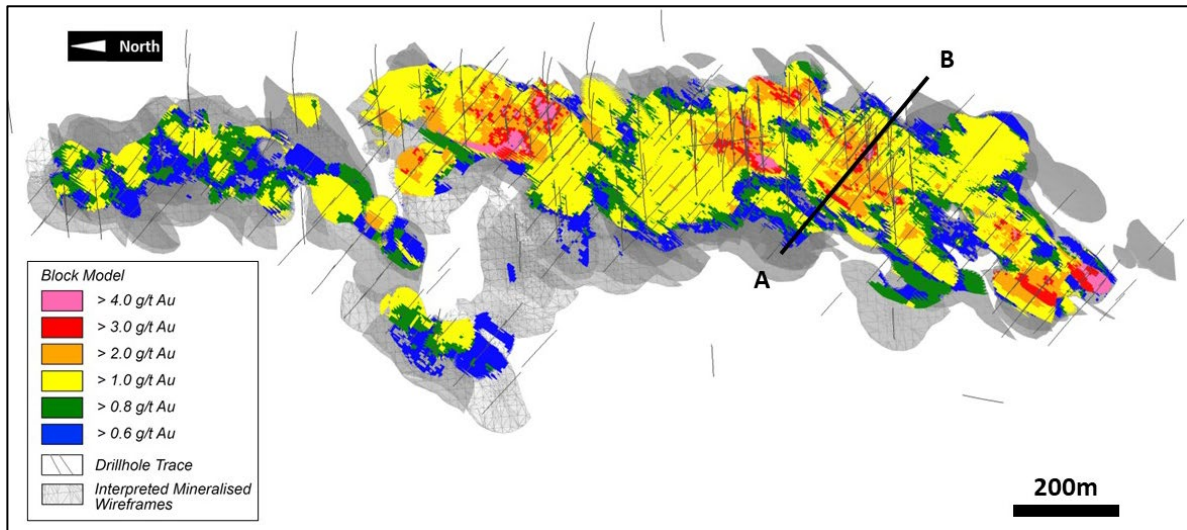


Figure 4: Tchaga plan view of grade zones through block model

The resource at Tchaga was estimated to a maximum depth of 195 meters. Although geological modelling showed continuity of mineralisation, the density of the drilling below 195m is currently insufficient to support classification into the MRE, and as such, some high-grade lodges are yet to be included. Planned deeper drilling, such as in the grey areas shown in Figure 6, has the potential to **significantly increase the resource with minimal drilling.**

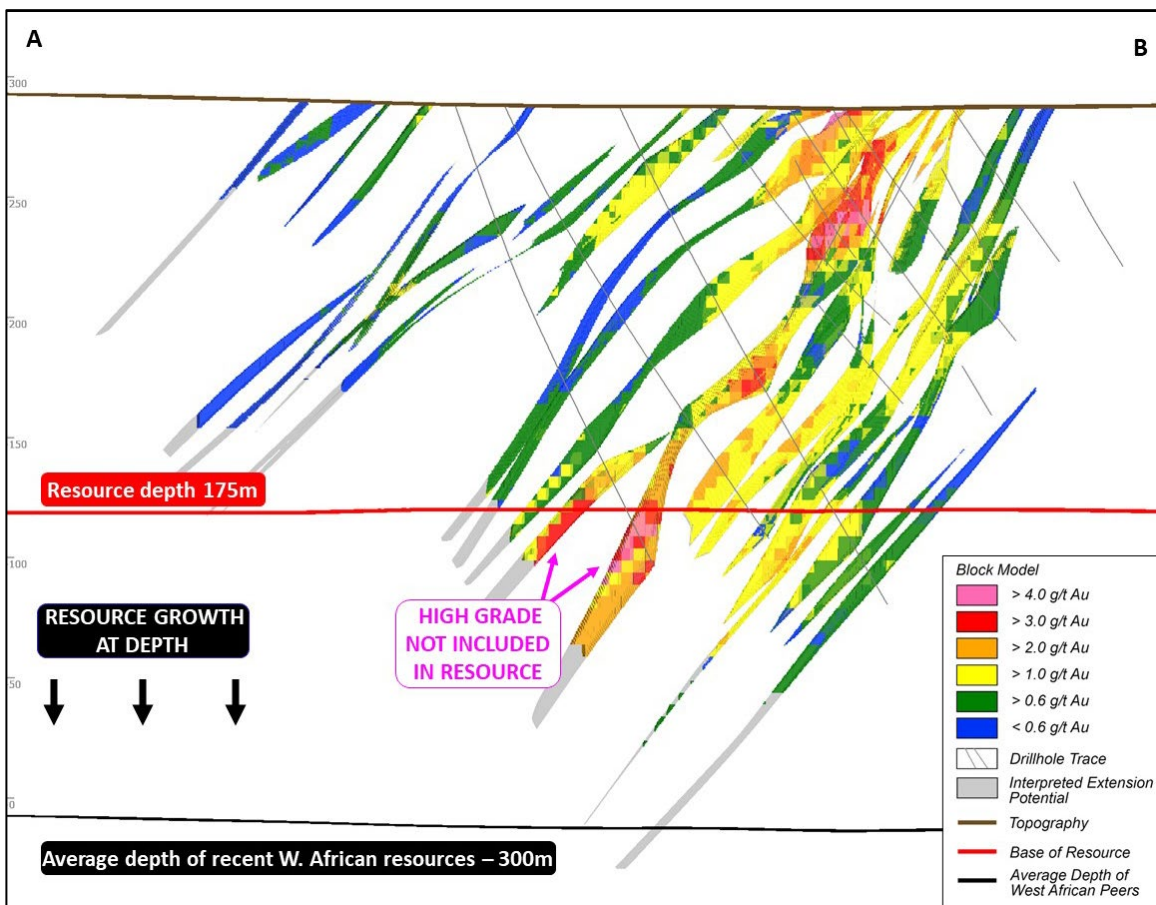


Figure 5: Tchaga cross section A-B looking NE with block model grade zones (location on Figure 5)

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### GOGBALA DEPOSIT

The resource at Gogbala comprises 7.8Mt at 1.29g/t Au for **323koz contained ounces of gold**. The resource is shallow and includes high-grade lodes shown in red and pink in Figure 7. The grade of the deposit is higher at Gogbala than at Tchaga and grade also increases with depth, as shown in Table 1, where the **grade of the deposit below 150m increases to 1.90g/t Au**. Further drilling at depth may provide an uplift in the grade of the deposit.

One of the new mineralised zones identified from drilling, which includes **6m at 5.05g/t Au**, (Figure 9) is located proximal to the main Napié Fault. This is similar to the Tchaga Prospect where mineralisation close to the main splay of the Napié Fault hosts higher grade mineralisation than the western zone, which is further from the Napié Fault. No drilling has been done north or south along the primary (D1) eastern fault, therefore follow-up drilling has the potential to outline significant high-grade mineralisation both north and south along the length of the fault which could provide a pathway to significant resource growth.

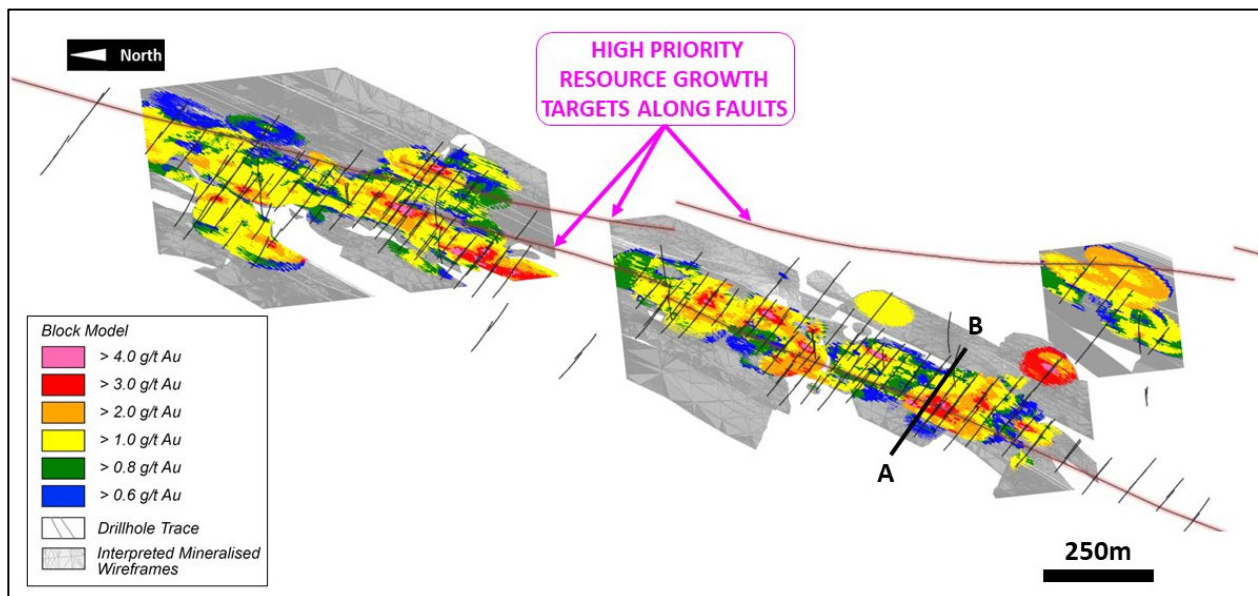


Figure 6: Gogbala plan view of grade zones through block model

The resource at Gogbala was estimated to a **maximum depth of 160 metres**. There is limited drilling below 150m depth therefore some high-grade blocks, as shown in Figure 8, were excluded from classification into the MRE. Similar to Tchaga, planned further deep drilling has the potential to significantly increase the resource in the near-term.

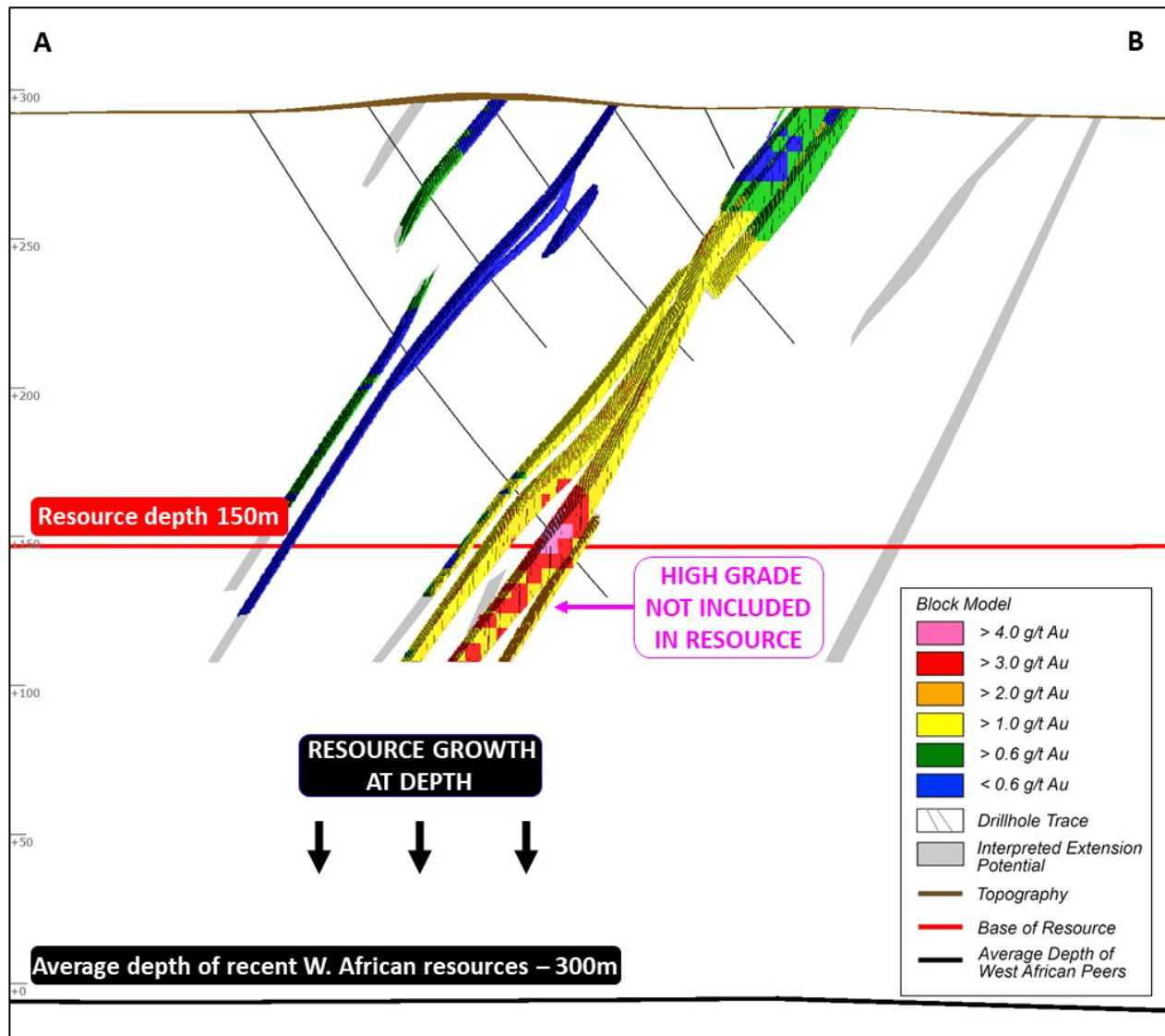


Figure 7: Gogbala cross section A-B looking NE with block model grade zones

### STEPS FOR NEAR-TERM RESOURCE GROWTH POTENTIAL

The Company plans to continue its extensive drilling programs at Napié in order to quickly advance towards a multi-million-ounce resource base.

In addition to the potential pathways to resource growth at depth at Tchaga and Gogbala, there are several large targets at Napié which provide a low cost, rapid path to resource extension through shallow drilling:

#### 1. Infill drilling on the 4.5km section between Tchaga and Gogbala (Figure 4)

Mako has completed only limited drilling along this section of the Napié shear, which has returned positive drilling results. The drilling strategy is to work outwards (to the north and south) of known positive results along the shear so that the extent and density of drilling can add resources. The goal is to close the gap between Tchaga and Gogbala and have a semi-continuous resource over the entire 4.5km stretch of Napié shear between the two currently defined resource areas.

## 2. Gogbala multi-km shallow resource growth

Gogbala presents **significant shallow resource growth potential along multi-kilometre stretches of the Napié shear that has had limited or no drilling** (Figure 9).

- A. The 4.5km-long eastern splay of the Napié shear where only a small part of the resource was included (white resource outline in the pink ellipse). Drilling immediately north and south of the small resource block is the highest priority target when drilling resumes at Gogbala. The Company believes that there is potential for significant resource growth on the 4.5km stretch of the eastern splay of the Napié shear. This is the fastest and lowest-cost approach to resource expansion, only requiring shallow RC drilling of 100 to 150m deep.
- B. The 2km-long northern extension of the northern block of the MRE. Mako has drilled intermittently in this area with positive drill results, but insufficient density of drill holes precluded inclusion of results from this area into the MRE. This constitutes part of the 4.5km-long area mentioned in bullet point 1.
- C. Drilling the gap between the north and south resource blocks at Gogbala has the potential to connect the south block to the north block.

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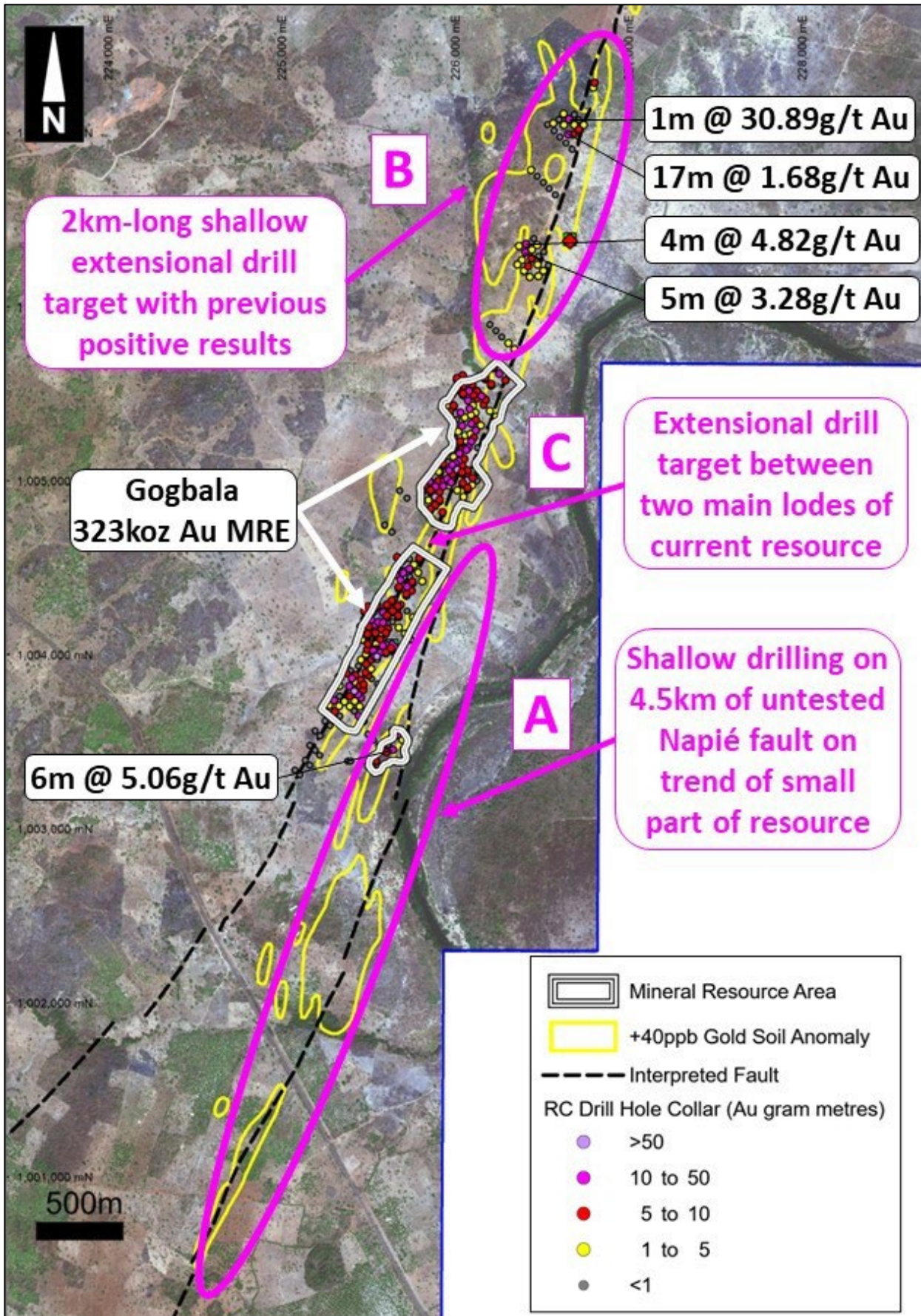


Figure 8: Plan view of Gogbala MRE outline with multi-km long portions of undrilled Napié shear

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### Wide and high-grade gold results at Gogbala leading up to the maiden MRE

Mako reported wide and high-grade drill intersects at Gogbala which included **17m at 4.13g/t Au, 20m at 3.41g/t Au, 35m at 1.72/t Au, and 7m at 6.70g/t Au**. In addition, the Company reported the **highest single one-meter intercepts** on Gogbala of **1m at 28.63g/t Au** and **1m at 30.89g/t Au**.

Significant drill intersections received during the reporting period using a 0.5g/t Au cut-off, from the Gogbala Prospect include:

- NARC660: **17m at 4.13g/t Au** from 57m; including **5m at 12.02g/t Au** from 62m
- NARC668: **7m at 1.26g/t Au** from 22m; and
  - **4m at 14.78g/t Au** from 93m; including **2m at 27.83g/t Au** from 93m
- NARC531: **20m at 3.41g/t Au** from 19m; including
  - **1m at 6.70g/t Au** from 22m and **2m at 14.12g/t Au** from 37m
- NARC651: **10m at 1.63g/t Au** from 69m; and
  - **10m at 3.35/t Au** from 102m; including **1m at 22.29g/t Au** from 103m
- NARC553: **35m at 1.72/t Au** from 43m; including
  - **2m at 7.91g/t Au** from 44m; and **6m at 3.93g/t Au** from 64m
- NARC518: **7m at 6.70g/t Au** from 6m; including
  - **3m at 10.61g/t Au** from 6m
- NARC535: **23m at 1.81g/t Au** from 19m; including
  - **1m at 5.73g/t Au** from 24m; **1m at 5.41g/t Au** from 28m; and **4m at 3.05g/t Au** from 36m
- NARC552: **20m at 1.92g/t Au** from 33m; including
  - **2m at 4.90g/t Au** from 35m; **1m at 9.64g/t Au** from 43m; and **1m at 6.78g/t Au** from 52m
- NARC532: **8m at 4.29g/t Au** from 82m; including
- NARC579: **9m at 3.77g/t Au** from 48m
- NARC569: **6m at 5.37g/t Au** from 105m; including **3m at 9.61g/t Au** from 106m
- NARC619: **1m at 30.89g/t Au** from 46m
- NARC697: **6m at 5.05g/t Au** from 79m; including **1m at 12.18g/t Au** from 80m and **1m at 10.71g/t Au** from 82m
- NARC557: **3m at 9.41g/t Au** from 117m; including
  - **2m at 13.03g/t Au** from 118m
- NARC703DD: **6m at 4.28g/t Au** from 63m; including **1m at 14.65g/t Au** from 68m
- NARC686: **4m at 4.82g/t Au** from 113m
- NARC610: **5m at 4.61g/t Au** from 158m; including **1m at 15.71g/t Au** from 162m
- NARC642: **2m at 12.89g/t Au** from 50m
- NARC524: **8m at 2.87g/t Au** from 49m; including
  - **1m at 11.13g/t Au** from 53m
- NARC534: **9m at 2.52g/t Au** from 55m; including
  - **1m at 11.84g/t Au** from 55m
- NARC643: **5m at 3.24g/t Au** from 118m; including **1m at 8.17g/t Au** from 119m
- NARC584: **1m at 28.93g/t Au** from 115m

Most of the holes were drilled in the 2km-long high-priority area which was the focus of extensional drilling for the maiden MRE (pink arrow on Figure 10), however some of the holes were drilled outside of the high-priority zone and identified two emerging new mineralised zones.

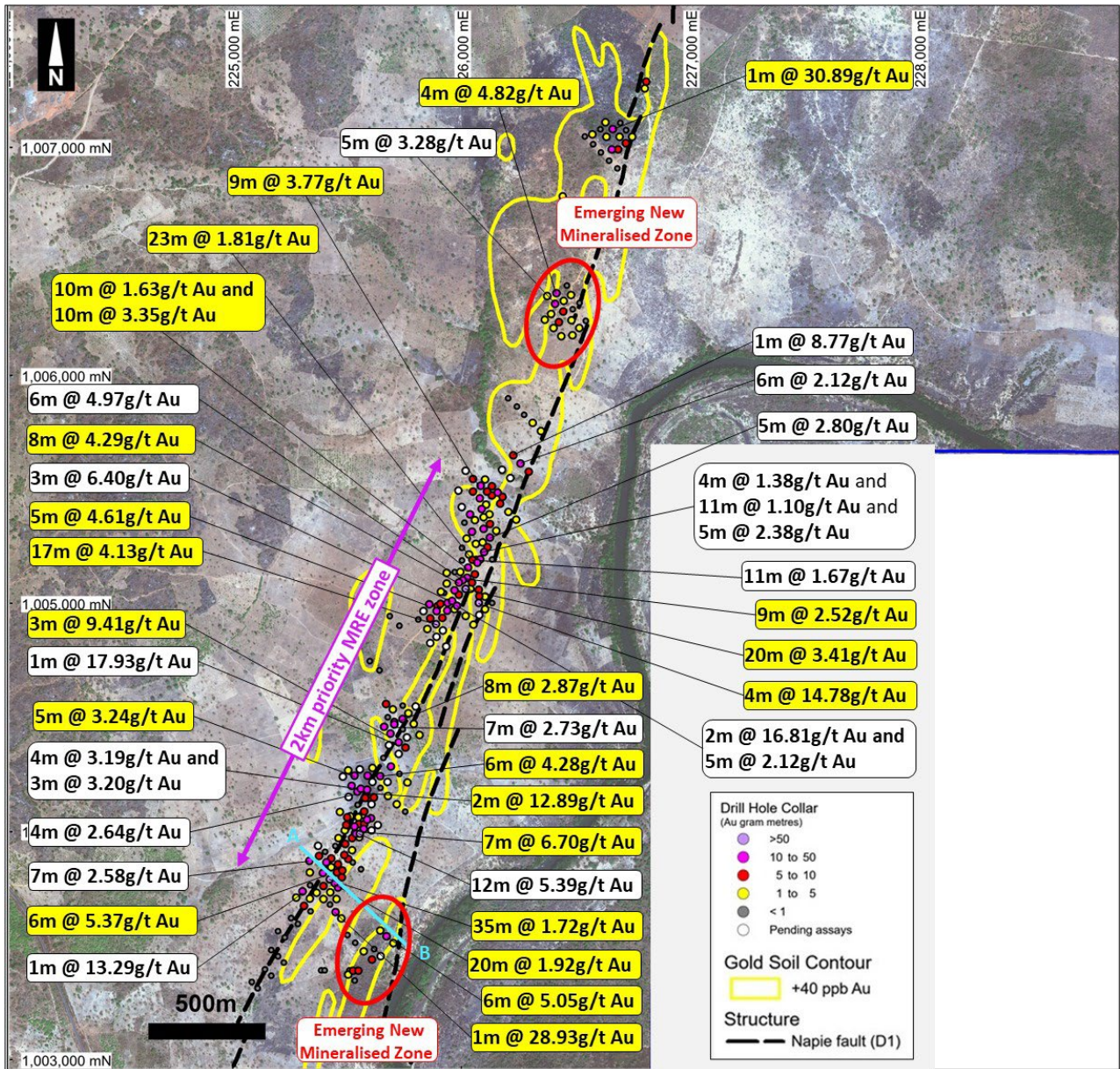
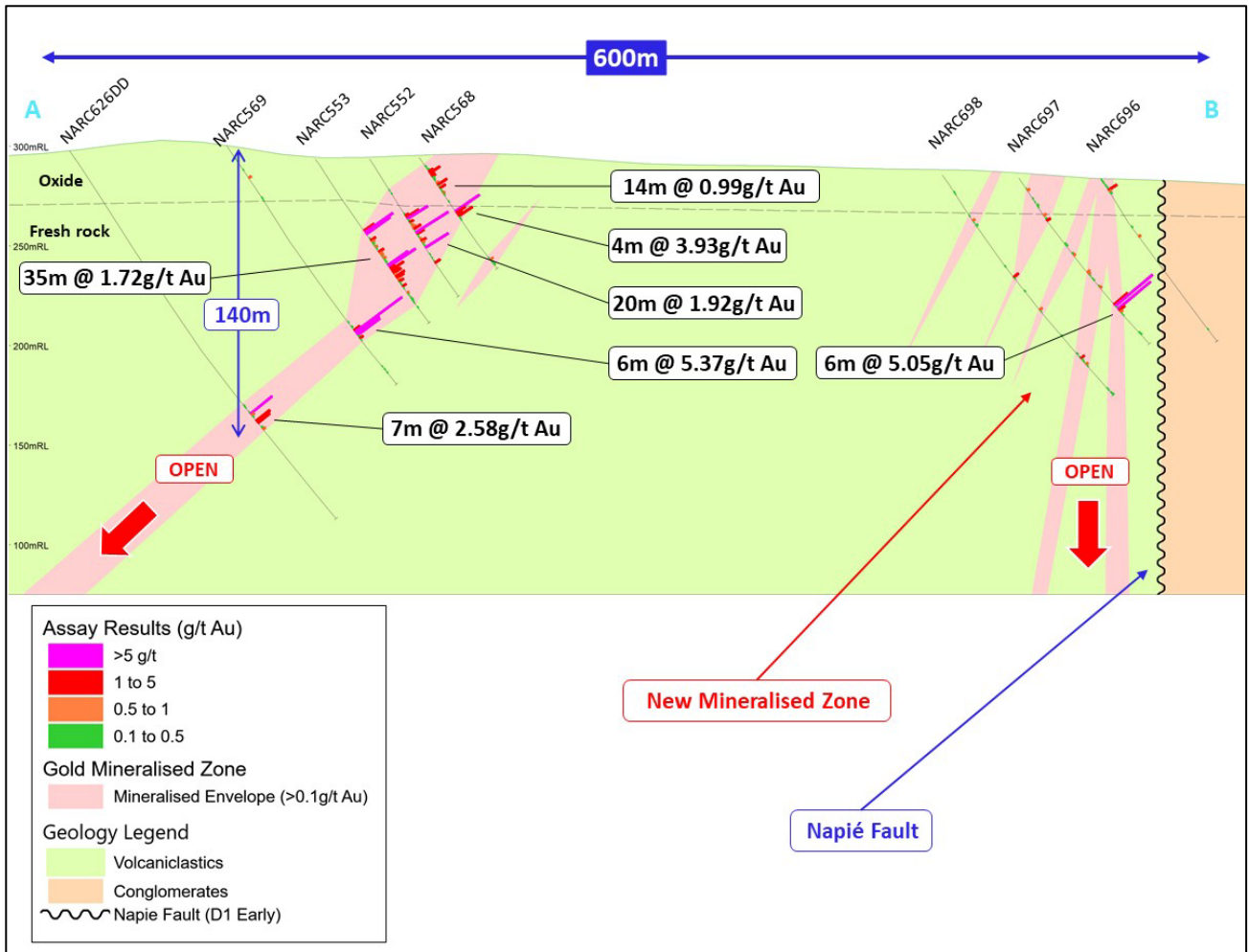


Figure 9: Gogbala Prospect – Select new (yellow) and previous (white) gold intercepts on +40ppb soil geochemical anomaly – Note the two emerging mineralised zones (red ellipses)

One of the new mineralised zones identified from drilling was included in the maiden MRE. It includes **6m at 5.05g/t Au**, (south part of Figure 10) and is located proximal to the main Napié Fault. As is shown in cross section A-B (Figure 11) the parallel fault has identified a second mineralised zone along the section. It is noteworthy that this zone has a steeper dip than the western zone. This is similar to the Tchaga Prospect where mineralisation close to the main splay of the Napié Fault is typically steeper and hosts higher grade mineralisation than the western zone, which is further from the Napié Fault. No drilling has been done north or south along the primary (D1) eastern fault therefore follow-up drilling, has the potential to outline significant high-grade mineralisation north as well as to the south along the length of the fault which could provide a pathway to significant resource growth.



**Figure 10: Cross-section A-B looking northeast with new (yellow) and previous (white) gold intercepts – Note the emerging new mineralised zone (southern zone in figure 1) close to the Napié fault – This is similar to Tchaga where typically the mineral zones close to the main splay of the Napié fault have a steeper dip and host wide and high-grade mineralisation**

### Wide and high-grade gold results at Tchaga leading up to the maiden MRE

Wide and high-grade gold results were returned at Tchaga During the reporting period with very few holes drilled.

Deep high-grade results were returned such as **19.6m at 4.36g/t Au** in NARC621DD, and **4.5m at 6.92g/t Au** which includes **1m at 29.46g/t Au** in NARC512DD (Figure 12).

Significant new assay results received during the quarter, using a 0.5g/t Au cut-off, include:

- NARC621DD: **41m of mineralisation intersected over 7 zones averaging 2.85g/t Au**, including the following highlights:
  - **6m at 1.24g/t Au** from 48m; and
  - **6.7m at 1.46g/t Au** from 160.1m; including **1m at 6.87g/t Au** from 160.1m; and
  - **19.6m at 4.36g/t Au** from 187.4m; including **2.2m at 23.49g/t Au** from 189.8m
- NARC512DD: **14.6m of mineralisation intersected over 4 zones averaging 3.32g/t Au**, including the following highlights:
  - **4.5m at 6.92g/t Au** from 213.1; including **1m at 29.46g/t Au** from 216.6m; and



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- **5m at 2.28g/t Au** from 256m
- NARC559DD: **63.1m of mineralisation intersected over 15 zones averaging 1.25g/t Au**, including the following highlights:
  - **3m at 2.66g/t Au** from 45m;
  - **8.3m at 0.96g/t Au** from 115.5m;
  - **4.8m at 1.24g/t Au** from 165.2m;
  - **13m at 1.05g/t Au** from 297m;
  - **3.5m at 1.55g/t Au** from 327.5m;
  - **4m at 1.65g/t Au** from 336m; and
  - **5m at 1.66g/t Au** from 361m; including **1m at 5.50g/t Au** from 361m
- NARC467DD: **26m at 1.01g/t Au** from 92m and;
  - **5.8m at 6.96g/t Au** from 135m; including **1m at 34.62g/t Au** from 137m; and
  - **0.8m at 9.50g/t Au** from 154.5m
- NARC542: **2m at 24.06g/t Au** from 112m; including **1m at 40.32g/t Au** from 113m
- NARC467DD: **5.8m at 6.96g/t Au** from 135m; including **1m at 34.62g/t Au** from 137m; and
- **0.8m at 9.50g/t Au** from 154.5m

The Company is highly encouraged by the results from deeper DD as this will extend the mineralised zones at depth. In addition, this highlights the potential for extending the resource with further drilling at depth (Figure 13).

Several drill holes intersected multiple zones of gold mineralisation, such as NARC559DD which intersected more than **15 gold zones with an aggregate width and grade of 63m at 1.25g/t Au**. Multiple zones have been intersected on Tchaga in previous drilling with low and high-grade zones.

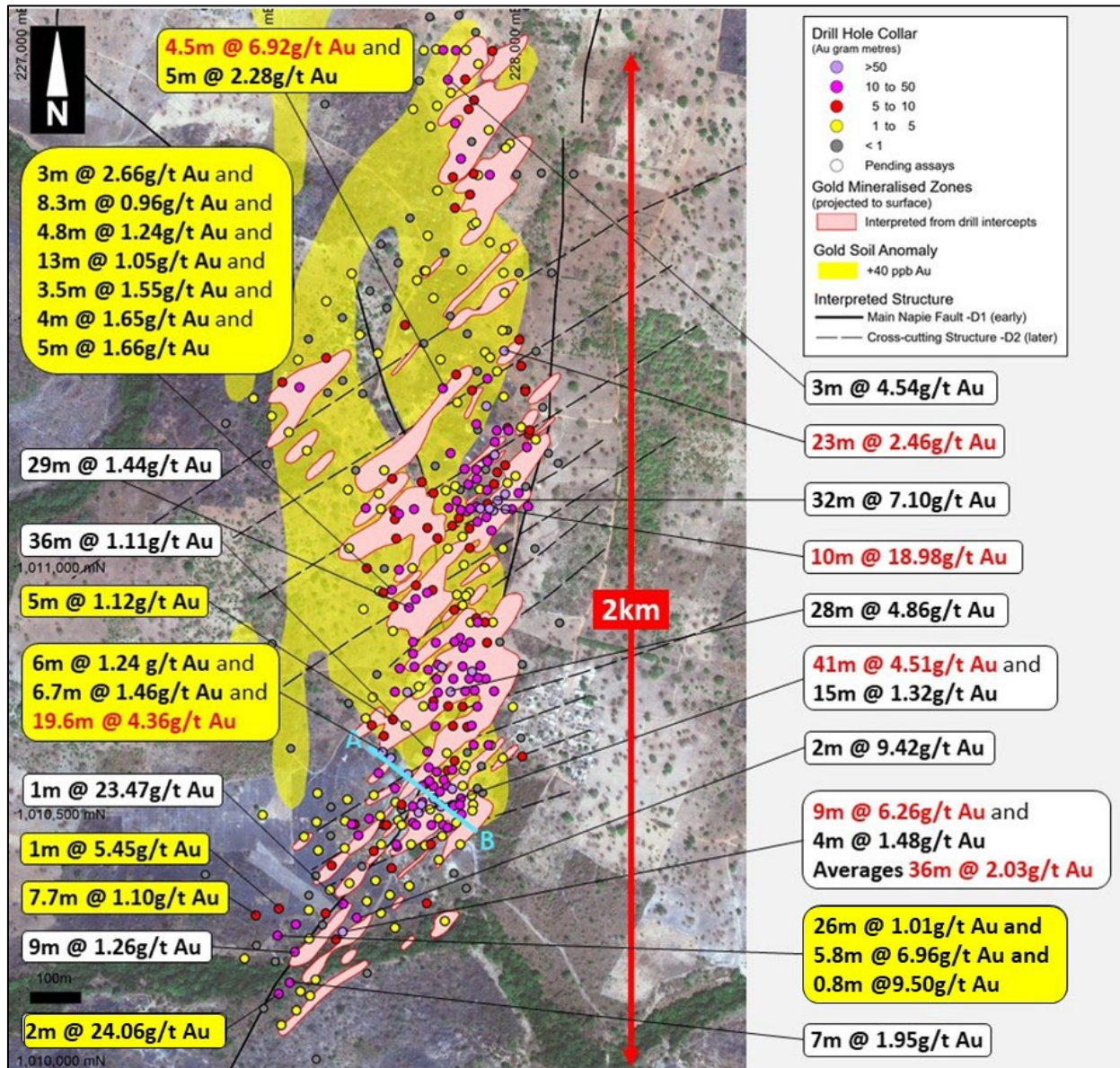


Figure 11: Tchaga Prospect - Select gold intercepts from current (yellow) and previous (white) drilling – Note the repeated parallel stacked high-grade lodes shown in pink

The “pinch and swell” nature of mineralisation demonstrates that **drilling can intersect the wider and sometimes higher-grade part of the pinch and swell deeper down, which can have positive effects on a MRE** when attempting to extend mineralisation at depth as shown on the cross section in Figure 13.

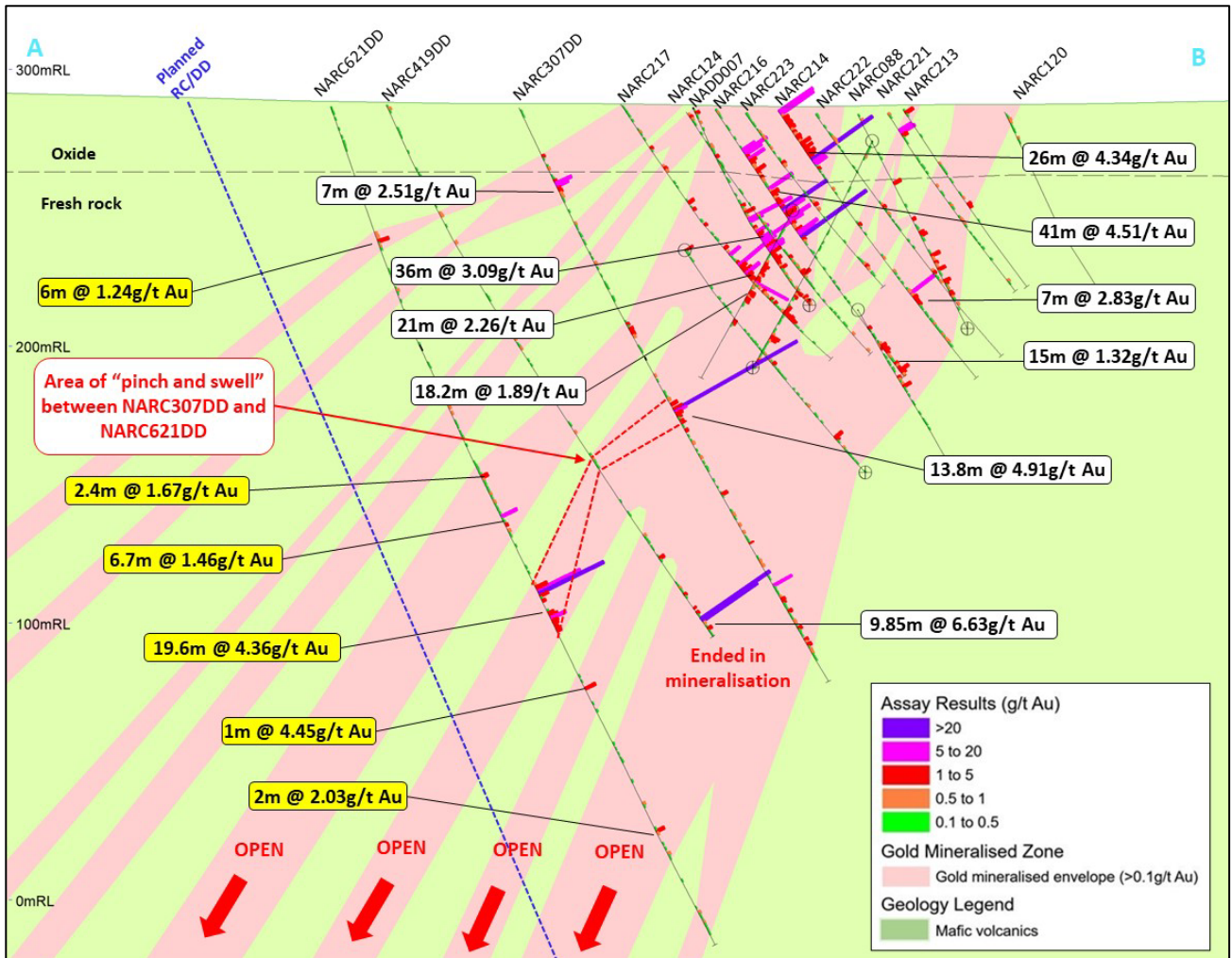


Figure 12: Cross-section AB looking northeast with previous (white) and new (yellow) gold intercepts – note the pinch and swell zone where mineralisation thins out in NARC419DD and reappears deeper

### NAPIÉ PROJECT – DISTRICT SCALE UPSIDE

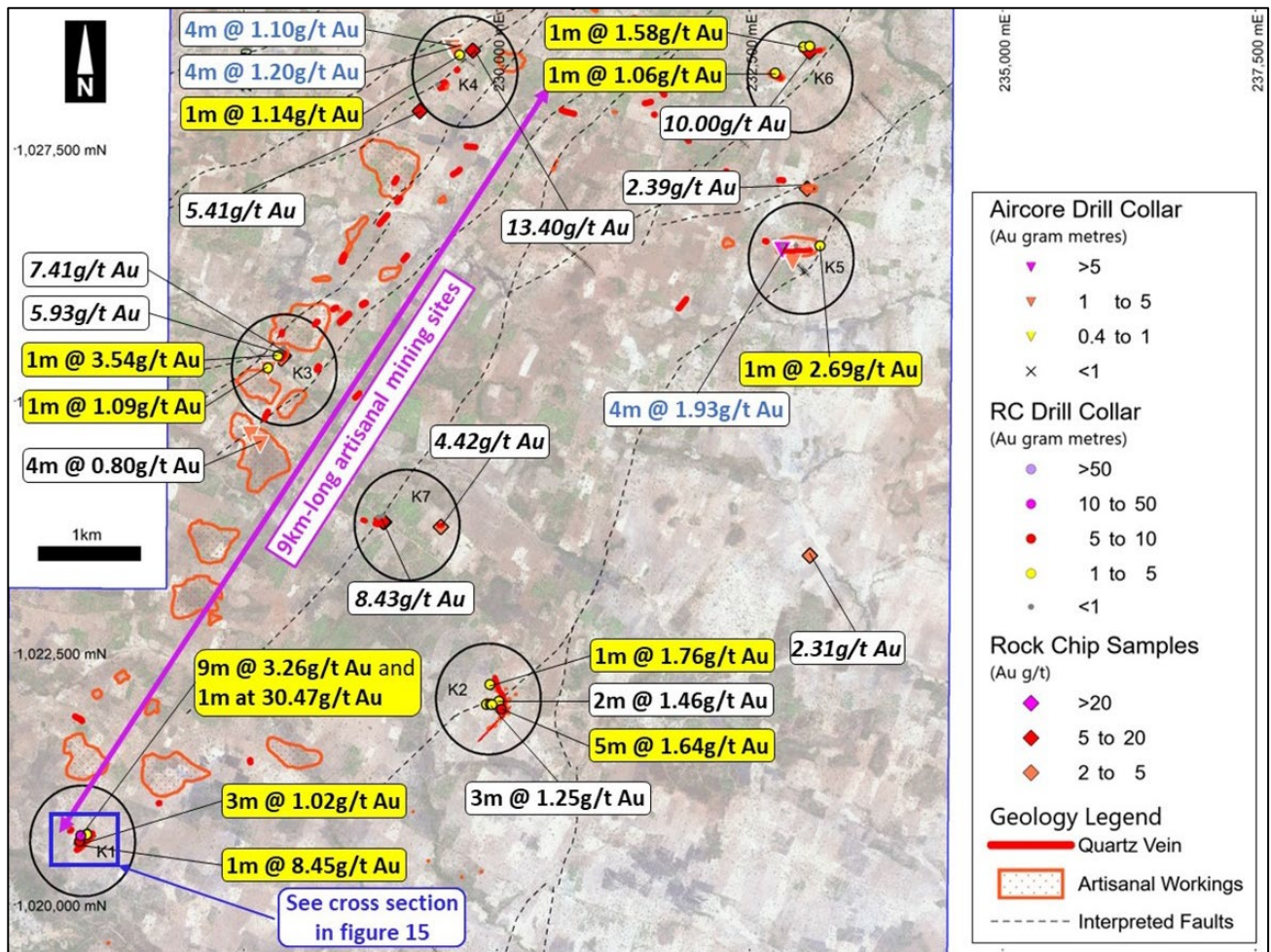
Positive drill results at the **Komoro** and **Tchaga North** prospects support Mako’s broad strategy to define a **multi-million-ounce resource at Napié**, which the Company believes has **district scale potential**.

#### *Komoro Prospect*

Seven targets were drilled during the reporting period with **6 of the 7 targets intersecting significant mineralisation** (Figure 14).

Drill results include **9m at 3.26g/t Au**, including **3m at 7.29g/t Au** and, separately **1m at 30.47g/t Au** in NARC741, as well as **1m at 8.41g/t Au** in NARC743 from the previously undrilled K1 Target.

Drilling at the K2 Target, located on a separate structure 3km to the east, intersected **5m at 1.64g/t Au** in NARC753 (Figure 14).



**Figure 13: Komboro Prospect: Drill targets K1 to K7 – Select new (yellow) and previous (white) RC results and previous AC results (blue) and rock chips (white italics)**

Targets were identified from recent AC drilling which include **4m at 1.93g/t Au**, **4m at 1.20g/t Au**, and **4m at 1.10g/t Au**, and from geological mapping and rock chip sampling. The majority of the holes were drilled on **artisanal mining sites with large quartz veins** which can be **intermittently traced over 9km**, as well as on other smaller artisanal sites, which were identified during recent geological mapping.

The highly encouraging results from K1 and K2, located along separate structures which are splays off the Napié shear, points to the enormous prospectivity in the north of Napié. Testing of these areas has only just begun and further drilling is planned at Komboro. Drilling will focus along strike of targets which have delivered positive results as well as other targets along the 9km-long intermittent artisanal mining sites. The highest priority for follow-up drilling is Target K1 where drill holes are planned along strike of positive results and also above and below NARC741 as shown in **Figure 15**.

Making a new discovery at the Komboro Prospect validates Mako’s belief in the district-scale potential and the **goal to identify a multi-million-ounce deposit on the Napié Project**. **Mako believes that Komboro has the potential to add to the Napié resource inventory** as drilling progresses. Komboro displays the same characteristics as Tchaga and Gogbala in the early days of drilling.

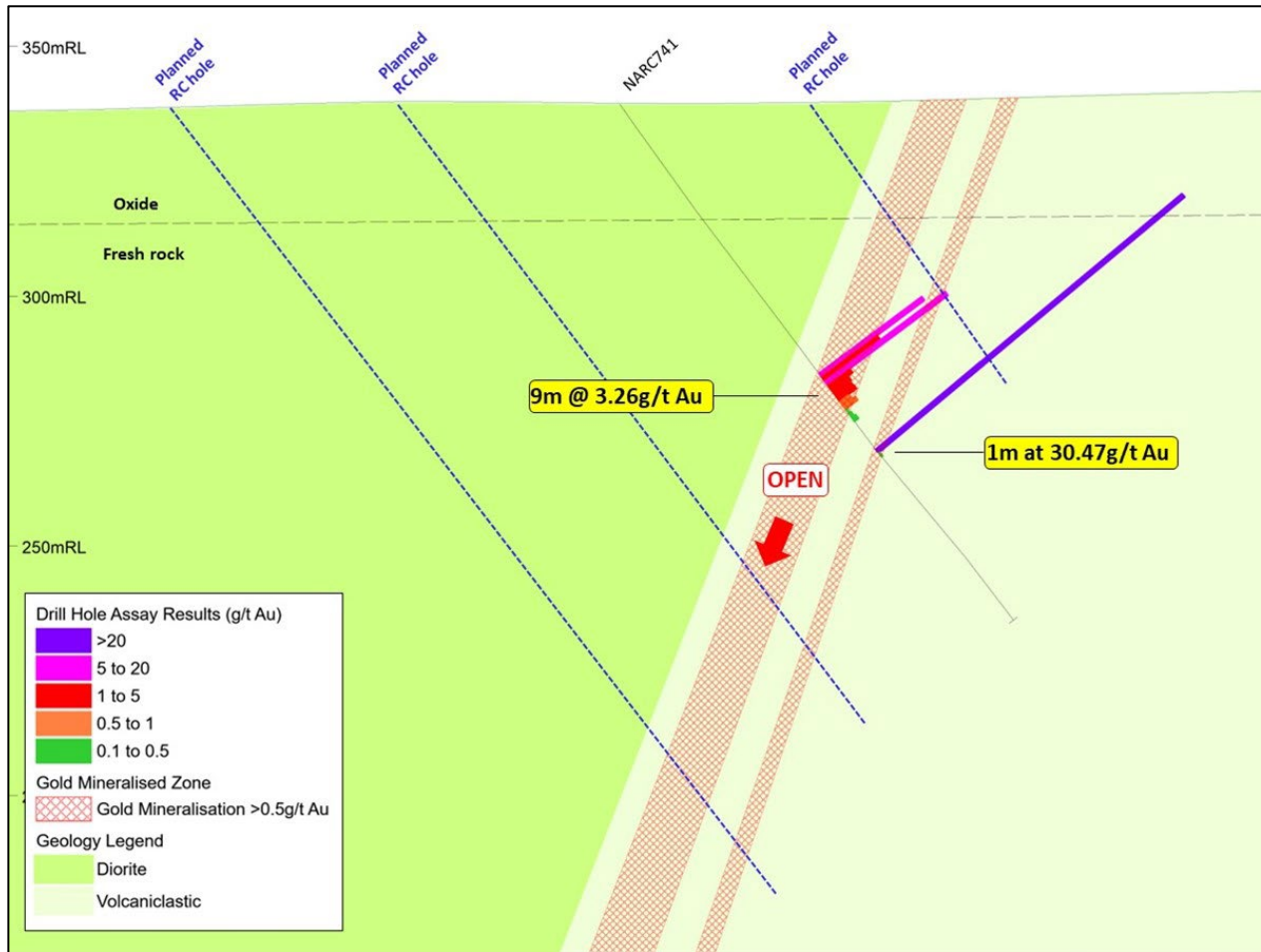


Figure 14: Target K1 cross section with new drill results and planned holes in blue

### Tchaga North Prospect

AC drilling during the quarter and previous work by the Company has identified a 2km-long gold mineralised zone which is a high-priority drill target (pink ellipse on Figure 16). AC drilling returned up to **4m at 101.31g/t Au** and previous RC drilling by the Company in 2018 returned **8m at 8.53g/t Au** and **1m at 215g/t Au** with visible gold. This zone lies 2km north of the Tchaga Prospect.

The footprint of the +40ppb soil anomaly at Tchaga North (yellow outline) is much larger than at Tchaga where 545koz have been delineated in the maiden MRE.

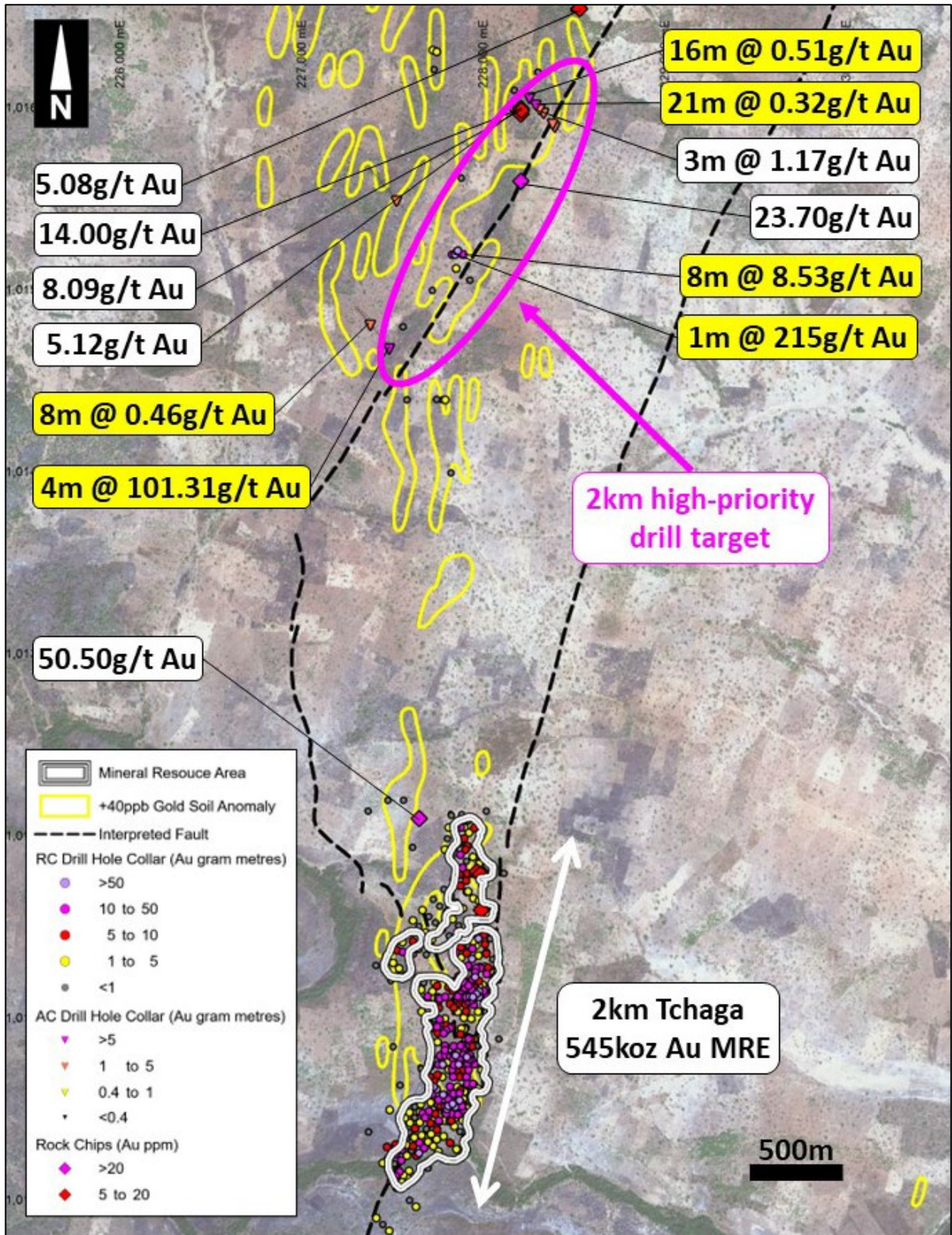


Figure 15: Tchaga North 2km-long target - Previous drilling by Mako returned 4m at 101g/t Au, 8m at 8.53g/t Au and 1m at 215g/t Au

## KORHOGO PROJECT - RESULTS RECEIVED FROM SHORTENED RC DRILLING PROGRAM

Mako Gold's 296km<sup>2</sup> Korhogo Project is an earlier stage project located in north-central Côte d'Ivoire within the Boundiali greenstone belt (Figure 2).

An 11,000m auger drilling program was completed on select grids on the Korhogo Project during the reporting period. Two large gold anomalies were identified.

The Korhogo Project has had no previous drilling and is in a greenstone belt that hosts several large gold deposits (Figure 2).

It is interesting to note the size of the footprint of the nearby 4.9Moz Tongon gold mine operated by Barrick, compared to the size of auger anomalies on the Ouangolodougou and Korhogo Nord permits. This bolsters the Company's confidence that the **Korhogo permits could host large gold deposits.**



**Figure 16: Auger drill on the Korhogo Nord permit**

During the reporting period assay results were received for 14 RC drill holes totalling 1,378m of a planned 2,000m maiden drill program on the Korhogo Project. No significant results were received since the greenstone/granite target was not reached. The drill program was stopped short to allow further groundwork to be completed in order to vector in on the greenstone/granite target. The location of drilling is shown on Figure 18. Significant auger anomalies on Korhogo Nord and Ouangolodougou remain to be tested. In order to locate the contact without incurring further drilling costs, Mako geologists will conduct

further ground exploration to locate the contact of the greenstone and granite, after which time drilling will resume.

The maiden drilling program targeted one of many targets on the Korhogo Project. Other drill targets such as the large auger anomaly on the Ouangolodougou Permit, which is the same size as the footprint of Barrick's 4.9Moz gold mine, and other auger anomalies on the Korhogo Nord Permit, will also be drilled-tested following further groundwork.

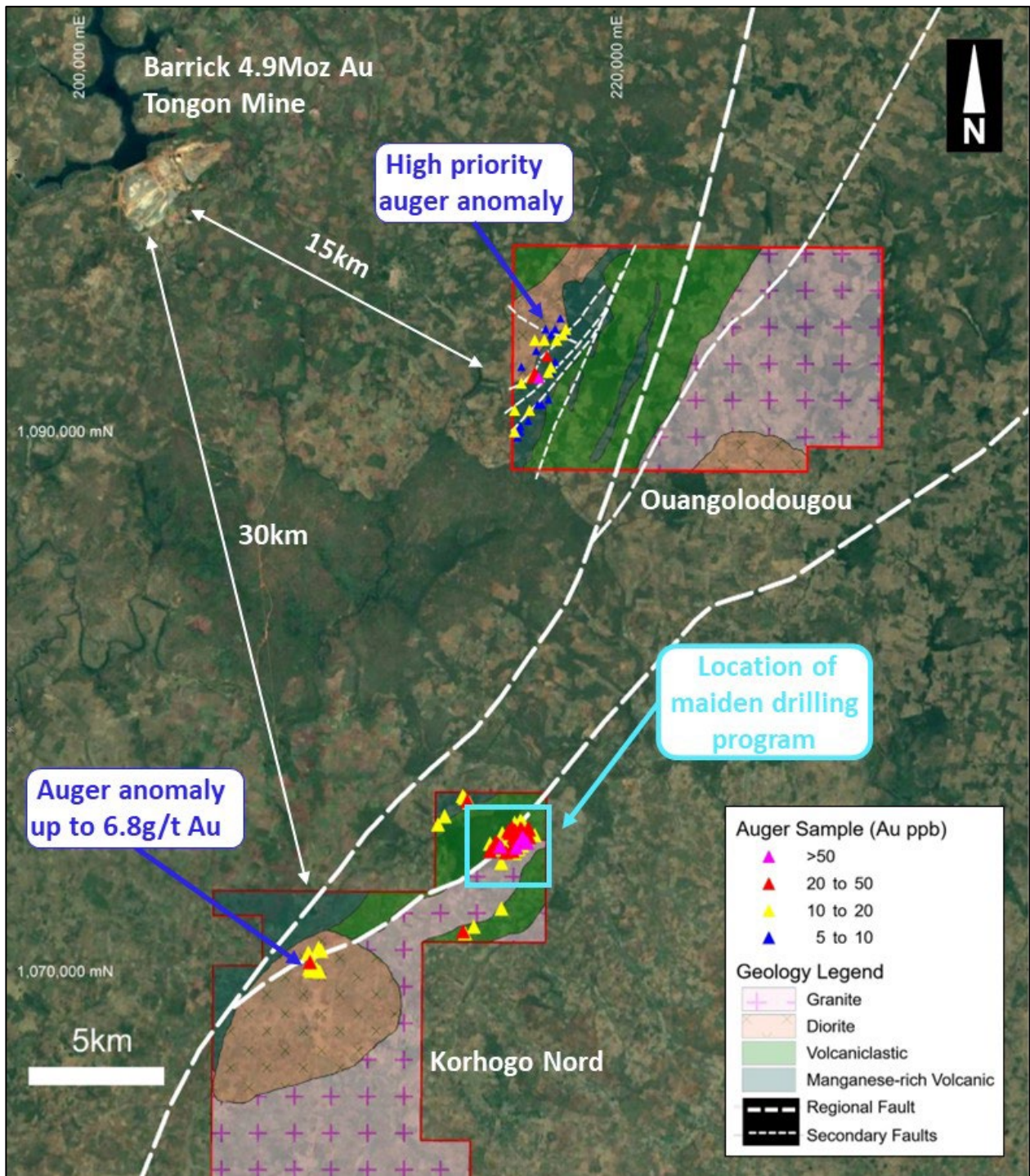


Figure 17: Korhogo Project with location of recent drilling

For personal use only



## ESG

The Company employs full-time local community liaison officers, as good relationships with the community is part of Mako's growth strategy. Mako believes that creating and strengthening bonds in the communities where we operate is fundamental to our core values.

Most recently, Mako sponsored a youth community workshop as part of its ongoing support to the Komborodougou village at Napié and sponsored celebrations in the village for Independence Day (Figure 1).

## MAKO MANAGEMENT ON SITE

Mako's Managing Director was on site during March and April to evaluate operations, liaise with the Côte d'Ivoire Mining Administration, and for business development. Mako's General Manager Exploration and Database Geologist also visited site, working closely with our established exploration team.



**Figure 18: Mako management with part of the exploration team at field office**

## COVID-19

Mako has maintained strict protocols regarding the COVID-19 pandemic and is pleased to report that there has been no incidence of COVID-19 at any Company sites.

## CORPORATE

### Niou Project - Finalised sale of project to Nordgold

During the reporting period Mako received the proceeds for the sale agreement with Nord Gold SE ("Nordgold") to sell the Niou Permit and Niou Sud Permit, non-core assets in Burkina Faso.

Mako received US\$700,000 (circa A\$945,000) cash payment for the sale in August 2021. In addition, Mako retains a 1% Net Smelter Royalty ("NSR") if Nordgold discovers a NI 43-101 compliant resource of at least 2Moz gold and advances the resource to production. Nordgold has the right to purchase the NSR at any time for **US\$4.5M**.

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**Mako consolidates ownership of the Napié Project from 51% to 90%**

During the reporting period **Mako** entered into a binding agreement with established West African gold producer, Perseus Mining Limited, to acquire their 39% interest in Mako's flagship Napié Gold Project in Côte d'Ivoire for an initial equity consideration and two deferred milestone payments. Perseus will emerge as a strategic shareholder of Mako at completion with a 5.1% equity holding and Mako to own 90% of the Napié Gold Project. The initial equity considerations consist of 13,800,000 shares equivalent to 5.1% of Mako's issued capital which was approved at an EGM held on 20 August 2022. The two milestone payments consist of the following:

- **Milestone 1 Resource Definition:** A A\$2,400,000 payment payable in cash or scrip at Mako's election upon delineation of a 1Moz Measured and Indicated Resource (representing a minimum of 25 million tonnes at a minimum grade of 1.25 grams per tonne gold or similar outcome which demonstrates potential economic viability) under the JORC Code at Napié.
- **Milestone 2 Commercial Production:** A A\$2,400,000 payment payable in cash or scrip at Perseus' election upon the first sale of gold doré or ore extracted from Napié.

The Transaction resolves the current fragmented ownership structure of Napié and **increases Mako's ownership from 51% to 90%**.

A pre-existing Joint Venture arrangement exists between Perseus' subsidiary Occidental Gold and African American Investment Fund SA (**AAIF**) whereby AAIF holds the remaining 10% interest in the permit. Mako is in discussion with AAIF to acquire their 10% ownership through a similar transaction as Perseus', which would then give Mako 100% ownership of the Napié Project.

**Capital raises including cornerstone support by high quality North American and European institutional investors**

During the reporting period the Company raised \$10,000,000 by the issue of shares as noted below. Notably Prominent North American resource fund, Dundee Goodman Merchant Partners, cornerstoned a strategic \$10m placement for ~\$3.0M and resulting in a holding of 9.9% of Mako's pro-forma issued capital. In addition two strategic German Institutions: Delphi Unternehmensberatung AG ("DELPHI") the parent company of Deutsche Balaton AG and Sparta AG ("Sparta") a subsidiary of Deutsche Balaton participated in the raise for ~3.6M resulting in a holding of 12.7% of Mako's pro-forma issued capital.

Month	Capital Raising	\$
July 2021	Tranche 1 Placement of 64,310,400 shares at \$0.08	5,144,832
August 2021	Tranche 2 Placement of 60,689,600 shares at \$0.08	<u>4,855,168</u>
		<u>10,000,000</u>

As at the date of this report the company has the following securities on issue:

Ordinary Shares: 382,241,602

Options

Unlisted \$0.175 30/9/22 Options: 4,000,000  
Unlisted \$0.12 31/8/23 Options: 4,000,000  
Unlisted \$0.155 30/11/23 Options: 10,200,000

## MAKO GOLD LIMITED ANNUAL REPORT 2022

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### **Competent Person's Statement**

The information in this report that relates to Exploration Results is based on information compiled by Mrs Ann Ledwidge B.Sc.(Hon.) Geol., MBA, who is a Member of The Australian Institute of Geoscientists (AIG). Mrs Ledwidge is a full-time employee and a shareholder of the Company. Mrs Ledwidge has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mrs Ledwidge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **Compliance Information**

The information in this report that relates to Mineral Resources is extracted from the announcement "Mako Delivers 868koz Maiden Resource to Provide Strong Growth Platform at Napié" released to the Australian Securities Exchange on 14 June 2022 and available to view on [www.makogold.com.au](http://www.makogold.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

### **ASX References**

Further details including 2012 JORC reporting tables where applicable, which relate to results and announcements in this Annual Report, can be found in the following announcements lodged with the ASX:

- 11 July 2022 – High-Grade Gold Discovery at Napié Komboro Prospect
- 14 June 2022- Mako Delivers 868koz Maiden Resource at Napié
- 1 June 2022 – Tchaga North Aircore Returns 101Grams Gold
- 25 May 2022 – Exceptional Gogbala Results Ahead of Maiden Resource at Napié
- 13 May 2022 – Maiden RC Drill Program at Korhogo Project
- 2 May 2022 – 2km Gold Anomaly at Korhogo, Maiden RC Drill Program
- 26 April 2022 – Two New Mineralised Zones Show Growth Potential at Gogbala
- 30 March 2022 – Wide High-Grade Results Returned from Gogbala
- 15 March 2022 – Tchaga Deep Extensional Drilling Delivers High-Grade Gold
- 24 February 2022 – Further High-Grade Gold from Gogbala Extensional Drilling
- 10 February 2022 – 15,000m Scout AC Drilling Program on Napié Project
- 7 February 2022 – 7,000m Auger Drilling Program Commences on Korhogo Project
- 18 January 2022 – High-Grade Gold from Drilling at Tchaga and Gogbala Prospects
- 13 October 2021 – Widest Drill Intercepts to Date at Gogbala Prospect
- 6 October 2021 - Gogbala Returns Multiple Wide and High-Grade Results

# MAKO GOLD LIMITED ANNUAL REPORT 2022

## Directors' Report

The directors present their report on Mako Gold Limited (the "Company") and its controlled entities ("consolidated entity", "Group" or "Mako") for the year ended 30 June 2022.

### Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

#### **Names, qualifications, experience and special responsibilities**

##### M Muscillo (Non-Executive Chairman) LLB

Appointed 20 April 2017, Appointed as Chairman 2 October 2020

Michele Muscillo is a Partner specialising in corporate law with HopgoodGanim Lawyers. He is an admitted Solicitor and has a practice focusing almost exclusively on mergers and acquisitions, and capital raising. He has a Bachelor of Laws from Queensland University of Technology and was a recipient of the QUT University Medal. In his role with HopgoodGanim Lawyers, he has acted on a variety of corporate transactions including initial public offerings, takeovers and other acquisitions. Michele's experience brings to the Board expertise on corporate regulation, governance and compliance matters.

Michele is a non-executive director of ASX-Listed Aeris Resources Limited (from May 2013) and Xanadu Mines Limited (from August 2017) and was previously a director of ASX-Listed Orbis Gold Limited, until its takeover by TSX-Listed Semafo in March 2015, and of Cardinal Resources Limited from October 2017 up to its takeover by China's Shandong Gold Mining Co. Ltd in February 2021.

##### P Ledwidge (Managing Director) BSc Geology, MAusIMM

Appointed 4 June 2015

Peter Ledwidge, a founder of Mako Gold, is a qualified geologist with over 30 years' experience in the exploration and mining industry. His career has focussed primarily on gold exploration along with some base metals exploration. Peter has worked extensively in Canada, Africa and Australia, in a variety of roles in exploration, development and mining projects.

Prior to founding Mako Gold, Peter was a senior manager with ASX-listed Orbis Gold whereby he secured all of Orbis' permits in Burkina Faso and Côte d'Ivoire. Peter played a critical role in the discovery of the Nabanga gold deposit and thereafter contributed geological ideas towards the discovery of the Boungou mine, currently being mined by Endeavour Mining Corporation.

Peter is fluently bilingual in French and English and has established and maintained good professional contacts in Burkina Faso and Cote d'Ivoire in government as well as the private sector.

##### S Zaninovich (Non-Executive Director) B.Eng

Appointed 2 October 2020

Mr. Zaninovich is a highly qualified engineer with over 25 years' mining project development and management experience across a variety of commodities and jurisdictions. Steven has held Executive and Non-Executive Board roles with several public and private companies and has extensive in-country experience in West Africa including Burkina Faso, Mali, Côte d'Ivoire and Ghana.

He served as COO with Gryphon Minerals (ASX:GRY) prior to their takeover by Teranga Gold (TSX:TGZ) where he assumed the role of Vice President of Major Projects and completed the bankable feasibility study on the c.2.4 million ounce Wahgnion Gold Project in Burkina Faso.

Steven is currently a Non-Executive Director of Sarama Resources (from May 2022)), Maximus Resources (from July 2020)) and Bellavista Resources (from May 2022)). He is a former director of Indiana Resources from February 2019 to February 2021, Canyon Resources Ltd from January 2019 to August 2022.

### Company Secretary

##### P Marshall LLB, ACA

Appointed 13 April 2017

Paul Marshall holds a Bachelor of Law degree and is a Chartered Accountant. He has more than thirty five years' experience including over twenty five years spent in commercial roles as Company Secretary and CFO for a number of listed and unlisted companies mainly in the resources sector.

# MAKO GOLD LIMITED ANNUAL REPORT 2022

## Interests in the shares and options of the Company

Interests of the directors in the shares and options of the Company as at the date of this report are:

	<u>Ordinary Shares</u>	<u>Unlisted \$0.155 30/11/23 Options</u>
Peter Ledwidge	8,307,115	2,000,000
Michele Muscillo	558,823	1,500,000
Steven Zaninovich	180,000	1,000,000

## Meetings of Directors

The following table sets out the number of formal director's meetings held during the year ended 30 June 2022 and the number of meetings attended by each director.

<u>Director</u>	<u>Directors' Meetings</u>	
	A	B
P Ledwidge	6	6
M Muscillo	6	6
S Zaninovich	6	6

A = Number of meetings held during the time the Director held office during the year.

B = Number of meetings attended.

All matters relating to committees – Audit, Remuneration and Nomination are covered at the Board meetings as required.

## Corporate Information

### Corporate Structure

Mako Gold Limited is a company limited by shares that is incorporated and domiciled in Australia. Mako Gold Limited has prepared a consolidated financial report encompassing the entities that it controlled or had significant influence over during the financial year: Mako Gold Limited had the following investments in controlled companies throughout the financial year:

- Mako Gold SARL (Incorporated in Burkina Faso - 100%)
- Mako Côte d'Ivoire SARLU (Incorporated in Côte d'Ivoire - 100%)

## Principal Activities

The principal activities of the consolidated entity during the year were the acquisition of and exploration of gold tenements.

## Operating Results

During the year Mako continued with exploration activities on its projects in Côte d'Ivoire.

### Revenue

As an early stage exploration company, Mako Gold Limited does not generate any operating income - the revenue recorded in the period to 30 June 2022 of \$1,623 relates to interest revenue.

### Expenses

The Consolidated Entity's main expenses were as follows:

	<b>2022</b>
	<b>\$</b>
Corporate and Administration expenses	765,074
Write off of exploration expenses	-
Amortisation of right of use assets and interest on lease liabilities	40,030
Share based payment expense	246,857
Employment expenses	383,805
<b>Total expenses</b>	<b>1,435,766</b>

The share-based payment expense relates to mainly to the value of the options issued to advisors in relation to the significant capital raising completed during the reporting period.

## MAKO GOLD LIMITED ANNUAL REPORT 2022

### Comparison with Prior Year

For the year ended 30 June 2022, the loss for the Consolidated Entity after providing for income tax was \$1,434,143 (2021: loss of \$1,488,024):

	2022	2021
	\$	\$
Other income	1,623	40,261
Amortisation of right of use assets and interest on lease liabilities	(40,030)	(61,495)
Write off of exploration expenses	-	(263,257)
Share based payment expense	(246,857)	(313,159)
Employment costs	(383,805)	(390,454)
Corporate and administration expenses	(765,074)	(499,920)
Loss after income tax	(1,434,143)	(1,488,024)

Excluding the prior year exploration write offs and the share based payment expense that largely related to issues to corporate advisors in relation to corporate activities which are not recurring in nature nor comparable, the adjusted loss for the 2022 financial year is \$275,678 higher than the adjusted loss of 2021 with the increased costs attributable to:

	\$
Reduction in other income	(38,638)
Increase in employee costs	6,649
Amortisation of right of use assets and interest on lease liabilities	21,465
Increase in corporate, administrative and other costs	(265,154)
	(275,678)

### Review of Financial Condition

#### Capital structure

In the 2022 financial year Mako issued the following securities:

#### Ordinary Shares

- 14/7/21 issue of 64,310,400 shares by way of a placement at \$0.08 per share
- 30/8/21 issue of 60,689,600 shares by way of a placement at \$0.08 per share

#### Options

- 30/8/21 issue of 4,000,000 unlisted 31/8/23 advisor options exercisable at \$0.12

At 30 June 2022, the Company had 382,241,602 ordinary shares on issue. The company also had 2,500,235 \$0.075 July 2022 options, 4,000,000 \$0.1725 September 2022 options, 4,000,000 \$0.12 August 2023 and 10,200,000 \$0.155 November 2023 options on issue. Subsequent to the end of the period the July 2022 options lapsed unexercised.

#### Treasury policy

The Company does not have a formally established treasury function. The Board is responsible for managing the Company's currency risks and finance facilities.

#### Liquidity and funding

The Company has a successful record of raising funds to enable it to undertake its exploration programs and it expects to raise funds in the near term to be utilised to progress its activities in the 22/23 financial year.

#### Dividends

No dividend was paid during the year and none is recommended as at 30 June 2022.

#### Significant Changes in the State of Affairs

There were no significant changes in the State of Affairs of the Consolidated Entity during the year apart from those items covered in the review of operations above. In particular COVID-19 delayed fieldwork activities, while the issue was being considered and addressed - but otherwise had limited financial impact.

#### Matters Subsequent to the End of the Financial Year

No matter or circumstance has arisen since 30 June 2022, that has significantly affected, or, may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in financial years subsequent to 30 June 2022.

## MAKO GOLD LIMITED ANNUAL REPORT 2022

### Likely Developments and Expected Results of Operations

There are no developments of which the directors are aware which could be expected to affect the results of the Consolidated Entity's operations in subsequent financial years other than information which the directors believe comment on or disclosure of, would prejudice the interests of the Consolidated Entity.

### Indemnification of Officers Directors or Auditor

The Company has entered into Deeds of Indemnity with each of the Directors. The contracts prohibit the disclosure of the nature of the liabilities covered and the amount of the premium paid. The Corporations Act 2001 does not require disclosure of this information in these circumstances. The Company has not indemnified its auditor.

### Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of those proceedings. The Consolidated Entity was not a party to any such proceedings during the year.

### Environmental Regulation and Performance

The Company held obligations under various exploration licences. There have been no known breaches of the obligations or licence conditions.

### Share Options

Details of options issued, exercised, and expired during and subsequent to the financial year are set out below:

Expiry Date	Exercise Price	Movements				Report Date
		1 July 2021	Issued	Exercised	Expired	
a) 5 July 2022	\$0.075	2,500,232	-	-	(2,500,232)	-
b) 30 September 2022	\$0.1725	4,000,000	-	-	-	4,000,000
c) 31 August 2023	\$0.12	-	4,000,000	-	-	4,000,000
d) 30 November 2023	\$0.155	10,200,000	-	-	-	10,200,000
		16,700,232	4,000,000	-	-	16,700,232

#### Option details

- Unlisted advisor options issued for corporate advisory services issued on 13/7/20 – expired unexercised 5/7/22
- Unlisted advisor options issued for corporate advisory services issued on 7/10/20
- Unlisted advisor options issued for corporate advisory services issued on 30/08/21
- Unlisted Company ESOP options issued to company personnel issued on 20/11/20

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

### Auditor

The Auditor's Independence Declaration is attached and forms part of the Director's Report for the year ended 30 June 2022. BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001. The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

The Board of Directors has considered the position and are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year the following fees were paid or are payable for non-audit services provided by the auditor of the parent entity, BDO Audit Pty Ltd and its related practices.

- \$2,600 in relation to taxation compliance and advice services

# MAKO GOLD LIMITED ANNUAL REPORT 2022

## Remuneration Report (Audited)

This report details the nature and amount of remuneration for Directors and Key Management Personnel of the Group.

### Remuneration Policy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Group must attract, motivate and retain highly skilled Directors and Executives.

### Remuneration Committee

The full Board are responsible for determining and reviewing compensation arrangements for the Directors and the Executive team.

The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and Executive team.

Officers are given the opportunity to receive their base emoluments in a variety of forms including cash and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the company.

### Remuneration structure

It is the Group's objective to provide maximum stakeholder benefit from the retention of a high-quality Board and Executive team by remunerating Directors and other Key Management Personnel fairly and appropriately with reference to relevant employment market conditions.

To assist in achieving this objective, the Board considers the nature and amount of Executive Directors' and Officers' emoluments alongside the Group's financial and operational performance. The expected outcomes of the remuneration structure are the retention and motivation of key Executives, the attraction of quality management to the Company and performance incentives which allow Executives to share the rewards of the success of the company.

In accordance with best practice corporate governance, the structure of Executive and Non-Executive Director remuneration is separate and distinct.

### Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level which provides the company with the ability to attract and retain Directors of the highest caliber, whilst incurring a cost which is acceptable to shareholders.

The Constitution of Mako Gold Limited and the ASX Listing Rules specify that the Non-Executive Directors are entitled to remuneration as determined by the Company in a General Meeting to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The maximum aggregate remuneration currently approved by shareholders for Directors' fees is for a total of \$300,000 per annum.

If a Non-Executive Director performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. Non-Executive Directors are entitled to be paid travel and other expenses properly incurred by them in attending Directors or General Meetings of the Company or otherwise in connection with the business of the Company.

The remuneration of Non-Executive Directors for the year ended 30 June 2022 is detailed in this Remuneration Report.

### Executive Director and Senior Management Remuneration

The Company aims to reward Executive Director and Senior Management with a level and mix of remuneration commensurate with their position and responsibilities within the company and so as to:

- reward Executives for Group and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of Executives with those of shareholders;
- link reward with the strategic goals and performance of the Group; and
- ensure total remuneration is competitive by market standards.

The remuneration of the Executive Director and Senior Management may from time to time be fixed by the Board. As noted above, the Board's policy is to align Executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering short-term and long-term incentives. The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.



## MAKO GOLD LIMITED ANNUAL REPORT 2022

Fixed remuneration is reviewed annually by the Board, and the process consists of a review of company wide and individual performance, relevant comparative remuneration in the market and internal, and where appropriate, external advice on policies and practices. No remuneration consultants were engaged during the year.

In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of the Company and the performance of the individual during the year.

The remuneration of the Executive Directors and Senior Management for the period ended 30 June 2022 is detailed in this Remuneration Report.

### Details of Directors and other Key Management – Mako Gold Limited

Name	Position	Period of Service
<b>Directors</b>		
Michele Muscillo	Non-Executive Chairman	Appointed 2/4/17, appointed as Chair 2/10/20
Peter Ledwidge	Managing Director	Appointed 4/6/15
Steven Zaninovich	Non-Executive Director	Appointed 2/10/20
Mark Elliott	Non-Executive Chairman	Appointed 1/3/17, resigned 2/10/20
<b>Key Management</b>		
Ann Ledwidge	General Manager Exploration	Appointed 4/6/15
Paul Marshall	CFO/Company Secretary	Appointed 17/4/17

### Employment contracts

It is the Board's policy that employment agreements are entered into with all Directors, Executives and employees. The current employment agreements with the Managing Director and with the General Manager Exploration have a three-month notice period. All other employment agreements have one month (or less) notice periods. No current employment contracts contain early termination clauses. All Non-Executive Directors have contracts of employment. None of these contracts have termination benefits.

#### Non-Executive Chairman Arrangements

Mr Michele Muscillo was appointed as Chairman on 2 October 2020 with the key terms of the arrangement:

- Ongoing contract – no fixed term;
- Fee of \$80,000 per annum;
- No notice period;
- Participation in Company ESOP.

#### Non-Executive Director Arrangements

The Company had a service arrangement with Mr Michele Muscillo as a Non-Executive Director of the Company commencing from 20 April 2017 until his appointment as Chairman on 2 October 2020. Mr Steven Zaninovich was appointed as a Non-Executive Director of the Company commencing from 2 October 2020. The key terms of the NED arrangement are:

- Ongoing contract – no fixed term;
- Fee of \$50,000 per annum;
- No notice period;
- Participation in Company ESOP.

#### Executive Director Arrangements

The Company entered into an employment contract with Mr Peter Ledwidge as Managing Director of the Company commencing from 1 March 2017. The key terms of the contract are:

- Ongoing contract – no fixed term;
- Salary of \$280,500 per annum as from October 2020 (prior to that the salary was \$255,000 per annum) inclusive of statutory superannuation;
- Four weeks annual leave;
- Annual bonus at the Board's discretion;
- Participation in Company ESOP;
- Three-month notice period.

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### General Manager Exploration Arrangements

The Company entered into an employment contract with Mrs Ann Ledwidge as General Manager Exploration of the Company commencing from 1 March 2017. The key terms of the contract are:

- Ongoing contract – no fixed term;
- Salary of \$225,500 per annum as from October 2020 (prior to then salary was \$205,000 per annum) inclusive of statutory superannuation;
- Four weeks annual leave;
- Annual bonus at the Board's discretion;
- Participation in Company ESOP
- Three-month notice period.

### Chief Financial Officer / Company Secretary Arrangements

The Company entered into a service arrangement with Mr Paul Marshall as Company Secretary and Chief Financial Officer of the Company commencing from 1 May 2017. The key terms of the arrangement are:

- Ongoing contract – no fixed term;
- Fee of \$114,400 per annum as from October 2020 - \$104,000 per annum prior to October 2020;
- Participation in Company ESOP
- One month notice period.

### **Key management personnel equity holdings**

#### **Shareholdings**

	Balance 1 July 2021	Acquired through capital raising	Acquired on market	Other additions /disposals/transfers	Balance 30 June 2022
<b>Directors</b>					
Peter Ledwidge*	8,014,862	-	-	-	8,014,862
Steven Zaninovich	180,000	-	-	-	180,000
Michele Muscillo	558,823	-	-	-	558,823
<b>Key Management</b>					
Ann Ledwidge*	8,014,862	-	-	-	8,014,862
Paul Marshall	625,000	-	-	-	625,000

\* Shares are jointly owned by Peter and Ann Ledwidge

#### **Unlisted 30/11/23 \$0.155 ESOP options**

	Balance 1 July 2021	Awarded in period	Exercised	Lapsed	Balance 30 June 2022	Vested and Exercisable	Unvested
<b>Directors</b>							
Peter Ledwidge	2,000,000	-	-	-	2,000,000	666,667	1,333,333
Steven Zaninovich	1,000,000	-	-	-	1,000,000	333,334	666,666
Michele Muscillo	1,500,000	-	-	-	1,500,000	500,000	1,000,000
<b>Key Management</b>							
Ann Ledwidge	1,500,000	-	-	-	1,500,000	500,000	1,000,000
Paul Marshall	1,000,000	-	-	-	1,000,000	333,334	666,666

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**Remuneration of Directors and other Key Management Personnel – 2022**

	Salary/ Director fees	Short Term Benefits		Leave benefits	Post Employment Benefits	Equity Based Benefits	Total	Performance Related %	% of bonus forfeited
		Consulting fees	Non-monetary benefits		Superannuation	Options			
<b>Directors</b>									
Peter Ledwidge	255,000	-	-	(1,172)	25,500	38,568	317,896	12.13%	-
Michele Muscillo	80,000	-	-	-	-	28,926	108,926	26.56%	-
Steven Zaninovich	50,000	-	-	-	-	19,284	69,284	27.83%	-
<b>Key Management</b>									
Ann Ledwidge	205,000	-	-	(2,491)	20,500	28,926	251,935	11.48%	-
Paul Marshall	114,400	-	-	-	-	19,284	133,684	14.42%	-
	<b>704,400</b>	<b>-</b>	<b>-</b>	<b>(3,662)</b>	<b>46,000</b>	<b>134,987</b>	<b>881,725</b>		

**Remuneration of Directors and other Key Management Personnel – 2021**

	Salary/ Director fees	Short Term Benefits		Leave benefits	Post Employment Benefits	Equity Based Benefits	Total	Performance Related %	% of bonus forfeited
		Consulting fees	Non-monetary benefits		Superannuation	Options			
<b>Directors</b>									
Mark Elliott	40,000	-	-	-	-	-	40,000	-	-
Peter Ledwidge	250,342	-	-	8,222	23,783	33,678	316,025	10.66%	-
Michele Muscillo	72,500	-	-	-	-	25,258	97,758	25.84%	-
Steven Zaninovich	37,500	-	-	-	-	16,839	54,339	30.99%	-
<b>Key Management</b>									
Ann Ledwidge	200,913	-	-	5,007	19,087	25,258	250,265	10.09%	-
Paul Marshall	111,800	-	-	-	-	16,839	128,639	13.09%	-
	<b>713,056</b>	<b>-</b>	<b>-</b>	<b>13,229</b>	<b>42,869</b>	<b>117,872</b>	<b>887,026</b>		

There were no termination benefits paid or accrued for the years ended 30 June 2022 or 2021.

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**Transactions with related parties**

**Transactions with Key Management Personnel related parties**

Transaction	Entity	Association	2022 \$	2021 \$
Legal services	HopgoodGanim	Michele Muscillo	46,662	79,877

Mr Michele Muscillo is a partner of HopgoodGanim solicitors. All of the above transactions were based on normal commercial terms and conditions.

**Trade and other payable balances with related parties**

Nature	Entity	Association	2022 \$	2021 \$
Legal services	HopgoodGanim	Michele Muscillo	-	3,300
Director fees	Michele Muscillo	Michele Muscillo	6,667	6,667
Director fees	Zivvo Pty Ltd	Steven Zaninovich	4,167	4,167

**Loans to related parties**

There were no loans provided to related parties.

**FY2020 Long Term ESOP Plan**

The Company implemented an updated policy in respect of, board, executive and employee remuneration in the 2021 financial year. The goal is to ensure that the mix and balance of remuneration is appropriate to attract, motivate and retain high calibre directors, senior executives and key management personnel, utilising a policy that is consistent with the Company's business strategy and contemporary corporate governance standards. As part of this review, the Directors resolved to implement an ESOP options scheme for Directors and management. Director participation was approved at the 2020 AGM and the scheme was implemented in November 2020. Remuneration under the Plan is in the form of unlisted 3 year options with an exercise price set at a 50% premium to the share price on the date of AGM approval. Each option that vests and is exercised converts to an ordinary share in the Company at a price of \$0.155. The options will vest on the basis of 1/3 of the total grant at each of 12, 24 and 30 months after their issue date.

Goals of the ESOP Plan

The ESOP Plan is designed to reward and motivate Directors and senior management for superior company performance over a three-year performance period.

The principal goals of the Plan are to:

- Focus Directors and senior management on long term outcomes;
- Retain key, high performing management;
- Align reward with shareholders' interests by payment in equity.

Fair value of options granted

The Company has undertaken a valuation of the Director Options utilising the Black-Scholes Model. Inherent in the application of the Black-Scholes Model are a number of inputs, some of which must be assumed. The data relied upon in the valuation applying the Black-Scholes Model is noted below:

Item	ESOP Options
Underlying security spot price	\$0.105
Exercise price	\$0.155
Valuation date	12/11/2020
Commencement of vesting period	1/12/20
Vesting dates	30/11/2021, 30/11/2022 and 30/05/2023
Vesting period (years)	1, 2 and 2.5 years
Expiry date	30/11/2023
Life of the Options (years)	3
Expected term (years)	2.41575
Volatility	90%
Risk-free rate	0.11%
Dividend yield	0
Valuation per Option	\$0.0446

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The value of options granted, exercised and lapsed in the current year is set out in the below table.

	Nos Granted	Total Value Granted	Value in Reporting Period	Value still to be recognised	Value Lapsed
<b>Directors</b>					
Peter Ledwidge	2,000,000	\$89,200	\$38,568	\$16,951	-
Steven Zaninovich	1,000,000	\$44,600	\$19,284	\$8,475	-
Michele Muscillo	1,500,000	\$66,900	\$28,926	\$12,713	-
<b>Key Management</b>					
Ann Ledwidge	1,500,000	\$66,900	\$28,926	\$12,713	-
Paul Marshall	1,000,000	\$44,600	\$19,284	\$8,475	-

No shares were issued on exercise of options issued as part of remuneration in 2022.

**Relationship between remuneration and Company performance**

The factors that are considered to affect shareholder return in the past 5 years are summarised below:

Measures	2022 \$	2021 \$	2020 \$	2019 \$	2018 \$
Share price at end of financial year	0.059	0.084	0.105	0.08	0.22
Market capitalisation at end of financial year (\$M)	22.55	21.61	11.9	6.12	13.92
Net Profit/(loss) for the financial year	(1,434,143)	(1,488,024)	(1,651,992)	(1,127,580)	(673,764)
Basic and diluted earnings per share (cents)	(0.39)	(0.63)	(1.74)	(1.76)	(1.34)
Director and Key Management Personnel remuneration	881,725	887,026	710,891	696,516	468,857

Fixed remuneration is not linked to Group performance. It is set with reference to the individual's role, responsibilities, and performance and remuneration levels for similar positions in the market. The Board will consider the Consolidated Entity's performance in the above matters when setting remuneration along with other factors relevant to an exploration company including the following:

- the identification/acquisition of prospective tenements;
- subsequent design and execution of exploration programs;
- negotiating joint venture arrangements on terms favorable to the Company;
- establishing and expanding the level of mineral resources under the control of the company; and
- carrying out exploration and development programs in a timely and cost effective manner.

No dividends were paid by Mako Gold Limited nor was there any return of capital over the past 5 years.

----- **END OF REMUNERATION REPORT (AUDITED)** -----

Signed in accordance with a resolution of the Board of Directors



**M Muscillo**  
Chairman  
Brisbane, 29 September 2022

**MAKO GOLD LIMITED  
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**DECLARATION OF C R JENKINS TO THE DIRECTORS OF MAKO GOLD LIMITED**

As lead auditor of Mako Gold Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mako Gold Limited and the entities it controlled during the year.

A handwritten signature in black ink, appearing to read 'C R Jenkins', is written over a horizontal line.

**C R Jenkins**  
Director

**BDO Audit Pty Ltd**

Brisbane, 29 September 2022

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## Additional ASX Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 19 September 2022.

### Voting Rights

All fully paid ordinary shares carry one vote per share without restriction.

### Distribution of equity securities

#### MKG – Ordinary Fully Paid Shares

Number of Securities Held	No's of holders
1 to 1,000	35
1,001 to 5,000	74
5,001 to 10,000	261
10,001 to 100,000	850
100,001 and over	424
Total	<u>1,644</u>
Number of unmarketable parcels	<u>217</u>

### Twenty largest holders

#### MKG – Ordinary Fully Paid Shares

No.	Name of Shareholder	Holding	% Held
1	CITICORP NOMINEES PTY LIMITED	52,419,330	13.71%
2	SPARTA AG	37,500,000	9.81%
3	DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	11,228,261	2.94%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,731,779	2.81%
5	MR TERRANCE FREDERICK BURLING	10,668,403	2.79%
6	EQUITY TRUSTEES LIMITED	10,017,392	2.62%
7	MR PETER FRANCIS RENE LEDWIDGE & MRS ANN LOUISE LEDWIDGE	7,533,433	1.97%
8	BNP PARIBAS NOMS PTY LTD	6,140,580	1.61%
9	HUON PINE PTY LTD	5,822,072	1.52%
10	MR DAVID HARPER	5,700,000	1.49%
11	WFC NOMINEES AUSTRALIA PTY LTD	5,672,256	1.48%
12	MRS GURPRIYA SINGH	5,600,000	1.47%
13	MR ZBIGNIEW WALDEMAR LUBIENIECKI	5,445,653	1.42%
14	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	5,269,744	1.38%
15	BNP PARIBAS NOMINEES PTY LTD	4,848,871	1.27%
16	PABASA PTY LTD	3,850,000	1.01%
17	ROBBIE HUNT PTY LTD	3,847,530	1.01%
18	RASK PTY LTD	3,713,284	0.97%
19	BERTO NOMINEES PTY LTD	3,706,492	0.97%
20	ABBOTSLEIGH PTY LTD	3,571,429	0.93%
	<b>Total</b>	<b><u>203,286,509</u></b>	<b><u>53.18%</u></b>

### Substantial Shareholders

The company has received the following shareholder notices as at 19 September 2022:

- Dundee Resources Limited 9.9% - 37,841,919 shares
- Sparta AG and Delphi Unternehmensberatung Aktiengesellschaft 12.75% - 48,728,261 shares

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### Unquoted Securities

There are the following unquoted securities as at 17 September 2022. Each option is convertible into one fully paid ordinary share.

Nos	Option Terms
4,000,000	Unlisted \$0.1725 options expiry date 30/9/22 – 50% held by Horizon Investment Services Pty Ltd and L39 Pty Ltd
4,000,000	Unlisted \$0.12 options expiry date 31/8/23 – 50% held by Horizon Investment Services Pty Ltd and 50% held by Goodman & Company Investment Counsel Inc
10,200,000	Unlisted \$0.155 options expiry date 30/11/23 – no holder has 20% or more of the options issued.

### Interests in Mining Tenements

Mako Gold Limited held the following interests in mining and exploration tenements as at 17 September 2022:

Location	Permit Name	Permit Number	Legal Holder	Mako Interest	Status
Côte d'Ivoire	Napié	PR281	Occidental Gold SARL	Earning up to 75% Agreement signed with Perseus Mining to acquire 90%	Granted Exceptional renewal granted to Occidental Gold and transfer from Occidental Gold to Mako CI lodged by Occidental Gold
Côte d'Ivoire	Ouangolodougou	PR 867	Mako Côte d'Ivoire SARLU	100% ownership	Granted
Côte d'Ivoire	Korhogo Nord	PR862	Mako Côte d'Ivoire SARLU	100% ownership	Granted

Napié: On 7th September 2017 Mako Gold Limited signed a Farm-In and Joint Venture Agreement with Occidental Gold SARL. The agreement gives Mako the right to earn 51% of the Napié Permit by pending US\$1.5M on the property within three years and the right to earn 75% by sole funding the property to completion of a Feasibility Study. Mako completed the expenditure requirement to earn the initial 51% in 2019. On 29 June 2021 Mako announced that it has signed a binding agreement with Perseus Mining Limited to acquire their 39% interest in Napié. Upon Completion of the agreement Mako will have 90% ownership of the permit. The transfer of the Napié permit from Occidental Gold SARL to Mako Côte d'Ivoire SARLU was lodged with the Ministry of Mines on 27 July 2021. The exceptional renewal of the Napié permit for a further two years was granted to Occidental Gold SARL on 1 March 2022.

Korhogo Nord: The decree for the granting of the permit application was received on 25 September 2020. The size of the permit is 185km<sup>2</sup>. Mako Côte d'Ivoire SARLU, a 100%-owned Côte d'Ivoire subsidiary of Mako Gold Limited, holds 100% interest in the Korhogo Nord permit.

Ouangolodougou: The decree for the granting of the permit application was received on 19 January 2021. The size of the permit is 111km<sup>2</sup>. Mako Côte d'Ivoire SARLU, a 100%-owned Côte d'Ivoire subsidiary of Mako Gold Limited, holds 100% interest in the Korhogo Nord permit.

### ANNUAL MINERAL RESOURCE STATEMENT

In accordance with ASX Listing Rule 5.21, the Company reviews and reports its Mineral Resources at least annually. The date of reporting is 30 June each year, to coincide with the Company's end of financial year balance date. If there are any material changes to its Mineral Resources over the course of the year, the Company is required to promptly report these changes.

#### Material Changes and Resource Statement Comparison

Mako Gold Limited completed its initial JORC Resource at the Napié project in the year ending 30 June 2022 with a maiden JORC compliant (2012 edition) Inferred Mineral Resource Estimate (MRE) of 22.45Mt at 1.20g/t Au for 868,000 contained ounces of gold on the Tchaga and Gogbala prospects, within the Company's flagship Napié Project (refer to ASX Announcement "Mako Delivers 868koz Maiden Resource to Provide Strong Growth Platform at Napié" released to the Australian Securities Exchange on 14 June 2022 and available to view on [www.makogold.com.au](http://www.makogold.com.au).)

Deposit	Category	Tonnes (Mt)	Grade (g/t Au)	Au (koz)
Tchaga	Inferred	14.6	1.16	545
Gogbala	Inferred	7.8	1.29	323
<b>Global Resource</b>	<b>Total</b>	<b>22.5</b>	<b>1.20</b>	<b>868</b>

*Resources reported at a cut-off grade of 0.6g/t gold. Differences may occur in totals due to rounding.*



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### **Governance Arrangements and Internal Controls**

Mako has ensured that the processes for any Mineral Resources quoted are subject to good governance arrangements and internal controls. Any Mineral Resources to be reported will be generated by suitably qualified personnel who are experienced in best practices in modelling and estimation methods along with reviewing the quality and suitability of the underlying information used to determine the resource estimate.

### **Competent Persons Statement**

The information in this Annual Report that relates to Exploration Results and Mineral Resources is based on information compiled and/or reviewed by Mrs Ann Ledwidge B.Sc.(Hon.) Geol., MBA, who is a Member of The Australasian Institute of Geoscientists (AIG). Mrs Ledwidge is a full-time employee and a shareholder of the Company. Mrs Ledwidge has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mrs Ledwidge consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	<b>Note</b>	<b>Consolidated 2022 \$</b>	<b>2021 \$</b>
Other Income/(Expenses)	2	1,623	40,261
Write off of exploration expenditure	3, 7	-	(263,257)
Amortisation expenses	3	(39,232)	(59,188)
Finance expenses	3	(798)	(2,307)
Share based payments	21	(246,857)	(313,159)
Employment and consultancy expenses	3	(383,805)	(390,454)
Corporate and other expenses	3	(765,074)	(499,920)
<b>Loss before tax</b>		<b>(1,434,143)</b>	<b>(1,488,024)</b>
Income tax expense	4	-	-
<b>Loss for the year</b>		<b>(1,434,143)</b>	<b>(1,488,024)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation differences for foreign operations		(2,006)	(1,486)
Income tax expense		-	-
Other comprehensive income for the period, net of tax		(2,006)	(1,486)
<b>Total comprehensive income for the year attributable to: Owners of Mako Gold Limited</b>		<b>(1,436,149)</b>	<b>(1,489,510)</b>
<b>Loss per share</b>			
Basic and diluted loss per share (cents per share)	18	(0.39)	(0.63)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**MAKO GOLD LIMITED**  
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**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE 2022**

	Note	Consolidated	
		2022 \$	2021 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	2,863,555	4,526,260
Short term investment		28,600	42,900
Trade and other receivables	6	191,009	254,470
Exploration and evaluation assets held for sale	7	-	946,744
Other current assets		61,821	92,112
<b>Total Current Assets</b>		<u>3,144,985</u>	<u>5,862,486</u>
<b>Non-Current Assets</b>			
Right of use assets		212,928	9,863
Exploration and evaluation assets	9	24,839,284	13,782,543
<b>Total Non-Current Assets</b>		<u>25,052,212</u>	<u>13,792,406</u>
<b>Total Assets</b>		<u>28,197,197</u>	<u>19,654,892</u>
<b>Current Liabilities</b>			
Trade and other payables	10	1,613,119	1,700,666
Lease liabilities	11	41,280	11,602
Provisions	12	205,015	163,793
<b>Total Current Liabilities</b>		<u>1,859,414</u>	<u>1,876,061</u>
<b>Non-Current Liabilities</b>			
Lease liabilities	11	193,597	-
<b>Total Non-Current Liabilities</b>		<u>193,597</u>	<u>-</u>
<b>Total Liabilities</b>		<u>2,053,011</u>	<u>1,876,061</u>
<b>Net Assets</b>		<u>26,144,186</u>	<u>17,778,831</u>
<b>Equity</b>			
Share capital	13	31,734,331	22,334,291
Reserves	14	874,635	475,177
Accumulated losses	14	(6,464,780)	(5,030,637)
<b>Total Equity</b>		<u>26,144,186</u>	<u>17,778,831</u>

The above consolidated balance sheet should be read in conjunction with the accompanying notes

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2022**

Consolidated	Share Capital	Foreign Currency translation Reserve	Share Based Payment Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
<b>At 1 July 2020</b>	10,010,875	200	111,583	(3,542,613)	6,580,045
<b>Comprehensive income</b>					
Loss after income tax	-	-	-	(1,488,024)	(1,488,024)
Foreign currency translation differences of foreign operations	-	(1,486)	-	-	(1,486)
<b>Total comprehensive income</b>	-	(1,486)	-	(1,488,024)	(1,489,510)
<b>Transactions with owners in their capacity as owners</b>					
Shares issued during the year	13,090,691	-	-	-	13,090,691
Share issue costs	(767,275)	-	-	-	(767,275)
Share based payments	-	-	364,880	-	364,880
<b>Total</b>	12,323,416	-	364,880	-	12,688,296
<b>At 30 June 2021</b>	<b>22,334,291</b>	<b>(1,286)</b>	<b>476,463</b>	<b>(5,030,637)</b>	<b>17,778,831</b>
<b>At 1 July 2021</b>	22,334,291	(1,286)	476,463	(5,030,637)	17,778,831
<b>Comprehensive income</b>					
Loss after income tax	-	-	-	(1,434,143)	(1,434,143)
Foreign currency translation differences of foreign operations	-	(2,006)	-	-	(2,006)
<b>Total comprehensive income</b>	-	(2,006)	-	(1,434,143)	(1,436,149)
<b>Transactions with owners in their capacity as owners</b>					
Shares issued during the year	10,000,000	-	-	-	10,000,000
Share issue costs	(599,960)	-	-	-	(599,960)
Share based payments	-	-	401,463	-	401,463
<b>Total</b>	9,400,040	-	401,463	-	9,801,503
<b>At 30 June 2022</b>	<b>37,734,331</b>	<b>(3,291)</b>	<b>877,926</b>	<b>(6,464,780)</b>	<b>26,144,186</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Consolidated	
		2022 \$	2021 \$
<b>Cash Flows from Operating Activities</b>			
Receipts – COVID Cashflow Boost		-	50,000
Payments to suppliers and employees		(1,118,206)	(990,974)
Interest received		1,623	2,761
Interest paid		(798)	-
<b>Net Cash Used in Operating Activities</b>	15	<u>(1,117,381)</u>	<u>(938,213)</u>
<b>Cash Flow from Investing Activities</b>			
Receipt for sale of project	7	946,744	-
Payments for exploration & development		(10,885,380)	(7,092,868)
Proceeds from Short term investment	15	14,300	-
<b>Net Cash Flow Used in by Investing Activities</b>		<u>(9,924,336)</u>	<u>(7,092,868)</u>
<b>Cash Flow from Financing Activities</b>			
Proceeds from issue of shares	13	10,000,000	12,784,542
Share issue expenses	13	(599,960)	(767,275)
Principal payments of lease payments	15	(19,022)	(61,245)
<b>Net Cash Flow from Financing Activities</b>		<u>9,381,018</u>	<u>11,956,022</u>
Net increase/(decrease) in cash held		(1,660,699)	3,924,941
Net foreign exchange differences		(2,006)	(1,486)
Cash at the beginning of the financial year		4,526,260	602,805
<b>Cash at the end of the financial year</b>	15	<u><u>2,863,555</u></u>	<u><u>4,526,260</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

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# MAKO GOLD LIMITED - ANNUAL REPORT 2022

## Notes to the Financial Statements

### 1. CORPORATE INFORMATION

#### Introduction

Mako Gold Limited is incorporated and domiciled in Australia.

#### *Operations and principal activities*

Principal activities comprise of acquisition of projects for mineral exploration and development.

#### *Scope of financial statements*

The consolidated financial statements consist of Mako Gold Limited (the 'Company' or 'Mako') and the entities it controlled (the 'Group' or 'consolidated entity') at the end of, or during, the year ended 30 June 2022.

#### *Currency*

The financial report is presented in Australia dollars and rounded to the nearest one dollar.

#### *Authorisation of financial report*

The financial report was authorised for issue on 29 September 2022.

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations as issued by the Australian Accounting Standards Board and the Corporations Act 2001. Mako Gold Limited is a for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### *Compliance with IFRS*

The consolidated financial statements of Mako Gold Limited group also comply with International Financial Reporting Standards and Interpretations (IFRS) as issued by the International Accounting Standards Board (IASB).

#### *Historical cost convention*

These financial statements have been prepared under the historical cost convention.

#### *Critical accounting estimates and judgements*

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

#### *Key judgements – exploration & evaluation assets*

The consolidated entity performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to balance date.

The Directors have assessed that for the exploration and evaluation assets recognised at 30 June 2022, the facts and circumstances do not suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount.

#### *Going concern basis for accounting*

The Group does not generate revenue to fund operations and ongoing investment in exploration activities. The ability of the Group to continue as a going concern is dependent on its ability to raise additional equity.

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group achieved a net loss of \$1,434,143 (and net operating cash and investing outflows of \$11,041,717 for the year ended 30 June 2022. As at 30 June 2022 the Group had a total cash balance of \$2,863,555 and it will be seeking to raise further funds in the near term.

The ability of the Group to continue as a going concern is principally dependent upon the following conditions:

- the ability of the Group to successfully raise capital, as and when necessary; and
- the ability to complete successful development and commercialisation of its projects in West Africa.

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## Notes to the Financial Statements

These conditions give rise to a material uncertainty which may cast significant doubt over the ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the Company's proven history of successfully raising funds. Since the start of the 2022 financial year to the date of this report Mako has raised a total of \$10,000,000 from the issue of shares.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

### Principles of Consolidation

#### *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the consolidated entity.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and balance sheet respectively.

### Foreign Currencies

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Exchange differences arising from the translation of financial statements of foreign subsidiaries are taken to the foreign currency translation reserve at the balance date.

### Exploration and Evaluation Assets

#### *Costs carried forward*

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but does not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

#### *Restoration costs*

Restoration costs that are expected to be incurred are provided for as part of the cost of the exploration, evaluation, development, construction and production phases that give rise to the need for restoration. Accordingly, these costs are recognised gradually over the life of the facility as these phases occur. The costs include obligations relating to reclamation, waste site closure, plant closure and other costs associated with the restoration of the site. In determining the restoration obligations, the Group has assumed no significant changes will occur in the relevant Federal and State legislation in relation to restoration of such mines in the future.

## MAKO GOLD LIMITED - ANNUAL REPORT 2022

### Notes to the Financial Statements

Both for close down and restoration and for environmental clean-up costs, provision is made in the accounting period when the related disturbance occurs, based on the net present value of estimated future costs.

For close down and restoration costs, which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas, movements in provision other than the amortisation of the discount, such as those resulting from changes in the cost estimates, lives of operations or discount rates, are capitalised into the carrying amount of development and amortised against future production.

#### Other Income

##### *Interest revenue*

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimate future cash receipts through the expected life of the financial asset to that asset's net carrying value.

##### *Government grants*

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

#### Taxes

##### *Income taxes*

The income tax expense or benefit for the period is the tax payable on the current periods taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the GST incurred on a purchase of goods or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable, and except for receivables and payables which are stated inclusive of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the taxation authority are classified as operating cash flows. The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables in the balance sheet. Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.

#### Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits at call with financial institutions and other highly liquid investments with short periods to maturity of three months or less which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.



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## Notes to the Financial Statements

### Exploration and evaluation assets held for sale

Exploration assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the on-current asset is recognised at the date of derecognition.

### Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received. Interest, when charged by the lender, is recognised as an expense on an accruals basis. Trade account payables are usually settled on a 30 day basis.

### Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

### Employee Benefits

#### *(i) Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and any vesting sick leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

#### *(ii) Long service leave*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wages and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on Australian Corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

### Share-Based Payments

The Group may provide benefits to Directors, employees or consultants in the form of share-based payment transactions, whereby services may be undertaken in exchange for shares or options over shares ("equity-settled transactions").

The fair value of options granted to Directors, employees and consultants is recognised as an employee benefit expense with a corresponding increase in equity (share option reserve). The fair value is measured at grant date and recognised over the period during which the recipients become unconditionally entitled to the options. Fair value is determined using a Black-Scholes option pricing model. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the profit or loss. If new options are substituted for the cancelled options and designated as a replacement, the combined impact of the cancellation and replacement options are treated as if they were a modification.

### Loss per Share

#### *Basic earnings per share*

Basic earnings per share is determined by dividing net profit after income tax attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of

## MAKO GOLD LIMITED - ANNUAL REPORT 2022

### Notes to the Financial Statements

the ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### **Parent entity financial information**

The financial information for the parent entity, Mako Gold Limited, disclosed in note 23 has been prepared on the same basis as the consolidated financial statements, except as set out below.

#### *(i) Investments in subsidiaries*

Investments in subsidiaries are accounted for at cost in the individual financial statements of the parent entity.

#### **Leases**

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, which includes: fixed payments (including in substance fixed payments), less any incentives receivable; variable lease payments that depend on index or a rate, residual value guarantees, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

#### **New or amended Accounting Standards and Interpretations adopted**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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**Notes to the Financial Statements**

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**New Standards and Interpretations issued but not yet effective**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods. The Consolidated Entity has decided against early adoption of these standards. The Consolidated Entity has assessed the impact of these new standards and interpretations and does not expect that there would be a material impact on the Consolidated Entity in the current or future reporting periods and on foreseeable future transactions.

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**Notes to the Financial Statements**

	<b>Consolidated Entity</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
<b>2. OTHER INCOME</b>		
<b>Other income</b>		
COVID Cashflow Boost	-	37,500
Bank interest income	1,623	2,761
	1,623	40,261

**Subsidies**

During the financial year end 2021, the Group received COVID-19 related support subsidies from the Australian Government as outlined below:

			<b>2022</b>	<b>2021</b>
<b>Government Subsidy</b>	<b>Start Date</b>	<b>Program Duration</b>		
Australia Cashflow Boost	31/03/2020	6 months	-	\$37,500

**3. EXPENSES**

Loss from ordinary activities before income tax includes the following specific items:

Amortisation - Right of use asset	39,232	59,188
Finance cost – Lease liabilities	798	2,307
Exploration expenses written off	-	263,257
Share based payment expense	246,857	313,159
<b>Other Expenses</b>		
Corporate compliance costs	185,327	227,167
Conferences and marketing costs	264,520	91,054
Legal and corporate advice	189,516	150,699
Other general administrative expenses	125,711	30,999
	765,054	499,920
<b>Employee and consultancy expenses</b>		
Employee and Consultancy expenses	371,900	377,268
Defined contribution superannuation expense	12,750	10,969
Other employee benefits expenses	(845)	2,217
Total employee benefits expenses	383,805	390,454

	<b>Consolidated Entity</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$

**4. INCOME TAX**

A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate for the years ended 30 June 2022 and 2021 is as follows:

Accounting (loss) before income tax from continuing operations	(1,434,143)	(1,488,024)
At the statutory income tax rate of 25% (2021: 26%)	(358,536)	(386,886)
Overseas losses not deductible	-	68,447
Non-deductible expenses	86,593	80,887
Deferred tax assets not brought to account	271,943	237,553
Income tax expense	-	-

**Current tax liabilities**

Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority. The Consolidated Entity did not have any current tax liabilities at 30 June 2022 (2021: Nil).

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**Notes to the Financial Statements**

**4. INCOME TAX (continued)**

	<b>Consolidated Entity</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Unrecognised temporary differences and tax losses</b>		
Unused tax losses and temporary differences for which no deferred tax asset has been recognised	7,040,674	4,526,916
<b>Recognised temporary differences and tax losses</b>		
Exploration expenditure	-	-
Provisions	-	-
Other	-	-
Tax losses carried forward	-	-
<b>Net deferred tax liability/(asset)</b>	-	-

There are no franking credits available (2021: nil).

	<b>Consolidated Entity</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>5. CASH AND CASH EQUIVALENTS (CURRENT)</b>		
Cash at bank and on hand	2,863,555	4,526,260

**6. TRADE AND OTHER RECEIVABLES (CURRENT)**

Niou tenement costs to be refunded (refer to note 7)	-	221,845
Other receivables	191,009	32,625
	191,009	254,470

	<b>Consolidated Entity</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>7. EXPLORATION ASSETS HELD FOR SALE</b>		
Exploration assets held for sale	-	946,744
<u>Reconciliation</u>		
Project Expenditure at sale agreement/brought forward	946,744	1,023,555
Receipt of sale proceeds	(946,744)	-
Expenditure on project	-	186,446
Written-off during the period	-	(263,257)
	-	946,744

In June 2020 Mako signed an agreement to sell the Niou project in Burkina Faso. Mako received the US\$700,000 cash consideration in August 2021 following the transfer being approved by the Cadastre Minier and Minister of Mines of Burkina Faso. Mako retains a 1% NSR if Nordgold discovers a resource of at least 2Moz gold and advances the resource to production. Nordgold has the right to repurchase the NSR for US\$4.5M at any time.

Payment in full, of the carrying amount as at 30 June 2021, was received in August 2021. In addition Mako also received the costs of \$221,845, incurred in relation to the tenement and its transfer, recorded in trade receivables as at 30 June 2021. Mako expensed \$263,257 in relation to the project during the 2021 year to record the carrying value at 30 June 2021 as \$946,744.

**8. INVESTMENTS IN CONTROLLED ENTITIES**

	<b>Percentage of equity interest</b>	
Investments held by Mako Gold Limited:	<b>2022</b>	<b>2021</b>
Subsidiary company incorporated in Burkina Faso	<b>%</b>	<b>%</b>
Mako Gold SARL (incorporated in Burkina Faso)	100	100
Mako Côte d'Ivoire SARL (incorporated in Côte d'Ivoire)	100	100

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**Notes to the Financial Statements**

	<b>Consolidated Entity</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$

**9. EXPLORATION AND EVALUATION ASSETS (NON CURRENT)**

Exploration costs carried forward in respect of areas of interest

- Exploration phase	24,839,284	13,782,543
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Reconciliation

Exploration expenditure capitalised

- Opening balance	13,782,543	5,275,466
- Current year expenditure	9,479,813	7,991,189
- Foreign exchange on intercompany balances	1,576,928	515,888
Carried forward	24,839,284	13,782,543

Included in the total capitalised exploration expenditure is an amount of \$134,533 (2021: \$111,701) that relates to computer equipment, software and other field exploration equipment. All of these items are being utilised solely for exploration purposes in West Africa.

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of areas of interest, and the sale of minerals or the sale of the respective areas of interest.

	<b>Consolidated Entity</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$

**10. TRADE AND OTHER PAYABLES (CURRENT)**

Trade creditors	1,434,861	1,419,989
Other payables and accruals	178,258	280,677
	1,613,119	1,700,666

Terms and conditions relating to the above financial instruments

- (i) Trade creditors are unsecured, non-interest bearing and are normally settled on 30-60 day terms
- (ii) Other creditors are unsecured, non-interest bearing
- (iii) Details of the terms and conditions of related party payables are set out in note 20.

	<b>Consolidated Entity</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$

**11. LEASE LIABILITY**

Current lease liability	41,280	11,602
Non-current lease liability	193,597	-

	<b>Consolidated Entity</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$

**12. PROVISIONS (CURRENT)**

Employee Benefits	205,015	163,793
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	<b>Consolidated Entity</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$

**13. CONTRIBUTED CAPITAL**

**(a) Issued and paid up capital**

Ordinary shares fully paid	31,734,331	22,334,291
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**Notes to the Financial Statements**

**13. CONTRIBUTED CAPITAL (CONT)**

(b) Movement in shares on issue	2022		2021	
	Nos of shares	\$	Nos of shares	\$
Ordinary shares fully paid				
Beginning of the financial year	257,241,602	22,334,291	113,017,227	10,010,875
Increases				
- Placement of shares to subscribers (1)	125,000,000	10,000,000	-	-
- Placement of shares to subscribers (2)	-	-	53,665,125	2,683,256
- Shares re drill for equity agreement (3)	-	-	2,589,872	306,149
- Placement of shares to subscribers (4)	-	-	86,956,522	10,000,000
- Exercise of unlisted options (5)	-	-	1,012,856	101,286
- Costs of share issues (6)	-	(599,960)	-	(767,274)
	<b>382,241,602</b>	<b>31,734,331</b>	<b>257,241,602</b>	<b>22,334,291</b>

- (1) Placement of shares at \$0.08 per share  
(2) Placement of shares at \$0.05 per share  
(3) Issue of shares to Geodrill re Napié Drilling 2,589,872 - 663,912 at \$.08, 1,393,788 at \$0.13 and 532,172 at \$0.135. Under an agreement approved at the 2019 AGM the Company was authorised (up to 14 November 2020) to issue up to 5,000,000 Shares to Geodrill Ltd as payment for drilling services supplied. Mako had the option to pay invoices 50% in cash and 50% via the issue of shares, at an issue price equal to the 15-day VWAP immediately prior to the date of the invoice.  
(4) Placement of shares at \$0.115 per share  
(5) Exercise of unlisted 30/11/20 \$0.10 options  
(6) Costs in relation to issue of shares.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Ordinary shares do not have a par value.

**(c) Capital management**

The capital structure of the consolidated entity consists of equity attributable to equity holders of the Parent Entity, comprising share capital and reserves as disclosed in the Statement of Changes in Equity. When managing capital, management's objective is to ensure the consolidated entity continues as a going concern and to maintain a structure that ensures the lowest cost of capital available and to ensure adequate capital is available for exploration and evaluation of tenements. In order to maintain or adjust the capital structure, the Group may seek to issue new shares. Consistent with other exploration companies, the Group and the parent entity monitor capital on the basis of forecast exploration and evaluation expenditure required to reach a stage which permits a reasonable assessment of the existence or otherwise of an economically recoverable reserve.

**(d) Options**

Details of options issued, exercised and expired during the financial period are set out below:

Each option is convertible into one fully paid ordinary share on or before the expiry date

Expiry Date	Exercise Price	1-Jul-21	Issued	Exercised	Expired	30-Jun-22
Unlisted 5/7/22 (1)	\$0.075	2,500,235	-	-	-	2,500,235
Unlisted 30/9/22 (2)	\$0.1725	4,000,000	-	-	-	4,000,000
Unlisted 31/8/23 (3)	\$0.12	-	4,000,000	-	-	4,000,000
Unlisted 30/11/23 (4)	\$0.155	10,200,000	-	-	-	10,200,000
		<b>16,700,235</b>	<b>4,000,000</b>	<b>-</b>	<b>-</b>	<b>20,700,235</b>

- (1) Issue of 2,500,235 5/7/22 unlisted \$0.075 options as a fee for ongoing corporate advisory services  
(2) Issue of 4,000,000 30/9/22 unlisted \$0.1725 options as a fee for ongoing corporate advisory services  
(3) Issue of 4,000,000 31/8/23 unlisted \$0.12 options as a fee for ongoing corporate advisory services  
(4) Issue of 10,200,000 30/11/23 unlisted \$0.155 options in relation to company ESOP.

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	<b>Consolidated Entity</b>	<b>2021</b>
	<b>2022</b>	<b>2021</b>
	\$	\$
<b>14. ACCUMULATED LOSSES &amp; RESERVES</b>		
<b>(a) Accumulated losses</b>		
Balance at the beginning of the year	(5,030,638)	(3,542,613)
Net profit/(loss) attributable to members of Mako Gold Limited	(1,434,143)	(1,488,024)
Balance at end of year	(6,464,781)	(5,030,638)
<b>Foreign currency translation exchange reserve</b>		
Balance at the beginning of the year	(1,285)	200
Movement in period	(2,006)	(1,486)
Balance at end of year	(3,291)	(1,285)
<b>(b) Share based payment reserve</b>		
Balance at the beginning of the year	476,463	111,583
Movement in period	401,463	364,880
Balance at end of year	877,926	476,463

The foreign currency translation reserve records exchange rate differences arising from the translation of the financial statements of foreign subsidiaries.

The share based payments reserve is used to record the value of share based payments provided to employees as part of their remuneration and to consultants for services provided.

	<b>Consolidated Entity</b>	<b>2021</b>
	<b>2022</b>	<b>2021</b>
	\$	\$
<b>15. STATEMENT OF CASH FLOWS</b>		
<b>(a) Reconciliation of the operating loss after tax to the net cash flows from operating activities</b>		
Loss from ordinary activities after tax	(1,434,143)	(1,488,024)
<i>Add (less) non-cash items</i>		
Provision for employee entitlements	(845)	2,217
Write off of capitalised exploration expenditure	-	263,257
Amortisation - right of use assets	39,232	59,188
Share options expensed	246,857	313,159
<i>Changes in operating assets &amp; liabilities during the year</i>		
(Increase)/decrease in receivables	(23,899)	(6,430)
(Increase)/decrease in prepayments	30,290	(42,646)
(Decrease)/increase in creditors	7,525	(13,101)
(Decrease)/increase in accruals	17,602	(25,833)
	(1,117,381)	(938,214)
<b>(b) Reconciliation of cash</b>		
Cash at bank	2,863,555	4,526,260
<b>(c) Reconciliation of net debt</b>		
Cash and cash equivalents	2,863,555	4,526,260
Short term investments	28,600	42,900
Lease liability current	(41,280)	(11,602)
Lease liability non-current	(193,597)	-
	2,657,278	4,557,558



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**15. STATEMENT OF CASH FLOWS (cont)**

	Liabilities from financing activities		Other assets		Total
	Leases	Sub-total	Cash	Short-term investments	
Net debt as at 1 July 2020	(72,847)	(72,847)	602,805	42,900	572,858
Cash flows	61,245	61,245	3,924,941	-	3,986,186
Foreign Exchange adjustments	-	-	(1,486)	-	(1,486)
Other changes	-	-	-	-	-
<b>Net debt as at 30 June 2021</b>	<b>(11,602)</b>	<b>(11,602)</b>	<b>4,526,260</b>	<b>42,900</b>	<b>4,557,558</b>
New leases	(242,297)	(242,297)	-	-	-
Cash flows	19,022	19,022	(1,660,699)	(14,300)	(1,898,274)
Foreign exchange movements	-	-	(2,006)	-	(2,006)
Other changes	-	-	-	-	-
<b>Net debt as at 30 June 2022</b>	<b>(234,877)</b>	<b>(234,877)</b>	<b>2,863,555</b>	<b>28,600</b>	<b>2,657,278</b>

**(d) Non cash financing and investing activities**

Loan and Creditor Repayments

During the prior financial year \$306,149 of creditors were paid by the issue of 2,589,872 shares under the drill for equity agreement with Geodrill Limited. In addition \$154,606 (2021 - \$51,721) has been capitalised in exploration assets in relation to options issued to employees or contractors.

Consolidated Entity	
2022	2021
\$	\$

**16. EXPENDITURE COMMITMENTS**

**Future exploration**

The consolidated entity has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the consolidated entity.

The commitments to be undertaken are as follows:

Payable

- not later than 12 months	3,171,730	1,333,846
- between 12 months and 5 years	2,913,270	1,056,014
	6,085,000	2,389,860

**17. CONTINGENCIES**

There are no contingent liabilities as at the date of this report.

**18. LOSS PER SHARE**

Loss per share	Consolidated Entity	
	2022	2021
	\$	\$
Basic and diluted (loss) per share (cents per share)	(0.39)	(0.63)

The following reflects the income and share data used in the calculations of basic and diluted earnings/ (loss) per share:

Earnings used to calculate basic and diluted loss per share	(1,434,143)	(1,488,024)
---	-------------	-------------

	Number	Number
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	369,974,722	235,663,927
Weighted average number of dilutive options outstanding during the period	-	-
Weighted average number of ordinary shares and potential ordinary shares outstanding during the period, used in calculating diluted loss per share	369,974,722	235,663,927

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**18. LOSS PER SHARE (cont)**

The Consolidated Entity presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. Options could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they were anti-dilutive in the financial year.

**Conversions, calls, subscriptions or issues after 30 June 2022**

There have been no new securities issued since the end of the financial year.

	<b>Consolidated Entity</b>	<b>2021</b>
	<b>2022</b>	<b>2021</b>
	\$	\$
<b>19. AUDITOR'S REMUNERATION</b>		
Amounts received or due and receivable by the Auditors for:		
(i) Audit & other assurance services – BDO Audit Pty Ltd		
- Audit & review of financial statements	49,716	43,669
(ii) Other services		
- Taxation advice and compliance	2,600	2,500
<b>Total</b>	<b>52,316</b>	<b>46,169</b>

**20. RELATED PARTY DISCLOSURES**

	<b>Consolidated Entity</b>	<b>2021</b>
	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Key management personnel compensation</b>		
Short term benefits	704,400	713,056
Share based payments	134,987	117,872
Leave benefits	(3,662)	13,229
Post-employment benefits	46,000	42,869
<b>Total</b>	<b>881,725</b>	<b>887,026</b>

**Transactions with related parties**

Mr Michele Muscillo is a partner of HopgoodGanim solicitors. HopgoodGanim supplied legal services to Mako totalling \$46,662 in the year (2021:\$79,877). Services were on normal commercial terms and conditions. As at 30 June 2022 \$nil was owed to HopgoodGanim (2021: \$3,300).

Director fees are payable to Mr Michele Muscillo of \$6,667 (2021 - \$6,667) and to Zivvo Pty Ltd, a company associated with Mr Steve Zaninovich, of \$4,167 (2021 - \$4,167) as at balance date.

**Ultimate parent**

Mako Gold Limited is the ultimate parent entity. Mako Gold Limited provides funding for its subsidiary companies Mako Gold SARL and Mako Côte d'IvoireSARLU. All loans advanced are interest free and any expenses paid on behalf of Mako Gold SARL and Mako Côte d'IvoireSARLU are repayable at cost.

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**21. SHARE BASED PAYMENTS**

Advisor Options

During the 2021 and 2022 financial years the Company granted three series of options to its capital advisors, Discovery Capital Partners Pty Ltd and Blue Ocean Equities Pty Ltd in connection with the ongoing capital markets strategy requirements of the Company. The first series and third series options were granted for \$0.00001 per option while the second series were granted for \$nil. None of the options are quoted on the ASX. Options granted carry no dividend or voting rights. When exercised, each option converts into one ordinary share.

Details of options issued, exercised and expired during the financial year are set out below:

Grant Date	Expiry Date	Exercise Price	Movements				30 June 2022
			1 July 2021	Issued	Vested	Exercised /Expired	
13 Jul 2020	5 Jul 2022	\$0.075	2,500,235	-	2,500,235	-	2,500,235
7 Oct 2020	30 Sept 2022	\$0.1725	4,000,000	-	4,000,000	-	4,000,000
30 Aug 2021	31 Aug 2023	\$0.12	-	4,000,000	4,000,000	-	4,000,000

The average remaining contractual life of advisor options outstanding at the end of the prior period was 0.58 years. The weighted average exercise price of the options is \$0.112.

Staff Options

The company issued 10,200,000 unlisted \$0.155 30/11/23 options during the 2021 financial year in relation to an ESOP approved at the 2020 AGM. During prior financial years the Company had granted options to employees/geological contractors engaged for the projects in Burkina Faso and Côte d'Ivoire. All options granted were for nil consideration and are not quoted on the ASX. Options granted carry no dividend or voting rights. When exercised, each option converts into one ordinary share.

Grant Date	Expiry Date	Exercise Price	1 July 2021	Issued	Vested	Exercised /Expired	30 June 2022
20 Nov 2020	30 Nov 2023	\$0.155	10,200,000	-	3,400,000	-	10,200,000

The remaining contractual life of ESOP options outstanding at the end of the period was 1.42 years. The weighted average exercise price of the options is \$0.155.

Fair value of options granted

The assessed fair value at the date of grant of options issued is determined using a Black-Scholes option pricing model that takes into account the exercise price, the underlying share price at the time of issue, the term of the option, the underlying share's expected volatility, expected dividends and the risk free interest rate for the life of the instrument.

Inputs into pricing model for options issued	Advisor Options	Advisor Options	Advisor Options	Mako ESOP
Grant date	13-Jul-20	7-Oct-20	30-Aug-21	20-Nov-20
Issue price	\$0.00001	nil	\$0.00001	nil
Exercise price	\$0.075	\$0.01725	\$0.0120	\$0.0155
Vesting conditions	Fully vested	Fully vested	Fully vested	Refer below
Share price at grant date	\$0.061	\$0.13	\$0.086	\$0.105
Expiry date	5-Jul-22	30-Sep-22	31-Aug-23	30-Nov-23
Life of the instruments	2 years	2 years	2 years	3 years
Underlying share price volatility	90%	90%	85%	90%
Expected dividends	Nil	Nil	Nil	Nil
Risk free interest rate	0.26%	0.26%	0.01%	0.11%
Pricing model	Black Scholes	Black Scholes	Black Scholes	Black Scholes

The Mako ESOP has the following vesting dates for the options issued: 1/3<sup>rd</sup> on 30/11/21, 1/3<sup>rd</sup> on 30/11/22 and 1/3<sup>rd</sup> on 31/5/23

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**21. SHARE BASED PAYMENTS (cont)**

Shares for Drilling

The company also issued shares to Geodrill Ltd re Napié project drilling during the 2021 year - in total 2,589,872 for a value of \$306,149. Under an agreement approved at the 2019 AGM the Company had approval (up to 14 November 2020) to issue up to 5,000,000 Shares to Geodrill Ltd as payment for drilling services supplied. Mako had the option to pay invoices 50% in cash and 50% via the issue of shares, at an issue price equal to the 15-day VWAP immediately prior to the date of the invoice.

<b>Expenses arising from share-based payment transactions</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Options issued expensed in period	246,857	313,159
Options issued to staff and contractors capitalised in exploration assets	154,606	51,304
Shares issued for drilling capitalised in exploration assets	-	306,149

**22. FINANCIAL RISK MANAGEMENT**

**(a) General objectives, policies and processes**

In common with other businesses, the consolidated entity is exposed to risks that arise from its use of financial instruments. This note describes the consolidated entity's objectives, policies and processes for managing those risks and the methods used to measure them. There have been no substantive changes in the consolidated entity'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 this note. The consolidated entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The Board has overall responsibility for the determination of the consolidated entity's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the consolidated entity's executive management. The consolidated entity's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the consolidated entity where such impacts may be material.

**(b) Credit Risk**

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Credit risk is reviewed regularly by the Board. It arises from exposure to customers as well as through deposits with financial institutions.

**(c) Liquidity risk**

The consolidated entity manages liquidity risk by monitoring forecast cash flows. At 30 June 2022 the Group has cash resources of \$2,863,555 (2021 - \$4,526,260) and has sufficient cash to undertake its short term objectives as at the date of this report.

<b>Maturity Analysis –Consolidated Entity - 2022</b>	<b>Carrying Amount</b>	<b>Contractual Cash flows</b>	<b>&lt;1 year</b>	<b>1 - 5 years</b>	<b>&gt; 5 years</b>
<b>Financial Liabilities</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade and Other Payables	1,613,119	1,613,119	1,613,119	-	-
Lease liability	234,877	257,360	49,193	208,167	-
	<u>1,847,996</u>	<u>1,870,479</u>	<u>1,662,312</u>	<u>208,167</u>	<u>-</u>
<b>Maturity Analysis –Consolidated Entity - 2021</b>					
<b>Financial Liabilities</b>					
Trade and Other Payables	1,700,666	1,700,666	1,700,666	-	-
Lease liability	11,602	11,672	11,672	-	-
	<u>1,712,268</u>	<u>1,712,338</u>	<u>1,712,338</u>	<u>-</u>	<u>-</u>

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**22. FINANCIAL RISK MANAGEMENT (cont)**

**(d) Market Risk**

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

*(i) Interest rate risk*

As at 30 June 2022 there are no interest paying financial liabilities. Cash resources are mostly deposited with a major Australian bank and earn interest at market rates. For further details on interest rate risk refer below:

2022	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2022	2022	2022	2022	2022
	\$	\$	\$	\$	%
<i>Financial assets</i>					
Cash and cash equivalents	2,601,322	-	262,233	2,863,555	0.01%
Short term investment	-	28,600	-	28,600	0.25%
Trade and other receivables	-	-	191,009	191,009	-
<b>Total financial assets</b>	<b>2,601,322</b>	<b>28,600</b>	<b>453,242</b>	<b>3,083,164</b>	
<i>Financial liabilities</i>					
Trade and other payables	-	-	1,613,119	1,613,119	-
Lease liability	-	234,877	-	234,877	3.66%
<b>Total financial liabilities</b>	<b>-</b>	<b>234,877</b>	<b>1,613,119</b>	<b>1,847,996</b>	
2021	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2021	2021	2021	2021	2021
	\$	\$	\$	\$	%
<i>Financial assets</i>					
Cash and cash equivalents	4,315,796	-	210,464	4,526,260	0.01%
Short term investment	-	42,900	-	42,900	0.80%
Trade and other receivables	-	-	254,470	254,470	0.00%
<b>Total financial assets</b>	<b>4,315,796</b>	<b>42,900</b>	<b>464,934</b>	<b>4,823,630</b>	
<i>Financial liabilities</i>					
Trade and other payables	-	-	1,700,666	1,700,666	-
Lease liability	-	11,602	-	11,602	4.91%
<b>Total financial liabilities</b>	<b>-</b>	<b>11,602</b>	<b>1,700,666</b>	<b>1,712,268</b>	

The consolidated entity has performed a sensitivity analysis relating to its exposure to interest rate risk. At 30 June 2022 the effect on profit and equity as a result of an increase of 1% in the interest rate is that the Group could earn an additional \$28,635 of interest income based on the closing cash balance of \$2,863,555 at 30 June 2022. This analysis assumes all other variables remain constant.

*(ii) Currency Risk*

Foreign currency risk arises as a result of having assets/cash flows denominated in a currency other than the functional currency in which they are reported. The consolidated entity does not have any material currency risk exposure under financial instruments entered into by the consolidated entity. The consolidated entity held CFA of AUD 134,967 (2021 – AUD 197,743) at the end of the year. These funds are to be used to meet expenditures incurred in Burkina Faso and Côte d'Ivoire in relation to the company's projects and as such there is no material currency risk associated with the CFA held at the year.

*(iii) Other Price Risk*

The consolidated entity does not have any material other price risk exposures under financial instruments entered into by the consolidated entity.

**(e) Fair Values**

Due to their short term nature the fair values of trade and other receivables, security deposits, loans and borrowings and trade and other payables approximate their carrying value.

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**23. PARENT COMPANY INFORMATION**

The Parent Entity of the Consolidated Entity is Mako Gold Limited.

Parent Entity Financial Information

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Current assets	2,833,124	4,449,973
Non-current assets	23,725,272	13,491,383
<b>Total assets</b>	<b>26,558,396</b>	<b>17,941,356</b>
Current liabilities	220,613	162,524
Non-current liabilities	193,597	-
<b>Total liabilities</b>	<b>414,210</b>	<b>162,524</b>
<b>Net assets</b>	<b>26,144,186</b>	<b>17,778,832</b>
Issued capital	31,734,331	22,334,291
Share based payment reserve	877,927	476,463
Accumulated losses	(6,468,072)	(5,031,923)
<b>Total equity</b>	<b>26,144,186</b>	<b>17,778,831</b>
Loss after income tax	(1,436,149)	(1,489,510)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(1,436,149)</b>	<b>(1,489,510)</b>

**Commitments, Contingencies and Guarantees of the Parent Entity**

The minimum committed expenditure for future periods of the Parent Entity is the same as those for the Consolidated Entity. Refer to Note 16 for details. The Parent Entity has no material contingent assets, contingent liabilities or guarantees at balance date.

**24. SEGMENT INFORMATION**

**Reportable Segments**

The Group has identified its operating segment based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on a geographic basis, that is, the location of the respective areas of interest (tenements) in Australia and Africa. Operating segments are determined on the basis of financial information reported to the Board for the Group as a whole. The Group does not yet have any products or services from which it derives an income.

Accordingly, management currently identifies the Group as having only one reportable segment, being exploration for base and precious metals. The financial results from this segment are equivalent to the financial statements of the Group. There have been no changes in the operating segments during the year.

The principal geographical areas of operation of the Consolidated Entity are as follows:

	<b>Geographical – non-current assets</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Australia	-	-
Africa	24,839,284	13,782,543
	<b>24,839,284</b>	<b>13,782,543</b>

**25. SUBSEQUENT EVENTS**

No matter or circumstance has arisen since 30 June 2022, that has significantly affected, or, may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in financial years subsequent to 30 June 2022.

## DIRECTORS' DECLARATION

In the Directors opinion:

- (a) the attached consolidated financial statements and notes and the remuneration report in the Directors' Report are in accordance with the *Corporations Act 2001* and other mandatory professional reporting requirements, including:
  - (i) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
  - (ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1 to the consolidated financial statements;
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (d) the Remuneration disclosures contained in the Remuneration Report comply with section 300A of the Corporations Act 2001.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of directors.



**M Muscillo**  
Chairman

**Brisbane, 29 September 2022**

## INDEPENDENT AUDITOR'S REPORT

To the members of Mako Gold Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Mako Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

### Carrying value of exploration and evaluation assets

Key audit matter	How the matter was addressed in our audit
<p>Refer to note 9 in the annual report</p> <p>The Group carries exploration and evaluation assets in accordance with the Group's accounting policy for exploration and evaluation assets.</p> <p>The recoverability of exploration and evaluation asset is a key audit matter due to the significance of the total balance and the risk that exploration and evaluation assets may not meet the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> for continued recognition.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the current status of the tenements/projects including key activities undertaken during the period;</li> <li>• Reviewing for any impairment indicators in accordance with AASB 6 have been identified across the Group's exploration projects;</li> <li>• Assessing management's determination that exploration activities have not yet progressed to the point where the existence or otherwise of an economically recoverable mineral resource may be determined through discussions with the management, review of ASX announcements and other relevant documentation;</li> <li>• Testing a sample of capitalised exploration expenditure during the period to ensure it meets the recognition criteria under AASB 6; and</li> <li>• Ensuring that the Group has the rights to tenure and maintains the tenements in good standing.</li> </ul>

### Other information

The directors are responsible for the other information. The other information comprises the information contained in annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

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## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 37 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Mako Gold Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd



**C R Jenkins**

Director

Brisbane, 29 September 2022

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