



Mako Gold

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ABN 84 606 241 829

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

AUSTRALIAN BUSINESS NUMBER

ABN 84 606 241 829

REGISTERED OFFICE

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AUDITOR

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Brisbane QLD 4000

SOLICITORS

HopgoodGanim
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Waterfront Place
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ASX SECURITIES

MKG – Fully paid ordinary shares

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MAKO GOLD LIMITED DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Mako Gold Limited ('Mako' or 'the Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The directors of the company in office during the half-year and until the date of this report are:

Michele Muscillo (Non-Executive Chairman)

Peter Ledwidge (Managing Director)

Steven Zaninovich (Non-Executive Director)

Review and Results of Operations and Significant Changes in the State of Affairs

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.

The Company was established in June 2015 and acquired its first project interests in July 2016. The Company completed an IPO raising \$6,000,000 and listed on the ASX on 16 April 2018.

Work in the period to 31 December 2022 was focussed on exploration on the flagship Napié Project in Côte d'Ivoire.

ABOUT THE NAPIÉ PROJECT COTE D'IVOIRE

Mako Gold's flagship 224km² Napié Project is located in north-central Côte d'Ivoire within the Daloa greenstone belt (Figure 1).

On 14 June 2022, a maiden Mineral Resource Estimate was reported in accordance with JORC (2012) at Tchaga and Gogbala.

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

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

Mako Gold entered into a farm-in and joint venture agreement on the Napié Permit with Occidental Gold SARL, a subsidiary of West African gold miner Perseus Mining Limited (ASX/TSX:PRU) in 2017. Subsequently Mako renegotiated the agreement with Perseus and has now **consolidated its ownership in the Napié Project from 51% to 90%**.

ABOUT THE KORHOGO PROJECT

Mako Gold has 100% ownership of the Korhogo Project comprising two permits (296km²) covering 17km of faulted greenstone/ granite contact (high-grade gold targets) located within 30km of Barrick's operating Tongon Gold Mine (4.9Moz Au) in a highly prospective greenstone belt that also hosts Montage Gold's 4.5Moz Kone gold deposit, both located in Côte d'Ivoire, as well as Endeavour's 2.7Moz Wahgnion gold mine across the border in Burkina Faso (Figure 1).

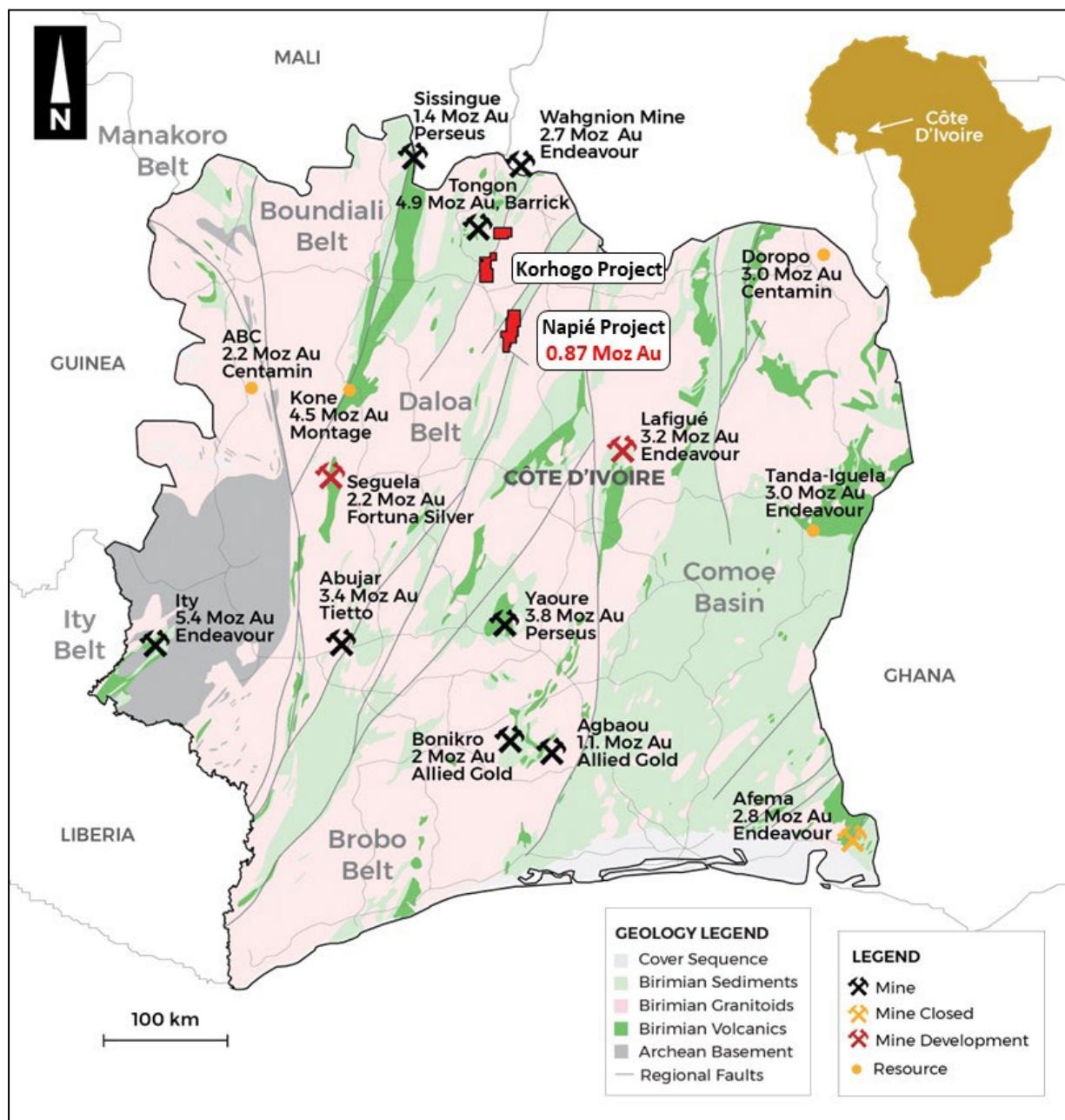


Figure 1: Côte d'Ivoire Napié and Korhogo projects on simplified geology with mines and deposits

NAPIÉ PROJECT – NEW GOLD DISCOVERY ON THE KOMBORO PROSPECT INDICATES DISTRICT SCALE UPSIDE

Positive drill results received during the reporting period at the **Komboro Prospect** supports Mako's broad strategy to define a multi-million-ounce resource at Napié, which the Company believes has district scale potential. A location map for Komboro and other prospects explored during the reporting period refer to Figure 2.

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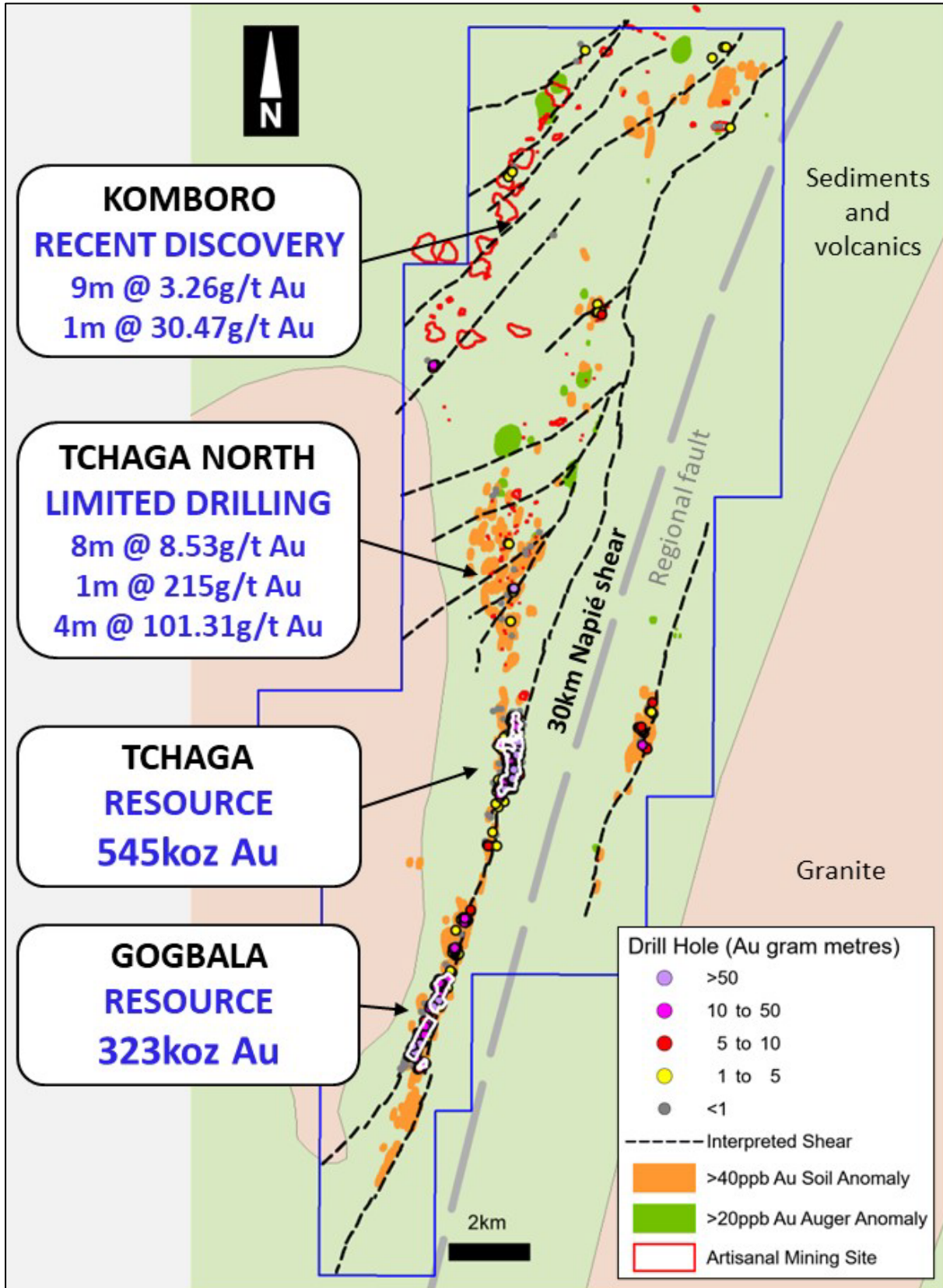


Figure 2: Napié Project - Prospects explored during and subsequent to the reporting period

MAKO GOLD LIMITED
DIRECTORS' REPORT

Seven targets were drilled on Komboro with 6 of the 7 targets intersecting significant mineralisation (Figure 3).

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 3).

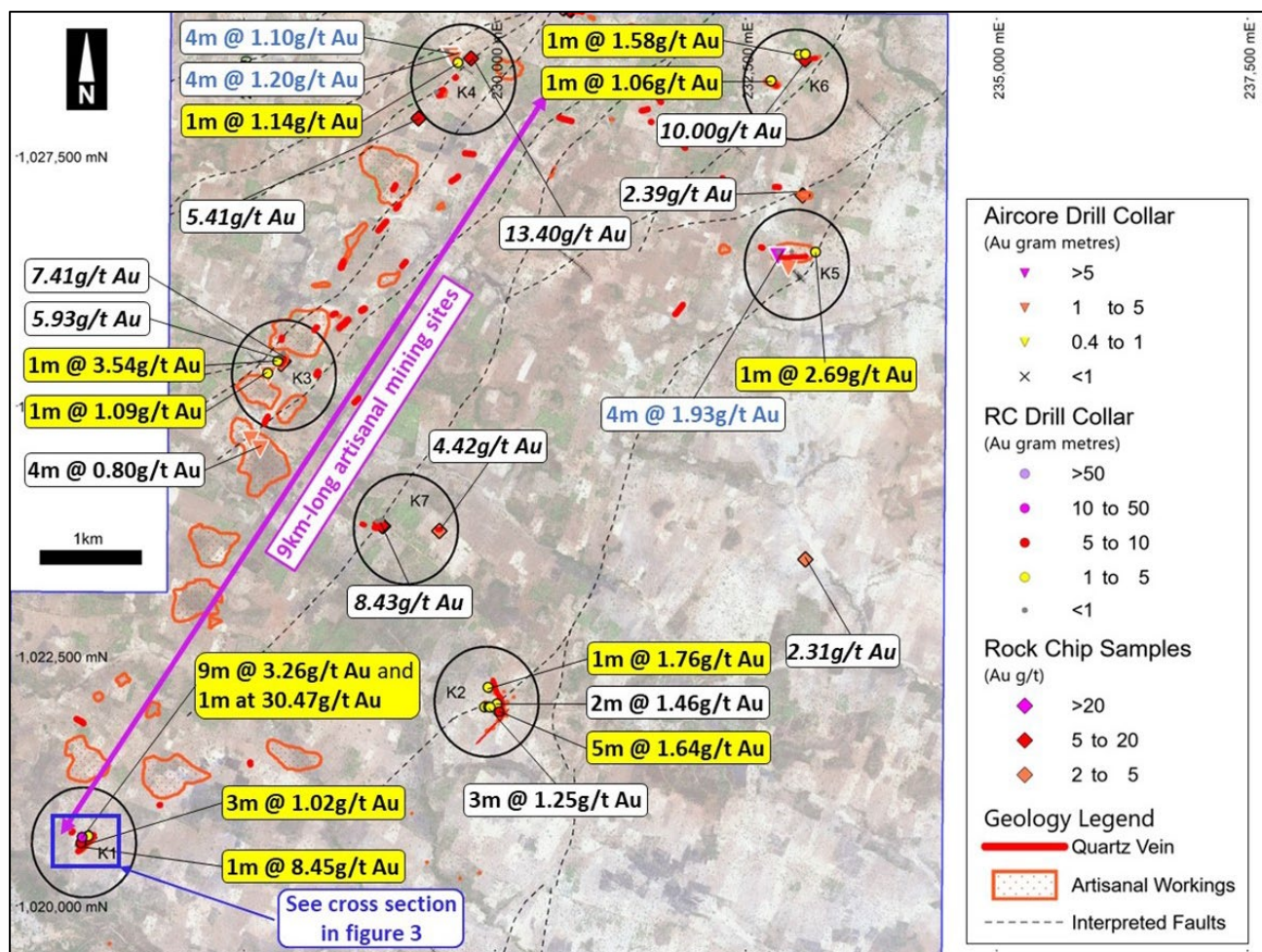


Figure 3: Komboro Prospect: Drill targets K1 to K7 – Select new (yellow) and previous (white) RC results and previous AC results (blue) and rock chips (white italics)

Targets were identified from Mako's Aircore (AC) drilling which included 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. 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 4. Testing of these areas has only just begun and further drilling is planned at Komboro based on results of planned auger survey.

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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.

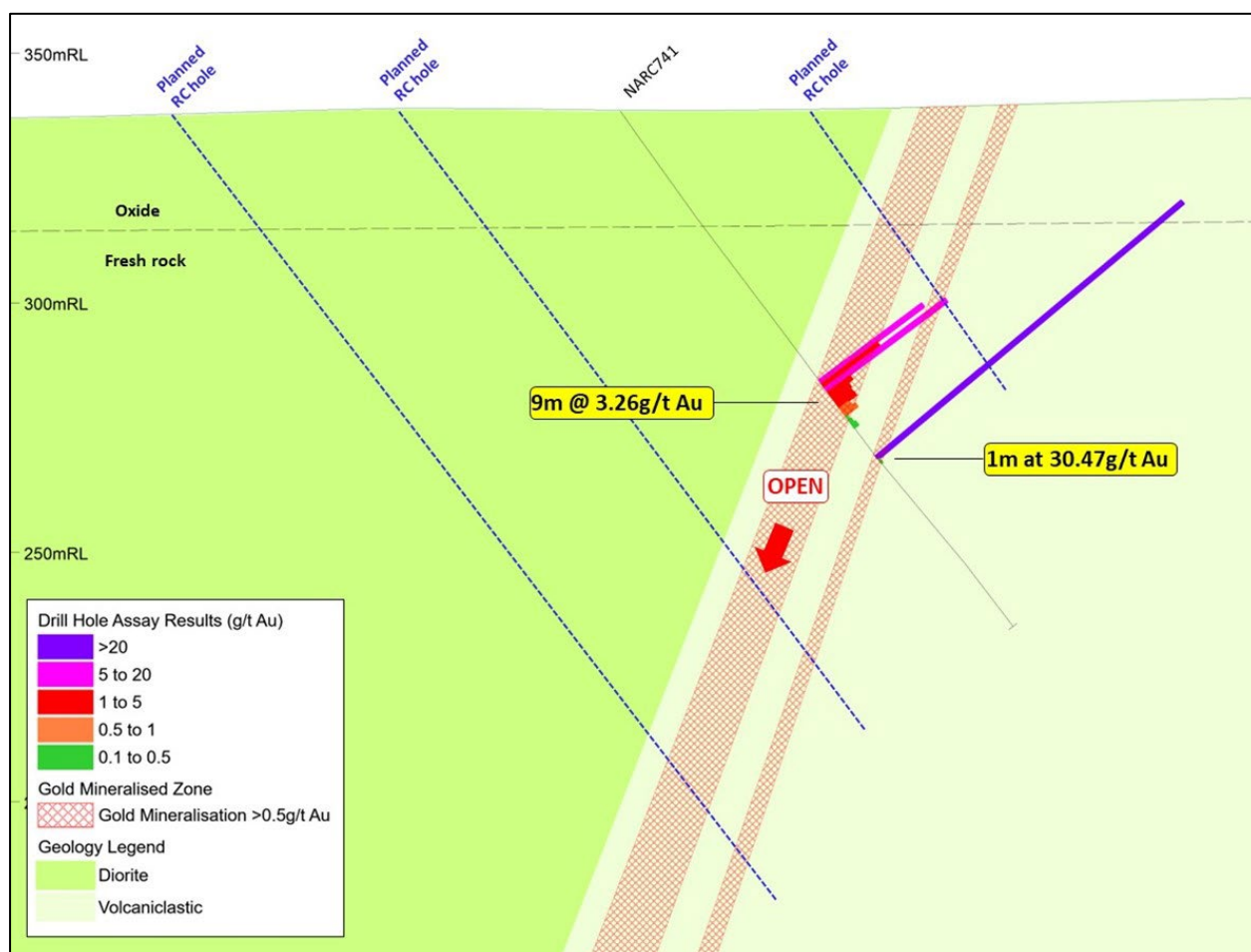


Figure 4: Target K1 cross section with new drill results and planned holes

NAPIÉ PROJECT – AUGER SHOWS CLEAR PATH TO SIGNIFICANT RESOURCE EXPANSION

Phase 1 and 2 of the 25,000m auger drilling program was completed during and subsequent to the reporting period, with all assays received from phase 1. In phase 1 a total of 1,420 holes were drilled at a line spacing of 400m and sample spacing of 100m for 14,462m drilled. A total of 1,681 samples were submitted for bottle roll analysis for gold. In phase 2 a total of 791 holes were drilled at a line spacing of 200m and sample spacing of 50m for 6,723m drilled. A total of 761 samples were submitted for bottle roll analysis for gold. Some holes could not be sampled due to excess water in the hole. **Results of the phase 2 auger drilling are expected shortly after the date of this report.**

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Figure 5: Auger rig drilling during phase 1 auger program

Phase 1 exceeded the Company's objective to demonstrate the multi-million-ounce gold potential of Napié by **identifying several mineralised footprints equal to or several times larger than Tchaga or Gogbala** along the extensive 30km shear and associated faults at Napié.

The program began with orientation auger drilling over the Tchaga and Gogbala deposits, which form the basis of the maiden 868koz gold MRE. The purpose of the orientation program was to ensure that auger would be effective over existing deposits to identify significant gold mineralisation in other areas on Napié. Large, continuous auger anomalies were returned from Tchaga and Gogbala, thereby **validating that auger works well on Napié to identify gold mineralisation**.

During the orientation survey, samples were collected and analysed at the laterite/saprolite interface (transition zone) as well as end of the hole (EHS) within the saprolite. High-grade results were returned from the transition zone including **55.90g/t, 2.20g/t Au and 1.79g/t Au**. Only EHS was analysed for the rest of the program since it worked well to identify the gold mineralised zones during the orientation phase.

Extensive gold anomalies resulted from interpretation of the phase 1 auger results and are shown as pink lines on Figure 6.

The highest priority targets identified by auger for RC/DD drilling are as follows:

- Tchaga North where **11km of gold mineralisation was identified**. Limited previous drilling by Mako returned **8m at 8.53g/t Au, 1m at 215g/t Au and 4m at 101.31g/t Au** (Figure 7).
- The area between Tchaga and Gogbala where auger identified a **5.6km gold mineralised trend**. Limited previous drilling by Mako returned **1m at 30.89g/t Au, 17m at 1.68g/t Au, 4m at 4.82g/t Au and 5m at 3.28g/t Au** (Figure 8).
- The **1.4km-long zone** south of the Gogbala deposit which returned **55.90g/t Au and 1.79g/t Au** in transition samples **outside of the resource in an area of no previous RC/DD drilling** (Figure 8).

- The area west of Gogbala which hosts an approximate 800m-long gold anomaly parallel to Gogbala (Figure 8).

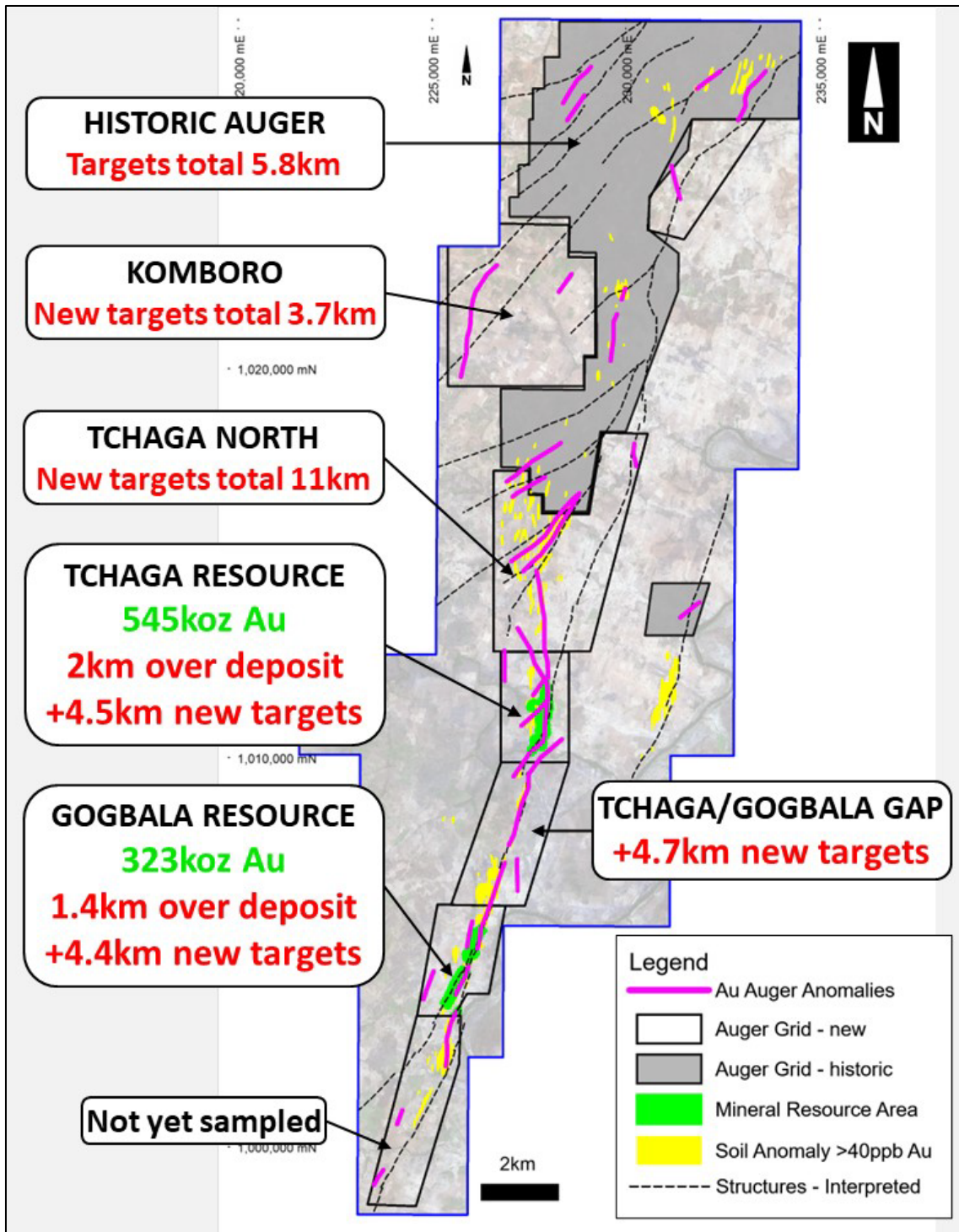


Figure 6: Napié auger anomalies - Note how the auger drilling program has narrowed down the wide soil anomalies (yellow) which creates precise drill targets for RC/DD drilling

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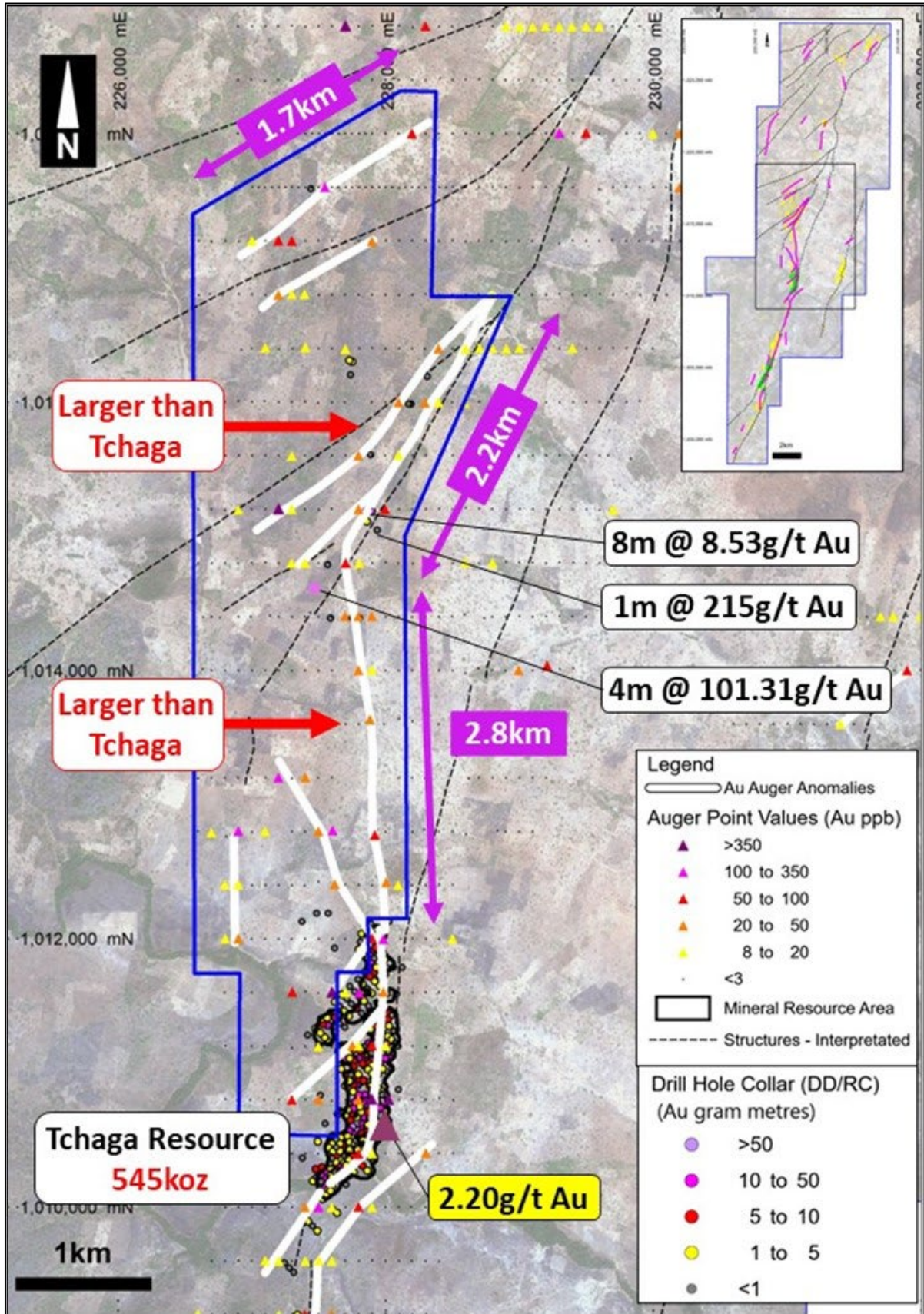


Figure 7: Tchaga North auger gold anomalies - Note the multiple multi-kilometre-long anomalies compared to the size of the Tchaga resource, indicating significant resource expansion potential

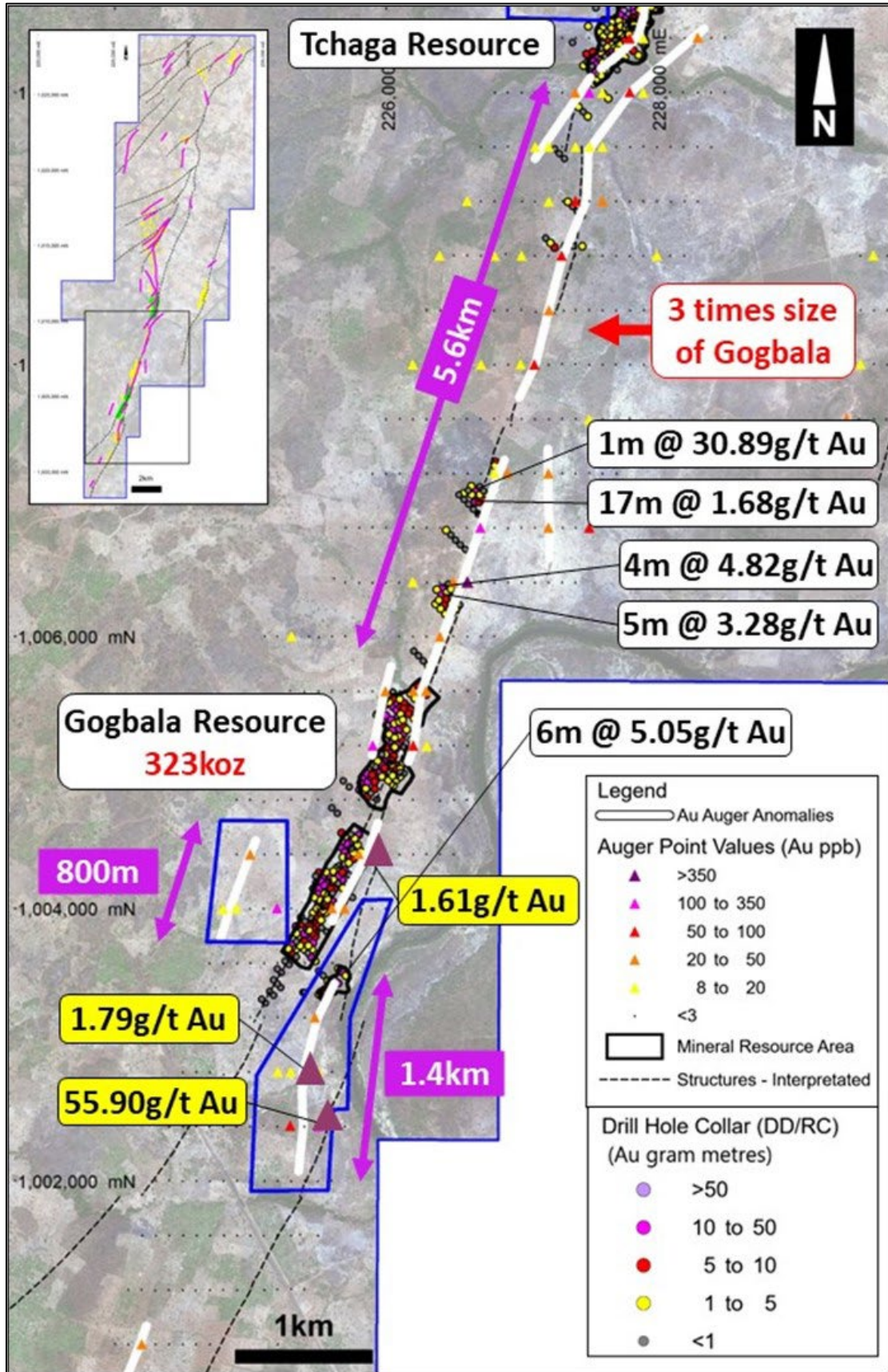


Figure 8: Auger anomalies between Tchaga and Gogbala, and south of Gogbala - Note the 1.4km-long anomaly south of Gogbala with highest auger result of 55.9g/t Au with no previous drilling

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Phase 1 of the auger drilling program successfully narrowed down wide soil anomalies coincident with the 30km-long Napié shear and associated splays. This will allow the Company to vector in to more specific drill targets for resource expansion. An excellent example of how the auger is refining the drill targets is at Tchaga North, where the soil anomaly (shown in yellow in Figure 6) is up to 2km wide. Auger has identified two new parallel zones which provide precise drill targets.

Phase 2 of the auger program was commenced and finished subsequent to the reporting period. The infill auger focussed on the highest priority targets outlined in phase 1 so that we can transition quickly to RC/DD drilling these targets, rather than infilling all of the anomalies highlighted in phase 1. The infill auger grids cover the multi-kilometre mineralised trends highlighted at Tchaga North with over 10km of anomalies, as well as the anomalies immediately west and south of the Gogbala resource (Figure 7 and Figure 8).

Results of phase 2 auger drilling are expected shortly after the date of this report.

NAPIÉ PROJECT - NEW GOLD ZONE OUTSIDE MINERAL RESOURCE DISCOVERED WITH STRUCTURAL HOLE AT TCHAGA PROSPECT

Subsequent to the reporting period the Company received assay results from a structural diamond drill (DD) hole from the Tchaga Prospect. A new shallow gold mineralised zone was **discovered outside the current mineral resource** returning **23m at 1.01g/t Au** from 53m. In addition, **wide zones of gold mineralisation** were also intersected at depth including **7.7m at 1.24g/t Au** from 425m and **28.9m at 1.17g/t Au** from 436.1m.

Drill hole NADD020 was completed for the following reasons and achieved all the objectives.

1. To get a complete stratigraphic section from surface to depth in order to increase the structural knowledge of the Napié deposits. NADD020 was carefully selected so that a complete cross section of lithological units and structures would be intersected. The drill hole achieved this and will be carefully reviewed, along with previous DD holes by our structural consultants.
2. To test for shallow mineralisation, west of Tchaga, outside the mineral resource current boundary. A broad intersect of **23m at 1.01g/t Au** from 53m was discovered. The company believes that follow-up shallow drilling, after the **structural interpretation may locate higher-grade intersections in the vicinity of this zone**. This underscores Mako's belief that the limits of the potential resource extend beyond what is currently defined.
3. To test for mineralisation at depth and to gain a better understanding of controls to gold mineralisation. Two zones of mineralisation which include **7.7m at 1.24g/t Au** from 425m, and **28.9m at 1.17g/t Au** from 436.1m were intersected at depth. The Company believes that this hole will provide critical information and once structural studies are completed, the information from these intersects hold potential for Mako to vector into possibly higher-grade mineralisation.

Select previous and new drill results are included in Figure 9.

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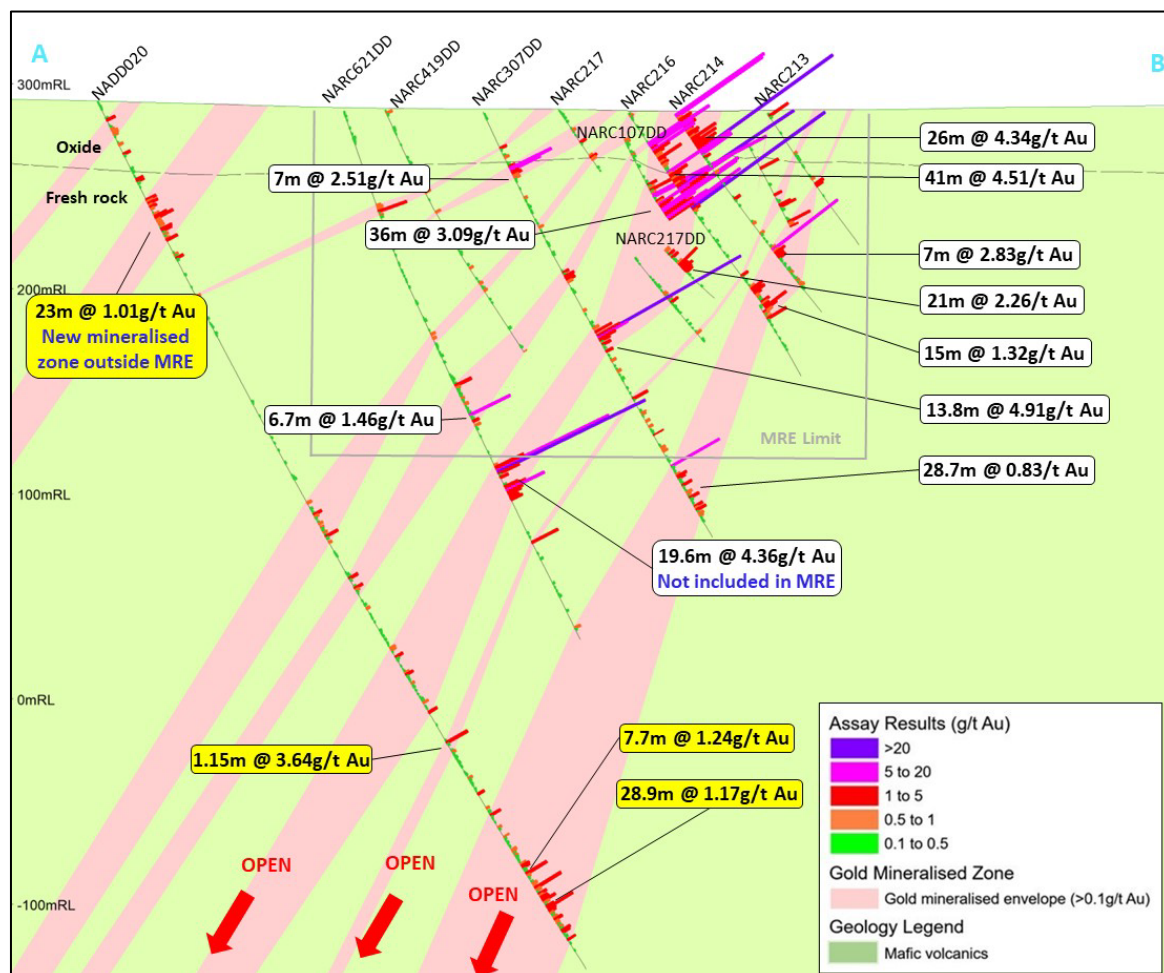


Figure 9: Assay results from structural hole NADD020 - New assays shown in yellow - Note new mineralised zone discovered outside the Mineral Resource Estimate (MRE) limit

Consultants have been engaged to advance structural interpretation on Napié now that the DD hole is complete. The structural consultants are currently on site. The aim of the structural study is to enhance the understanding of the plunge direction of mineralisation and other structural controls to vector into the high-grade zones. The consultants will use NADD020 along with other DD holes drilled at Napié to integrate a structural model with the current Mineral Resource Estimate. Once this is completed, the information will help to target further mineralisation through identification of a plunge direction of mineralisation or other structural controls to vector in to the high-grade “sweet spots” on the Napié Project, as Mako moves towards a Mineral Resource update.

MAKO SIGNS DRILL FOR EQUITY MOU WITH GEODRILL FOR UP TO US\$2M

Subsequent to the reporting period Mako signed a binding Memorandum of Understanding (MOU) with Geodrill Limited (TSX:GEO) whereby Geodrill may subscribe for up to US\$1M worth of shares in the capital of the Company in return for drilling services at Mako’s discretion.

Under the terms of the agreement Mako agrees to commit up to US\$2M worth of reverse circulation (RC) drilling, diamond drilling (DD), or air core (AC) drilling with Geodrill. The agreement is valid for twelve months, in two 6-month stages of up to US\$1M each.

After receipt of each monthly invoice, and with the issue price for each share being the previous 15-day VWAP immediately prior to the date of the relevant monthly invoice, **Mako may issue MKG shares**

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to Geodrill, constituting up to 50% of the invoice for drilling services provided by Geodrill and pay the remaining balance in cash.

Mako has access to this facility for twelve months and may, at its discretion, choose to pay 100% in cash, and is under no obligation to drill a minimum amount or any amount at all. Geodrill has agreed to a 3-month escrow on shares issued to them and thereafter, to notify Mako of its intention to sell shares 5 days in advance. Each party can terminate the MOU at any time by giving the other party 14 days' notice.

The agreement effectively allows Mako to drill at half of its normal drilling contractor cash costs, thereby allowing the Company to preserve cash, while continuing its drill programs.

Mako proposes to implement the drill-for equity facility on its upcoming drill programs.

CAPITAL RAISE

During the reporting period, Mako Gold raised **\$3.1 million** (before costs) through a Placement at 4.1c per share.

The Placement was **supported by new and existing institutional investors, including Mako Gold's Directors** who subscribed for shares worth a total of c.**\$100,000**.

The Placement introduced a number of new, high quality international investors to the Mako share register. The significant interest received provides strong validation of the Company's flagship Napié Project and Tier-1 management and exploration team that has demonstrated a track record of success in West Africa.

Prominent North American resource fund, **Dundee Goodman Merchant Partners**, cornerstoned the Placement and subscribed to c.7.5M shares which maintained their holding of 9.9% in Mako's pro-forma issued capital following completion of the Placement.

MAKO CONSOLIDATES OWNERSHIP OF NAPIÉ GOLD PROJECT TO 90%

During the reporting period, Mako completed the initial component of the Sale and Purchase Agreement (**Agreement**) to exchange Perseus Mining Limited's (**ASX & TSX: PRU**) (**Perseus**) 39% interest in the Napié Gold Project (**Napié or the Project**) (**the Transaction**) occurred. A summary of the Transaction terms is set out below:

- **Initial Equity Consideration:** 13,800,000 shares equivalent to 2.94% of Mako's issued capital (**Initial Consideration Shares**). The Initial Consideration Shares have a deemed issue price of \$0.101 per share (**Issue Price**) and are subject to a 12-month escrow. Completed.
- **Milestone 1 Resource Definition:** A\$2,400,000 payment payable in cash or scrip at Mako's election upon delineation of a 1Moz JORC Measured and Indicated Resource (representing a minimum of 25 million tonnes at a minimum grade of 1.25 grams per tonne gold) at Napié. Shares to be issued at the higher of the Issue Price (being 23,762,376 Shares) or the 30-day VWAP of Mako's shares immediately prior to Milestone 1 being achieved.
- **Milestone 2 Commercial Production:** 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. Shares to be issued (being 23,762,376 Shares) at the higher of the Issue Price or the 30-day VWAP of Mako's shares immediately prior to Milestone 2 being achieved.

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The Agreement is now fully executed following satisfaction of the following conditions:

- (a) Mako shareholder approval received at the Extraordinary General Meeting held 20 August 2021;
- (b) Perseus successfully applied to the Ivorian Minister of Mines for an exceptional renewal of the Permit, and the exceptional renewal of the Permit was granted by way of a ministerial decree on 1 March 2022.
- (c) Occidental Gold SARL (**Occidental**), a subsidiary of Perseus, obtained a decree from the Ivorian minister responsible for mines transferring the Permit to Mako Côte d'Ivoire, a subsidiary of the Company.

NAPIÉ OWNERSHIP BACKGROUND

Prior to the Agreement, Mako was earning up to a 75% interest in Napié under a farm-in and joint venture (**JV**) agreement with Occidental (**Occidental JV Agreement**).

Occidental was the registered holder of the Napié Permit and had an existing Joint Venture arrangement with African American Investment Fund SA (**AAIF**) (**AAIF JV Agreement**). Under the AAIF JV Agreement, Occidental held a 90% participating interest in the Napié Permit and AAIF held the remaining 10% Participating Interest, free carried until the completion of a feasibility study (**FS**) which demonstrates that it is commercially feasible to develop a mining project. As part of the Transaction, Occidental's interest in the AAIF JV Agreement was assigned to Mako.

Since IPO in 2018, Mako has unlocked significant value from its flagship Napié Project, completing its first stage earn-in equity of 51% early in July 2019 achieving an exploration spend of US\$1.5M over a 3-year period. Under the original farm in agreement, post completion of a FS by Mako, the Napié ownership structure would have comprised 75% Mako, 15% Perseus and 10% AAIF. The Transaction resolves the fragmented ownership structure of Napié and **increases Mako's ownership from 51% to 90%**.

COVID-19

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

December 2022 Half-Yearly ASX Announcements

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

- 27 February 2023 – Drill for Equity MOU with Geodrill for up to US\$2M
- 6 February 2023 – Infill Auger Commences on Highest Priority Targets at Napié
- 1 February 2023 – New Gold Zone Outside Mineral Resource at Napié
- 25 January 2023 – Auger Results Indicate Potential for Napié Mineral Growth
- 15 November 2022 – 25,000m Auger Program Commences at Napié
- 21 October 2022 – Mako Completes 90% Consolidation of Napié Gold Project
- 14 October 2021 – \$3.1M Equity Raise to Fund Napié Project Growth Strategy
- 11 July 2022 – High-Grade gold Discovery at Napié Komboro Prospect
- 14 June 2022 – Mako Delivers 868koz Maiden Resource at Napié Prospect
- 1 June 2022 – Tchaga North Aircore Returns 101 Grams Gold

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- 26 April 2022 – Two New Mineralised Zones Show Growth Potential at Gogbala
- 24 February 2022 – Further High-Grade Gold from Gogbala Extensional Drilling
- 19 May 2021 – Drilling Extends Gogbala Gold Mineralised trend to Over 7km
- 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
- 29 June 2022 – Updated Release - Interest in Napié Gold Project Increased from 51% to 90%
- 12 May 2022 – Korhogo and Napié Projects Exploration Update
- 21 January 2022 – Mako Granted Ouangolodougou Permit in Côte d'Ivoire
- 9 October 2018 – Further Gold Mineralisation from Diamond Drilling at Napié
- 22 June 2018 – Wide, High-Grade Gold Intersected in Maiden Drilling Program
- 13 April 2018 – Section 9.2 of Mako Gold's Prospectus and section 4.7 of Mako Gold's Supplementary Prospectus

Competent Persons Statement

The information in this Half Year 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 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 this 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. 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.

The company is not aware of any new information or data that materially affects the information included in this report.

Auditor Independence Declaration under Section 307C of the Corporations Act 2001

The Auditor's Independence Declaration is attached and forms part of the Directors' Report for the half-year ended 31 December 2022.

Signed in accordance with a resolution of the Directors.



Peter Ledwidge
Director

Brisbane 10 March 2023

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MAKO GOLD LIMITED
Auditor Independence Declaration



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DECLARATION OF INDEPENDENCE BY C R JENKINS TO THE DIRECTORS OF MAKO GOLD LIMITED

As lead auditor for the review of Mako Gold Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

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

C R Jenkins
Director

BDO Audit Pty Ltd

Brisbane, 10 March 2023

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MAKO GOLD LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	31 December 2022 \$	31 December 2021 \$
Interest income		6,883	806
Amortisation and depreciation	10	(22,027)	(17,390)
Interest	10	(4,144)	(71)
Employment costs		(191,253)	(194,922)
Share based payment expense	11	(241,683)	(217,361)
Other corporate and administrative expenses	6	(381,400)	(422,911)
Loss before tax		<u>(833,624)</u>	<u>(851,849)</u>
Income tax expense		-	-
Loss for the period		<u>(833,624)</u>	<u>(851,849)</u>
<u>Other Comprehensive Income</u>			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation differences on foreign operations		1,788	(527)
Other comprehensive income		1,788	(527)
Total comprehensive income for the half-year		<u>(831,836)</u>	<u>(852,376)</u>
Basic loss per share (cents per share)	3	(0.20)	(0.24)
Diluted loss per share (cents per share)	3	(0.20)	(0.24)

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

MAKO GOLD LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	31 December 2022 \$	30 June 2022 \$
Current Assets			
Cash and cash equivalents	9	2,562,676	2,863,555
Short term investment		28,600	28,600
Trade and other receivables		42,009	191,009
Other current assets		125,190	61,821
Total Current Assets		<u>2,758,475</u>	<u>3,144,985</u>
Non-Current Assets			
Right of use assets	10	190,901	212,928
Exploration and evaluation assets	7	27,945,449	24,839,284
Total Non-Current Assets		<u>28,136,350</u>	<u>25,052,212</u>
Total Assets		<u>30,894,825</u>	<u>28,197,197</u>
Current Liabilities			
Trade and other payables	8	591,019	1,613,119
Lease liabilities	10	42,988	41,280
Provisions		186,811	205,015
Total Current Liabilities		<u>820,818</u>	<u>1,859,414</u>
Non-Current Liabilities			
Lease liabilities	10	171,593	193,597
Total Non-Current Liabilities		<u>171,593</u>	<u>193,597</u>
Total Liabilities		<u>992,411</u>	<u>2,053,011</u>
Net Assets		<u>29,902,414</u>	<u>26,144,186</u>
Equity			
Issued capital	2	36,048,281	31,734,331
Reserves		1,152,537	874,635
Accumulated losses		(7,298,404)	(6,464,780)
Total Equity		<u>29,902,414</u>	<u>26,144,186</u>

The Consolidated Balance Sheet should be read in conjunction with the accompanying notes

MAKO GOLD LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	31 December 2022 \$	31 December 2021 \$
Cash Flows from Operating Activities			
Cash payments in the course of operations		(669,795)	(621,228)
Interest received		6,883	806
Interest on lease liabilities		(4,144)	(71)
Net cash used in operating activities		<u>(667,055)</u>	<u>(620,493)</u>
Cash Flows from Investing Activities			
Receipt for sale of project		-	946,744
Payments for exploration & evaluation		(2,535,466)	(4,602,574)
Right of use security bond payment		-	(28,600)
Net cash used in investing activities		<u>(2,535,466)</u>	<u>(3,684,430)</u>
Cash Flows from Financing Activities			
Proceeds from issue of securities	2	3,100,000	10,000,040
Payment of security issue costs	2	(179,850)	(600,000)
Principal elements of lease payments		(20,296)	(11,602)
Net cash flows provided by financing activities		<u>2,899,854</u>	<u>9,388,438</u>
Net increase/(decrease) in cash held		(302,667)	5,083,515
FX Reserve		1,788	(527)
Cash at the beginning of the period		2,863,555	4,526,260
Cash at the end of the period		<u><u>2,562,676</u></u>	<u><u>9,609,248</u></u>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

MAKO GOLD LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Issued Capital \$	Foreign Currency Reserve \$	Share Option Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2021	22,334,291	(1,285)	476,463	(5,030,638)	17,778,832
Loss after income tax	-	-	-	(851,849)	(851,849)
Foreign currency translation differences on foreign operations	-	(527)	-	-	(527)
Total comprehensive income	-	(527)	-	(851,849)	(852,376)
Transactions with owners in their capacity with owners					
Shares issued	10,000,000	-	-	-	10,000,000
Share issue costs	(599,960)	-	-	-	(599,960)
Share based payments (note 10)	-	-	334,604	-	334,604
Total transactions with owners	9,400,040	-	334,604	-	9,734,644
Balance at 31 December 2021	31,734,332	(1,812)	811,067	(5,882,487)	26,661,100
Balance at 1 July 2022	31,734,331	(3,291)	877,926	(6,464,781)	26,144,186
Loss for the period	-	-	-	(833,624)	(833,624)
Foreign currency translation differences on foreign operations	-	1,788	-	-	1,788
Total comprehensive income	-	1,788	-	(833,624)	(831,836)
Transactions with owners in their capacity with owners					
Shares issued	4,493,800	-	-	-	4,493,800
Share issue costs	(179,850)	-	-	-	(179,850)
Share based payments (note 10)	-	-	276,115	-	276,115
Total transactions with owners	4,313,950	-	276,115	-	4,590,065
Balance at 31 December 2022	36,048,281	(1,503)	1,154,041	(7,298,404)	29,901,414

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

MAKO GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

This general purpose financial report comprise Mako Gold Limited (the Company) and its subsidiaries (together referred to as the Group or Consolidated entity) for the interim half-year reporting period ended 31 December 2022 has been prepared in accordance with Australian Accounting Standard AASB134: Interim Financial Reporting and the Corporations Act 2001.

The interim report does not include all notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Mako Gold Limited during the interim reporting period.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Fair Values

The fair values of cash and cash equivalents, trade and other receivables, security deposits, borrowings and trade and other payables approximate their carrying value due to their short term nature

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 the exploration and evaluation assets recognised as at 31 December 2022 and 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 \$833,624 (and exploration and operating cash outflows of \$3,202,521) for the half year ended 31 December 2022. As at 31 December 2022 the Company had a total cash balance of \$2,562,676.

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

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

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 – with \$13,100,000 being raised through share placements since the end of the 2021 financial year.

Should the Company 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 Company be unable to continue as a going concern.

MAKO GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

2. ISSUED CAPITAL

Ordinary Shares

	Half-year Ended Dec 2022	
	Nos of shares	\$
Ordinary shares fully paid		
Beginning of the financial period	382,241,602	31,734,331
Increases		
- Placement of shares to subscribers (1)	75,609,757	3,100,000
- Issue of shares re project acquisition (2)	13,800,000	1,393,800
- Costs of share issues (3)	-	(179,850)
End of financial period	471,651,359	36,048,281

(1) Placement of shares at \$0.041 per share

(2) Issue of 13,800,000 shares to Perseus Ltd at \$0.101 per share in relation to the initial consideration pursuant to an agreement to acquire the 39% participating interest of the Napié Gold Project in Cote d'Ivoire held by Occidental Gold Sarl, a subsidiary of Perseus Ltd.

(3) Costs in relation to securities issues.

Share 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	Movements				31-Dec-22
		1-Jul-22	Issued	Exercised	Expired	
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 30/11/23 (3)	\$0.155	10,200,000	-	-	-	10,200,000
Unlisted 31/08/23 (4)	\$0.12	4,000,000	-	-	-	4,000,000
Unlisted 20/10/24 (5)	\$0.0615	-	15,000,000	-	-	15,000,000
		20,700,235	15,000,000	-	(6,500,235)	29,200,000

(1) 2,500,235 unlisted \$0.075 5/7/22 options to corporate advisors re capital raising

(2) 4,000,000 unlisted \$0.1725 30/9/22 options to corporate advisors re capital raising

(3) 10,200,000 unlisted \$0.155 30/11/23 options re Mako ESOP

(4) 4,000,000 unlisted \$0.12 31/8/23 options to corporate advisors re capital raising

(5) 15,000,000 \$0.0615 20/10/24 options to corporate advisors re capital raising

3. LOSS PER SHARE

	Consolidated Entity	
	31 December 2022	31 December 2021
	\$	\$
Loss per share		
Basic and diluted loss per share (cents per share)	(0.20)	(0.24)

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

Loss for the period used in calculating basic and diluted loss per share*	(833,624)	(851,849)
Weighted average no. of ordinary shares on issue	417,254,540	357,907,846

*As the Group has made a loss for the reporting period the basic loss per share will be the same as the diluted loss per share as any potential shares are antidilutive.

4. CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, there has been no material change of any contingent assets or liabilities.

MAKO GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

5. 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 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 half-year.

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

	Geographical – non-current assets	
	Half-year Ended 31 Dec 2022	Year Ended 30 June 2022
	\$	\$
Africa	27,945,449	24,839,284
	27,945,449	24,839,284

6. OTHER CORPORATE AND ADMINISTRATIVE EXPENSES

	Consolidated Entity	
	Half-year Ended 31 Dec 2022	Half-year Ended 31 Dec 2021
	\$	\$
Corporate compliance	(99,765)	(123,680)
Conferences and marketing	(124,181)	(109,051)
Legal and corporate advisory	(121,815)	(143,031)
Other	(35,639)	(47,149)
	(381,400)	(422,911)

7. EXPLORATION AND EVALUATION ASSETS

	Half-year Ended 31 Dec 2022
	\$
Non-Current	
Exploration costs carried forward in respect of areas of interest	
- Exploration phase	27,945,449
Reconciliation	
Exploration expenditure capitalised	
- Opening balance	24,839,284
- Current year expenditure	1,046,952
- Acquisition of interest in Napié project (note 2)	1,393,800
- Foreign exchange on intercompany balances	665,413
Carried forward	27,945,449

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.

MAKO GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

8. TRADE AND OTHER PAYABLES

	Half-year Ended 31 Dec 2022 \$	Consolidated Entity Year Ended 30 June 2022 \$
Trade creditors	397,297	1,434,861
Other payables and accruals	193,722	178,258
	591,019	1,613,119

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows, includes short-term deposits and cash as follows:

	Half-year Ended 31 Dec 2022 \$	Consolidated Entity Year Ended 30 June 2022 \$
Cash at bank and in hand	2,562,676	2,863,555

10. RIGHT OF USE ASSETS AND LEASE LIABILITY

	Half-year Ended 31 Dec 2022 \$	Consolidated Entity Year Ended 30 June 2022 \$
Non-Current Asset		
Right of Use Assets		
Opening balance	212,928	9,863
Additions	-	242,297
Amortisation	(22,027)	(39,232)
	190,901	212,928
Lease Liability		
Current lease liability	42,988	41,280
Non-current lease liability	171,593	193,597
	214,581	234,877

During the half year ended 31 December 2022 amortisation of \$22,027 (Half Year 2021 - \$17,390) and finance charges of \$4,144 (2021 - \$71) were charged to expenses in relation to leased assets

11. SHARE BASED PAYMENTS

Advisor Options

The Company has granted options as noted below to its capital advisors in connection with the capital raising programs undertaken in the period. The options were granted for either nominal or 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.

Details of advisor options on issue, issued, exercised and expired during the financial period are:

Expiry Date	Exercise Price	Fair Value at Grant Date	1-Jul-22	Issued	Exercised/ Expired	31-Dec-22	Vested
5/7/22	\$0.075	\$0.0257	2,500,235	-	(2,500,235)	-	2,500,235
30/9/22	\$0.1725	\$0.0521	4,000,000	-	(4,000,000)	-	4,000,000
31/8/23	\$0.1200	\$0.0312	4,000,000	-	-	4,000,000	4,000,000
20/10/24	\$0.0615	\$0.0143	-	15,000,000	-	15,000,000	15,000,000

The weighted average exercise price of the advisor options is \$0.0738.

During the period a new series of options was issued. Details of the fair value of the options are as follows:

MAKO GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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.

<u>Inputs into pricing model for options issued</u>	<u>Advisor Options</u>
Grant date	18-Nov-23
Issue price	\$0.00
Exercise price	\$0.0615
Vesting conditions	Fully vested
Share price at grant date	\$0.043
Expiry date	20-Oct-24
Life of the instruments	2 years
Underlying share price volatility	80%
Expected dividends	Nil
Risk free interest rate	3.12%
Pricing model	Black Scholes

Staff Options

In the 2020 financial year the company granted a total of 10,200,000 to company staff in accordance with an ESOP approved at the 2019 AGM. The option vest as follows: 1/3rd on 30/11/21, 1/3rd on 30/11/22 and 1/3rd on 31/5/23. The options were granted 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. Details of staff options on issue, issued, exercised and expired during the financial period are set out below:

Expiry Date	Exercise Price	Fair Value at Grant Date	1-Jul-22	Issued	Exercised/Expired	31-Dec 22	Vested
30/11/23	\$0.155	\$0.0446	10,200,000	-	-	10,200,000	6,800,000

The weighted average exercise price of the staff 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.

Expenses arising from share-based payment transactions

<u>Expensed in Period</u>	Consolidated Entity	
	Half-year Ended 31 Dec 2022	Half-year Ended 31 Dec 2021
	\$	\$
Options issued to capital advisors	214,500	124,800
Options issued to staff and consultants	27,183	92,561
	241,683	217,361
 <u>Capitalised in Period</u>		
Options issued to staff capitalised in exploration assets	34,432	117,243
Shares issued re project acquisition (note 2)	1,393,800	-
	1,428,232	117,243

MAKO GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Directors' Declaration

In the Directors' opinion:

- (a) the attached financial statements and notes as set out on pages 18 to 26 are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Peter Ledwidge
Managing Director

Brisbane
10 March 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mako Gold Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Mako Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 31 December 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

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Material uncertainty relating 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 conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

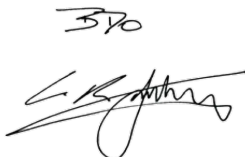
The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd



C R Jenkins
Director

Brisbane, 10 March 2023