

MAKO GOLD LIMITED

A.B.N. 84 606 241 829

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

MAKO GOLD LIMITED

CORPORATE DIRECTORY	
DIRECTORS Mark Elliott (Non-Executive Chairman) Peter Ledwidge (Managing Director) Michele Muscillo (Non-Executive Director)	AUSTRALIAN BUSINESS NUMBER ABN 84 606 241 829
SECRETARY Paul Marshall	REGISTERED OFFICE C/- HopgoodGanim Level 8 1 Eagle St Brisbane Qld 4000
SOLICITORS HopgoodGanim Level 8 1 Eagle St Brisbane Qld 4000	AUDITORS BDO Audit Pty Ltd Level 10, 12 Creek Street Brisbane QLD 4000 Phone:+ 61 7 3237 5999
SHARE REGISTRY Link Market Services Ltd Level 21 10 Eagle Street Brisbane Qld 4000 Telephone: 1300 554 474	

MAKO GOLD LIMITED DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Mako Gold Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

Directors

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

Mark Elliott (Non-Executive Chairman)
Peter Ledwidge (Managing Director)
Michele Muscillo (Non-Executive Director)

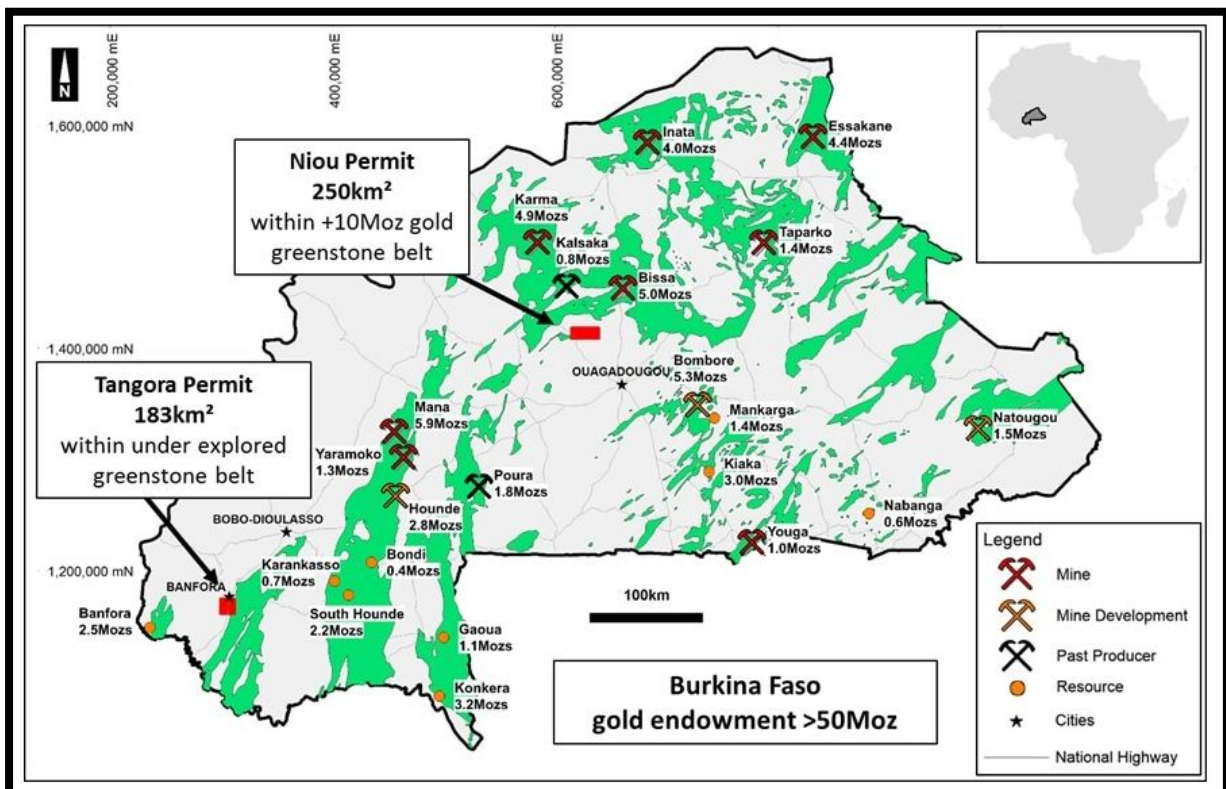
Review and Results of Operations and Significant Changes in the State of Affairs

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

The Company was established in June 2015 and acquired its first project interests in July 2016. It raised \$700,000 in seed capital from investors in April 2017 and a further \$500,000 in December 2017. The conversion of Mako Gold to a public company was completed in June 2017 and Mako is seeking to list on the ASX with a prospectus to raise between \$5-\$6 million lodged with ASIC and ASX in January 2018.

Work in the period to 31 December 2017 was focussed on acquiring a third project for the company (completed in September 2017) and on progressing the IPO prospectus (lodged in January 2018).

Mako Gold's first two gold projects are in highly mineralised terrain in Burkina Faso that have no known drilling and which contain extensive artisanal workings indicating the presence of gold mineralisation. The Niou Project is located in the central part of the Burkina Faso. It is only 50km north of Burkina Faso's capital Ouagadougou it is easily accessed by a good road system. The Tangora Project is located in the Banfora greenstone belt in the southwest of Burkina Faso.



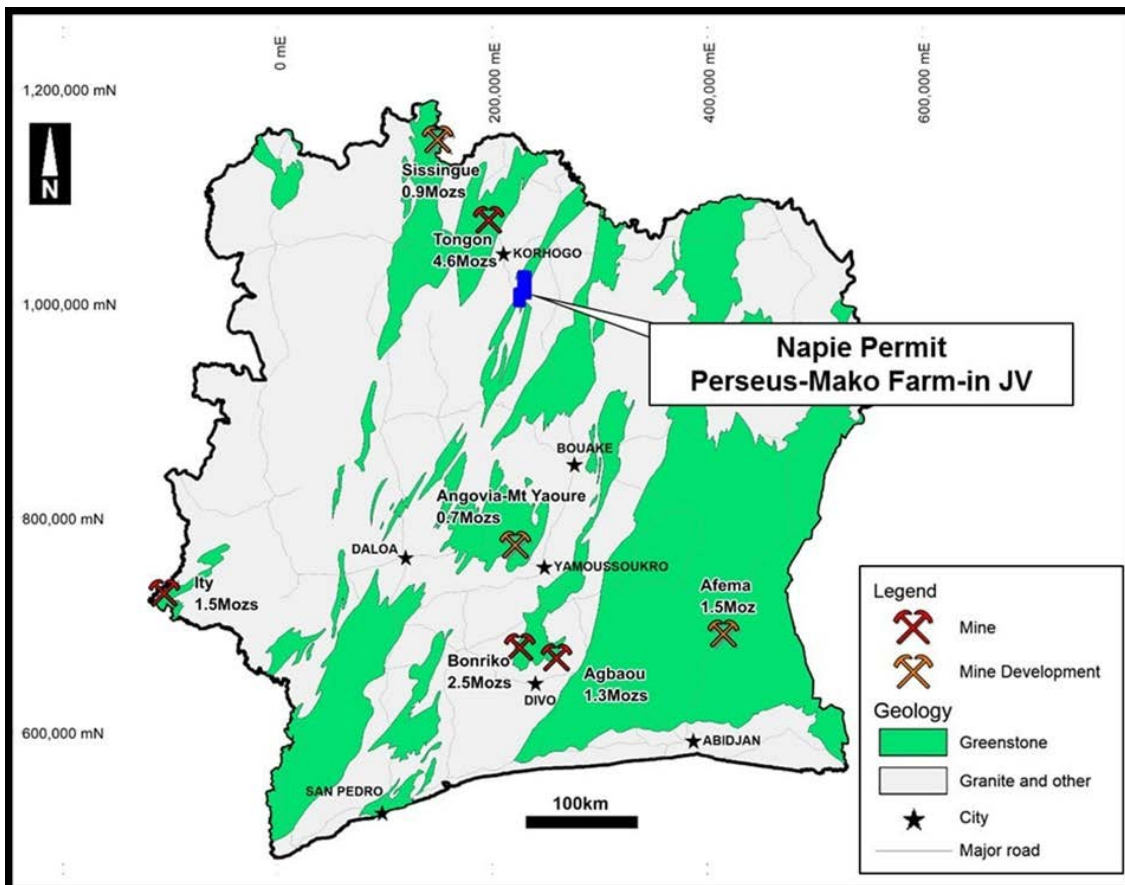
Niou and Tangora Permits in Burkina Faso

**MAKO GOLD LIMITED
DIRECTORS' REPORT**

The Company also entered into a Farm-in and Joint Venture Agreement (JV) on the Napié Permit in Côte d'Ivoire, West Africa on September 7, 2017 with Perseus Mining Limited's Côte d'Ivoire subsidiary, Occidental Gold SARL (OG).

The agreement gives Mako the right to earn 51% by spending US\$1.5M within 3 years and 75% by sole funding to completion of a Feasibility Study. If Mako chooses not to fund to feasibility after having earned its 51% interest, Mako's interest would drop to 39%. The agreement is subject to successful completion of the IPO and Mako listing on the ASX.

OG's original joint venture partner in respect of the Napié Permit, African American Investment Fund SA (AAIF), retains a 10% free carry to feasibility and can elect to contribute post feasibility. OG can elect to contribute on a pro-rata basis once Mako has reached its 51% interest.



Napié Permit in Côte d'Ivoire

Subsequent Events

Subsequent to the end of the period the company issued or has committed to issue and cancel the following shares:

On 19 January 2018 the Company issued 75,000 shares to nominees of Novus Capital following the lodgement of the IPO prospectus in relation to services provided as lead manager for the IPO.

On 23 March 2018 shareholders approved a reduction of capital – approval was obtained at an EGM to reduce its share capital by 16,200,000 Ordinary shares, by way of a selective reduction of the shares issued to the Company's founders. The Cancellation will be effected on 6 April 2018 for the nominal consideration of \$3.00 and was undertaken:

- to increase the underlying value of each of the Company's Ordinary shares and better align the capital structure of the Company with similar start-up mineral exploration companies;

**MAKO GOLD LIMITED
DIRECTORS' REPORT**

- to reduce the total number of Shares on issue following completion of the offer under the IPO and also increase the equity that IPO investors will hold in the Company; and
- to attract additional investor support to enable it to achieve the maximum subscription of \$6,000,000 under the IPO.

On 29 March 2018 the Company closed the IPO offer as it had received applications in excess of \$6,000,000. The Company will therefore proceed with the issue of 30,000,000 new shares in the near term with the intention of completing a listing on ASX in April 2018.

In relation to the IPO listing the Company will issue a further 375,000 shares to Nominees of Novus Capital in relation to services provided as lead manager for the IPO.

The proforma share capital of the Company following the completion of the IPO listing process (before any costs of the issues) is as follows:

Ordinary Shares	Half-year Ended Dec 2017	
	Nos of shares	\$
Ordinary shares fully paid		
Balance at 31 December 2017	49,000,100	1,239,100
Increases		
- Issued to Novus nominees (1)	75,000	15,000
- Reduction of share capital (2)	(16,200,000)	(3)
- IPO shares to be issued (3)	30,000,000	6,000,000
- Shares to be issued to Novus nominees (4)	375,000	75,000
Proforma share capital	63,250,100	7,179,097

(1) Issue of shares to lead manager as fee for IPO services on lodgement of IPO prospectus

(2) Reduction of shares held by founding shareholders

(3) Issue of IPO shares at 20 cents per share

(4) Issue of shares to lead manager as fee for IPO services on completion of listing on ASX

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 2017.

Signed in accordance with a resolution of the Directors.



**Mark Elliott
Director**

Brisbane 4 April 2018

**MAKO GOLD LIMITED
AUDITOR'S INDEPENDENCE DECLARATION**



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DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF MAKO GOLD LIMITED

As lead auditor for the review of Mako Gold Limited for the half-year ended 31 December 2017, 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 'R M Swaby'.

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 4 April 2018

MAKO GOLD LIMITED

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Note	31 December 2017 \$	31 December 2016 \$
Interest income		553	-
IPO costs		(121,039)	-
Employment costs		(52,000)	-
Other expenses		(91,190)	(3,731)
Loss before tax		(263,676)	(3,731)
Income tax expense		-	-
Loss for the period		(263,676)	(3,731)
Foreign currency translation differences on foreign operations		11,612	(392)
Other comprehensive income		11,612	(392)
Total comprehensive income for the half-year		(252,064)	(4,123)
Total comprehensive income for the half year is attributable to:			
Owners of Mako Gold Limited		(252,064)	(4,123)
Basic loss per share (cents per share)	4	(0.59)	(3,731)
Diluted loss per share (cents per share)	4	(0.59)	(3,731)

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 2017

	Note	31 December 2017 \$	30 June 2017 \$
Current Assets			
Cash and cash equivalents		458,820	434,477
Financial assets		5,306	6,084
Other current assets		104,000	3,170
Total Current Assets		568,126	443,731
Non-Current Assets			
Exploration and evaluation assets	6	660,187	332,737
Other non-current assets		-	1,256
Total Non-Current Assets		660,187	333,993
Total Assets		1,228,313	777,724
Current Liabilities			
Trade and other payables	7	337,001	101,037
Borrowings	8	-	33,311
Total Current Liabilities		337,001	134,348
Total Liabilities		337,001	134,348
Net Assets		891,312	643,376
Equity			
Issued capital	2	1,239,100	739,100
Reserves		5,166	(6,446)
Accumulated losses		(352,954)	(89,278)
Total Equity		891,312	643,376

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 2017

	Note	31 December 2017 \$	31 December 2016 \$
Cash Flows from Operating Activities			
Cash payments in the course of operations		(158,729)	(6,567)
Interest received		553	-
Net cash used in operating activities		<u>(158,177)</u>	<u>(6,567)</u>
Cash Flows from Investing Activities			
Payments for exploration & evaluation		(295,781)	(19,874)
Net cash used in investing activities		<u>(295,781)</u>	<u>(19,874)</u>
Cash Flows from Financing Activities			
Proceeds from issue of shares		500,000	-
Loans received		-	27,316
Loans (repaid)		(33,311)	-
Net cash flows provided by financing activities		<u>466,689</u>	<u>27,316</u>
Net increase/(decrease) in cash held		12,732	875
FX Reserve		11,612	(392)
Cash at the beginning of the period		434,477	100
Cash at the end of the period		<u><u>458,820</u></u>	<u><u>583</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 2017**

	Issued Capital	Foreign Currency Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2016	100	(45)	(26,399)	(26,344)
Loss after income tax	-	-	(3,731)	(3,731)
Foreign currency translation differences of foreign operations	-	(392)	-	(392)
Total comprehensive income	-	(392)	(3,731)	(4,123)
Transactions with owners in their capacity with owners				
Total transactions with owners	-	-	-	-
Balance at 31 December 2016	100	(437)	(30,130)	(30,467)
Balance at 1 July 2017	739,100	(6,446)	(89,278)	643,376
Loss for the period	-	-	(263,676)	(263,676)
Foreign currency translation differences of foreign operations	-	11,612	-	11,612
Total comprehensive income	-	11,612	(263,676)	(252,064)
Transactions with owners in their capacity with owners				
Issue of shares re share placement	500,000	-	-	500,000
Total transactions with owners	500,000	-	-	500,000
Balance at 31 December 2017	1,239,100	5,166	(352,954)	891,312

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 2017

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

This general purpose financial report for the interim half-year reporting period ended 31 December 2017 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 2017 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. New and revised standards have been issued by the AASB during the half-year; however there are no material changes to the policies that affect measurement of the results or financial position of the consolidated entity.

Fair Values

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

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 31 December 2017, the facts and circumstances do not suggest that the carrying amount of an asset may exceed its recoverable amount. In considering this the Directors have had regard to the facts and circumstances that indicate a need for impairment as noted in Accounting Standard AASB 6 “Exploration for and Evaluation of Mineral Resources”.

Going concern basis for accounting

The consolidated group incurred a net loss for the 6-month period ended 31 December 2017 of \$263,676 (year ended 30 June 2017: \$62,879) and net cash operating outflows of \$158,177 (year ended 30 June 2017: \$50,523). As at 31 December 2017, the consolidated group's current assets of \$568,126 (30 June 2017: \$443,731) exceeded its current liabilities of \$337,001 (30 June 2017: \$134,348) by \$231,125 (30 June 2017: \$309,383).

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

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 company is in the process of listing on the ASX where it is expected to raise between \$5,000,000 and \$6,000,000 of capital before transaction costs. The company closed the offer on 29 March 2018 as it had received in excess of \$6,000,000 in applications from subscribers.

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 consolidated entity be unable to continue as a going concern.

MAKO GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

2. ISSUED CAPITAL

Ordinary Shares	Half-year Ended Dec 2017		Year Ended June 2017	
	Nos of shares	\$	Nos of shares	\$
Ordinary shares fully paid				
Beginning of the financial period	44,000,100	739,100	100	100
Increases				
- Issued to company founders (1)	-	-	29,000,000	29,000
- Issued to NED and Co Sec (2)	-	-	1,000,000	10,000
- Placement of shares to subscribers (3)	-	-	14,000,000	700,000
- Placement of shares to subscribers (4)	5,000,000	500,000	-	-
End of financial period	<u>49,000,100</u>	<u>1,239,100</u>	<u>44,000,100</u>	<u>739,100</u>

(1) Issue of shares to founding directors and staff at \$0.001 cents per share

(2) Issue of shares to NED and Company Secretary at \$0.01 per share

(3) Subscriptions for shares at \$0.05 per share

(4) Subscriptions for shares at \$0.10 per share

Share Options

There were no options on issue at the start, during or at the end of the financial period.

3. CONTINGENT ASSETS AND LIABILITIES

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

4. LOSS PER SHARE

	Consolidated Entity	
	31 December 2017 \$	31 December 2016 \$
Loss per share		
Basic and diluted loss per share (cents per share)	(0.59)	(3,731)
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	<u>(263,676)</u>	<u>(3,731)</u>
Weighted average no. of ordinary shares on issue	<u>44,706,622</u>	<u>100</u>

MAKO GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

5. SEGMENT INFORMATION

Reportable Segments

During the financial year the company had exploration activities in West Africa (Burkina Faso and Cote D'Ivoire) while its head office was located in Australia.

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

- Australia
- West Africa (Burkina Faso and Cote D'Ivoire)

Operating segments are identified on the basis of internal reports that are regularly reviewed by the executive team in order to allocate resources to the segment and assess its performance. The group only has 1 reportable segment.

6. EXPLORATION AND EVALUATION ASSETS

	Consolidated Entity	
	Half-year Ended 31 December 2017	Year Ended 30 June 2017
	\$	\$
Exploration costs carried forward in respect of areas of interest		
- Exploration phase	660,187	332,737
	660,187	332,737
Reconciliation		
Exploration expenditure capitalised		
- Opening balance	332,737	-
- Net Current period/year expenditure	327,450	332,737
- Written off during the period/year	-	-
Carried forward	660,187	332,737

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.

7. TRADE AND OTHER PAYABLES

	Consolidated Entity	
	Half-year Ended 31 December 2017	Year Ended 30 June 2017
	\$	\$
Trade creditors	159,449	37,499
Other payables and accruals	177,553	63,538
	337,002	101,037

8. BORROWINGS

	Consolidated Entity	
	Half-year Ended 31 December 2017	Year Ended 30 June 2017
	\$	\$
Current		
Loan from director related entity	-	33,311
	-	33,311

As at 31 December 2017 \$nil (30 June 2017 \$33,311) was owed by the company to Ann and Peter Ledwidge for company funding provided prior to the seed capital raising in April 2017. These funds were advanced interest free and were repaid on 29 September 2017.

MAKO GOLD LIMITED

9. SUBSEQUENT EVENTS

Subsequent to the end of the period the company issued or has committed to issue and cancel the following shares:

On 19 January 2018 the Company issued 75,000 shares to nominees of Novus Capital following the lodgement of the IPO prospectus in relation to services provided as lead manager for the IPO.

On 23 March 2018 shareholders approved a reduction of capital – approval was obtained at an EGM to reduce its share capital by 16,200,000 Ordinary shares, by way of a selective reduction of the shares issued to the Company's founders. The Cancellation will be effected on 6 April 2018 for nominal consideration of \$3.00 and was undertaken:

- to increase the underlying value of each of the Company's Ordinary shares and better align the capital structure of the Company with similar start-up mineral exploration companies;
- to reduce the total number of Shares on issue following completion of the offer under the IPO and also increase the equity that IPO investors will hold in the Company; and
- to attract additional investor support to enable it to achieve the maximum subscription of \$6,000,000 under the IPO.

On 29 March 2018 the Company closed the IPO offer as it had received applications in excess of \$6,000,000. The Company will therefore proceed with the issue of 30,000,000 new shares in the near term with the intention of completing a listing on ASX in April 2018.

In relation to the IPO listing the Company will issue a further 375,000 shares to Nominees of Novus Capital in relation to services provided as lead manager for the IPO.

The proforma share capital of the Company following the completion of the IPO listing process (before any costs of the issues) is as follows:

Ordinary Shares	Half-year Ended Dec 2017	
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- Issued to Novus nominees (1)	75,000	15,000
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- IPO shares to be issued (3)	30,000,000	6,000,000
- Shares to be issued to Novus nominees (4)	375,000	75,000
Proforma share capital	63,250,100	7,179,097

(1) Issue of shares to lead manager as fee for IPO services on lodgement of IPO prospectus

(2) Reduction of shares held by founding shareholders

(3) Issue of IPO shares at 20 cents per share

(4) Issue of shares to lead manager as fee for IPO services on completion of listing on ASX

MAKO GOLD LIMITED

Directors' Declaration

In the Directors' opinion:

- (a) the attached financial statements and notes as set out on pages 7 to 14 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 2017 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



Mark Elliott
Director

Brisbane
4 April 2018

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 statement of financial position as at 31 December 2017, 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 then ended, and notes comprising a statement of 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 half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 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*.

Directors' responsibility for the Half-Year 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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd



R M Swaby
Director

Brisbane, 4 April 2018