MAKO GOLD LIMITED

A.C.N. 606 241 829

ANNUAL REPORT 30 JUNE 2018

Drilling on Napié Project – Côte d'Ivoire

INDEX

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

COMPANY SECRETARY
Paul Marshall

AUSTRALIAN BUSINESS NUMBER
ABN 84 606 241 829

REGISTERED OFFICE
HopgoodGanim
Level 8, Waterfront Place
1 Eagle St
Brisbane Qld 4000
Telephone: +617 3024 0000

PRINCIPAL ADMINISTRATIVE OFFICE
Suite 2, Level 17
300 Adelaide St
Brisbane, QLD 4000
Telephone: 617 3076 0727
Email: admin@makogold.com.au
Web: www.makogold.com.au

AUDITOR
BDO Audit Pty Ltd
Level 10,
12 Creek St
Brisbane QLD 4000

SOLICITORS
HopgoodGanim
Level 8
Waterfront Place
1 Eagle St
Brisbane Qld 4000

ASX SECURITIES
MKG – Fully paid ordinary shares
MKGO – Listed $0.30 16/4/21 options

Chairman's Letter

Dear Shareholder

It has been an exciting and busy year for Mako Gold Limited ("Mako" and "the Company") which included listing on the Australian Securities Exchange (ASX) on the 16 April 2018.

The Company's Initial Public Offering (IPO) was oversubscribed and raised $6,000,000 (before costs). This included a cornerstone investment of $2,000,000 by successful ASX-listed West African and Australian gold explorer and producer Resolute Mining Limited (ASX:RSG) who has continued to show its support by increasing its holding further in the Company post listing.

Our strategy is targeting, multi-million-ounce, high-grade gold deposits in the highly prospective, world renowned Paleoproterozoic Birimian gold province located in West Africa. Around 400 million ounces of gold have been discovered to date and it is under explored.

In line with this strategy, the Company immediately after listing had field crews on the ground in preparation for its maiden drilling programs at the Napié Project in Côte d'Ivoire and the Tangora Project in Burkina Faso.

Mako's flagship project is the Napié Project located in Cote d'Ivoire. The Company negotiated a Farm-in/Joint Venture agreement with West African gold producer, Perseus Mining Limited (ASX:PRU) in September 2017, where Mako is operator.

A small reconnaissance reverse circulation (RC) and diamond drilling (DD) program consisting of approximately 4,800m in 58 holes was designed to test various high priority targets at Napié. The targets were identified from historic soil/auger, rock chip, shallow RAB drilling and geophysical anomalies over mineralised corridors totalling around 25 km in length located in the permit. The best drilling results confirm that the main mineralised corridor contain some areas of shallow wide and high-grade gold mineralisation, including;

- 8m @ 8.53g/tAu from 31m in NARC001
- 26m @ 3.85g/tAu from 52m in NARC017
- 12m @ 5.39g/tAu from 11m in NARC035

These initial drilling results from Napié are very encouraging based on the limited and wide-spaced nature of the drilling.

In addition, an encouraging + 7km long gold soil anomaly was recently interpreted from the Niou Project in Burkina Faso.

The Company has a strong financial position with $4.5 million in cash as at 30 June 2018.

Finally, I would like to thank Peter Ledwidge and Ann Ledwidge for their tireless efforts along with other staff and Mako shareholders for their support during the past year. I am very encouraged with the progress made to date and excited by what the Company aims to achieve in the next 12 months.

M Elliott

Mark Elliott
Chairman

The directors present their review of operations for the year ended 30 June 2018.

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, 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. The conversion of Mako Gold to a public company was completed in June 2017. Mako raised $700,000 in seed capital from investors in April 2017 and a further $500,000 in December 2017. The Company completed an IPO raising $6,000,000 and listed on the ASX on 16 April 2018. The IPO included a $2,000,000 cornerstone investment by gold miner Resolute Mining Limited and was oversubscribed. Mako began its maiden drilling program on its flagship Napié Project within one month of listing.

Key Activities and Achievements for the 12 months ended 30 June 2018

- Signing of Farm-in/JV Agreement with subsidiary of Perseus Mining Limited on Napié Permit
- Closing $6,000,000 IPO oversubscribed and listing on ASX, including $2,000,000 cornerstone investment by Resolute Mining Limited
- Successful first-pass drilling shows potential for large high-grade gold deposits at Napié
- 13km long gold corridor identified in wide-spaced maiden drilling program at Napié.
- Completion of RC drilling program on non-core Tangora Project in Burkina Faso to rapidly evaluate the prospectivity of the project
- +7km long gold soil anomaly identified on Niou Project in Burkina Faso.
- Multiple targets identified for follow-up work on Napié and Niou Projects

Napié Project, Côte d'Ivoire

Mako Gold's Napié Project is located in north-central Côte d'Ivoire within the Daloa greenstone belt (Figure 1). Mako is earning up to a 75% interest in the Napié Project under a farm-in and joint venture agreement with Occidental Gold SARL, a subsidiary of West African gold miner Perseus Mining Limited (ASX/TSX:PRU).

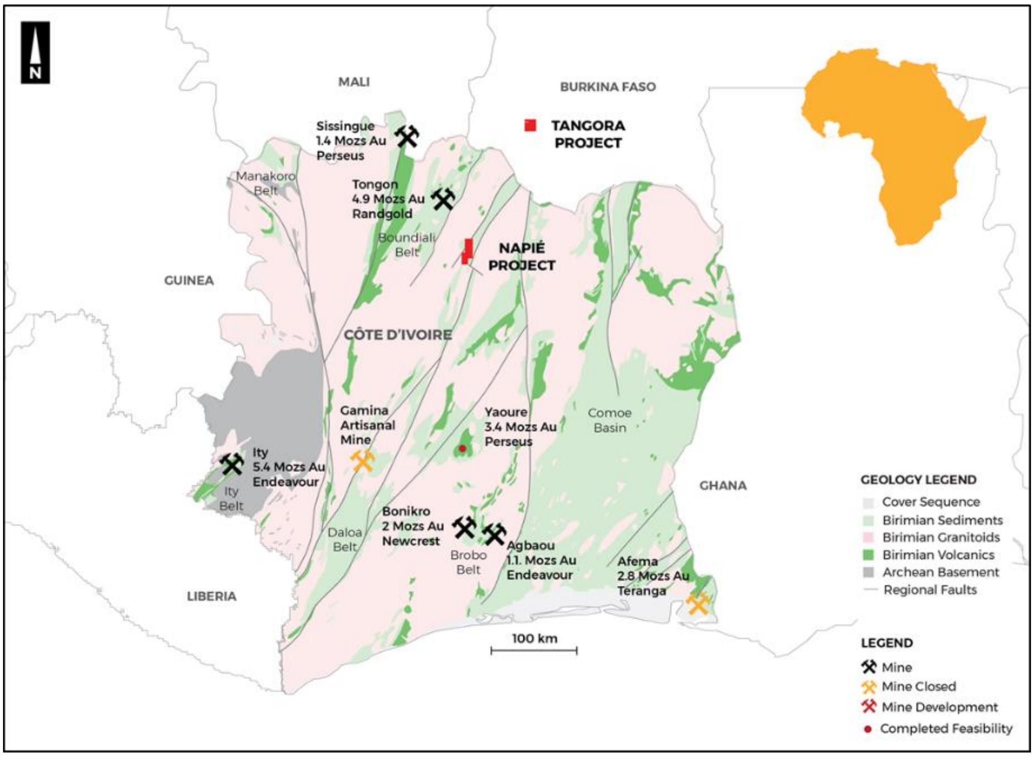

Figure 1: Napié Project location - Cote d'Ivoire

Maiden Drilling Program Completed on Napié Project

The Company began its maiden drilling program on 13 May 2018. Drilling was completed on 17 July 2018. The program consisted of 52 Reverse Circulation (RC) holes for a total of 4,171m drilled and 6 diamond core (DD) holes for a total of 609m drilled. The maiden drilling program was designed to test high priority targets identified by Mako from soil/auger, rock chip and geophysical anomalies, as well as historic RAB drilling.

The successful first-pass RC and DD drilling program highlighted the potential for large high-grade gold deposits on the Napié Project.

Wide-spaced drilling outlined a 13km long gold corridor including the 5km Tchaga Prospect and 4km Gogbala Prospect (Figure 3).

In addition, a second sub-parallel gold mineralised zone was identified 4km east of the Tchaga Prospect (Figure 3).

Figure 2: Mako Managing Director at Napié drill site - Côte d’Ivoire

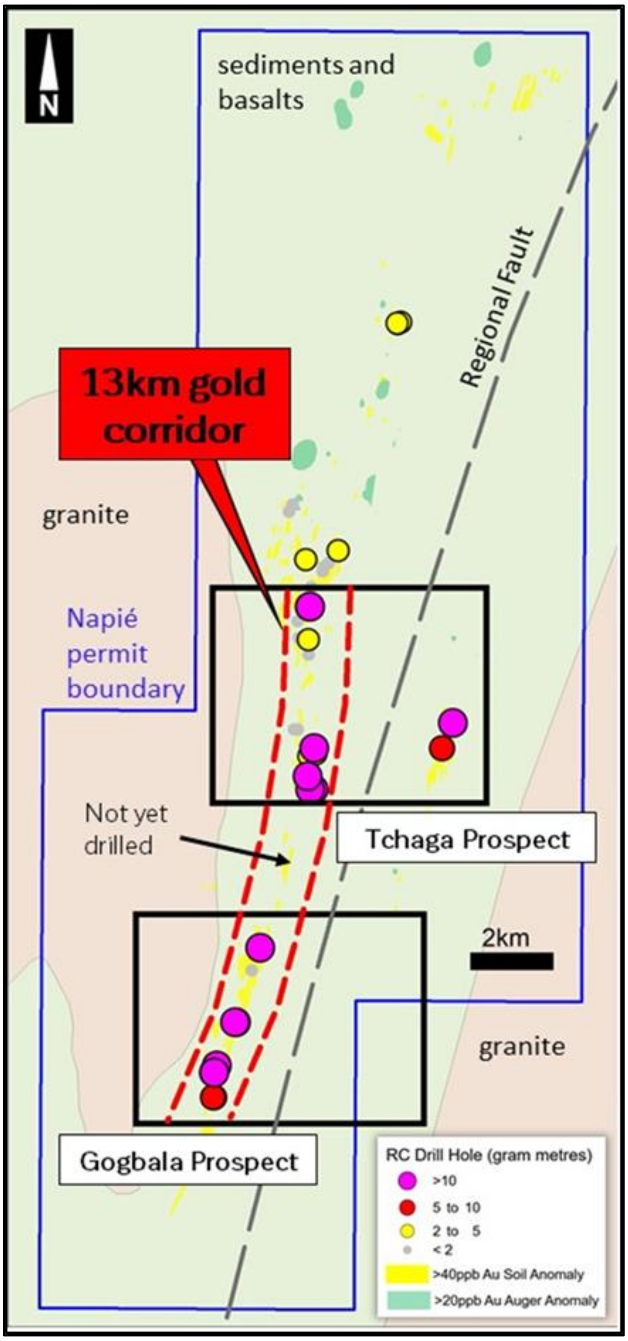

Figure 3: Napié Project with Gogbala and Tchaga prospects

Tchaga Prospect - 5 km Long High-Grade Gold Zone

Significant gold mineralisation was intersected in drill holes within the Tchaga Prospect. High-grade results were returned from multiple drill holes in widely spaced drilling over a 5km long trend (Figure 4). Individual assays returned values up to 51g/t Au. Significant widths of gold mineralisation, up to 26m, were intersected in multiple drill holes.

Visible gold was noted in NARC001 and NARC002 in intervals that returned high-grade gold values. In addition, Mako geologist observed visible gold in NADD004 at 65.5m (Figure 5).

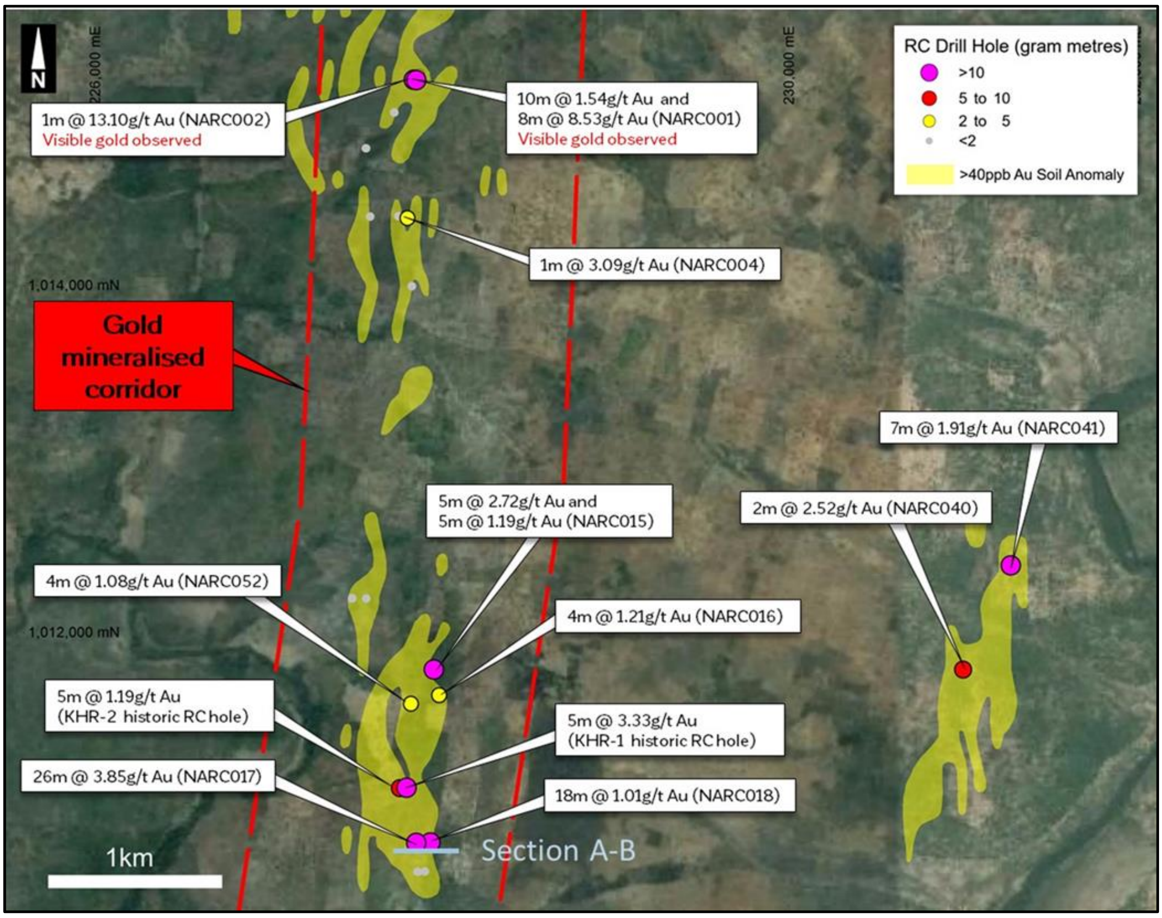

Figure 4: Tchaga Prospect - 5km long gold trend with collar locations and significant drill intersections

Significant drill intersections from Tchaga Prospect include:

- **10m at 1.54g/t Au** from 10m in hole NARC001; including
  1m at 5.36g/t Au; and **8m at 8.53g/t Au** from 31m; including
  2m at 30.17g/t Au with **visible gold observed**
- **1m at 13.10 g/t Au** with **visible gold observed** from 17m in hole NARC002
- **5m at 2.72g/t Au** from 42m and **5m at 1.19g/t Au** from 52m in hole NARC015
- **26m at 3.85g/t Au** from 52m in hole NARC017; including
  4m at 8.28g/t Au (4m composite sample) from 52m; and 1m at 20.1g/t Au from 67m
- **12m at 0.89g/t Au** (4m composites) from surface and **18m at 1.01g/t Au** (includes one 4m composite) from 16m in hole NARC018

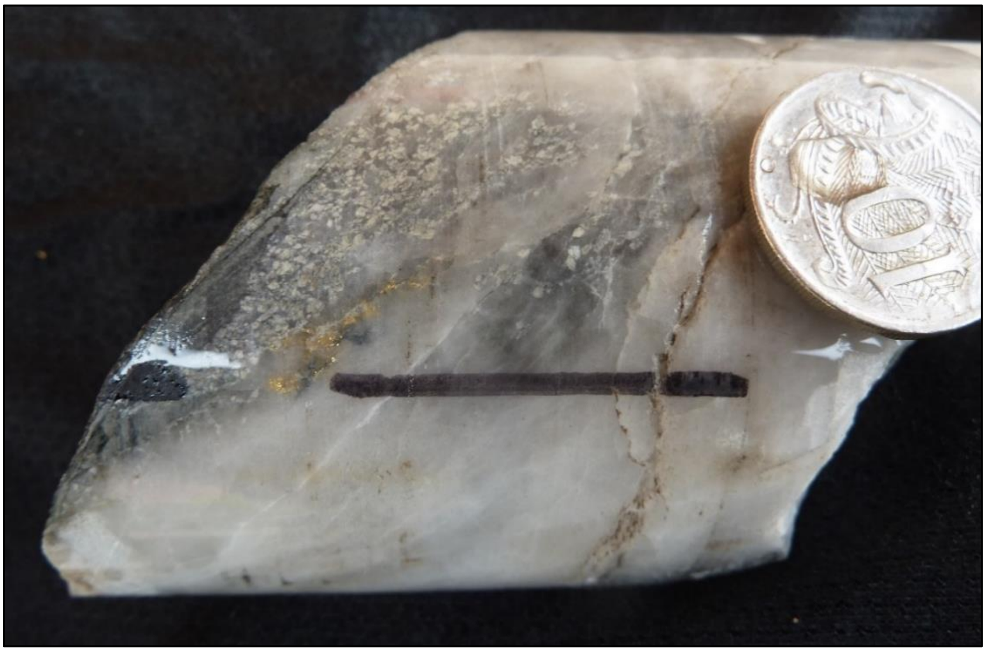

Figure 5: Visible gold from NADD004 at 65.5m downhole

The best results obtained so far from Mako's maiden drilling program were in holes drilled below soil anomalies greater than 200ppb Au, such as NARC017 shown in cross-section (Figure 6). The higher-grade mineralisation encountered in NARC017 was within the fresh rock below the weathered (oxidised) zone. Most soil anomalies remain untested at depth (below the oxidised zone).

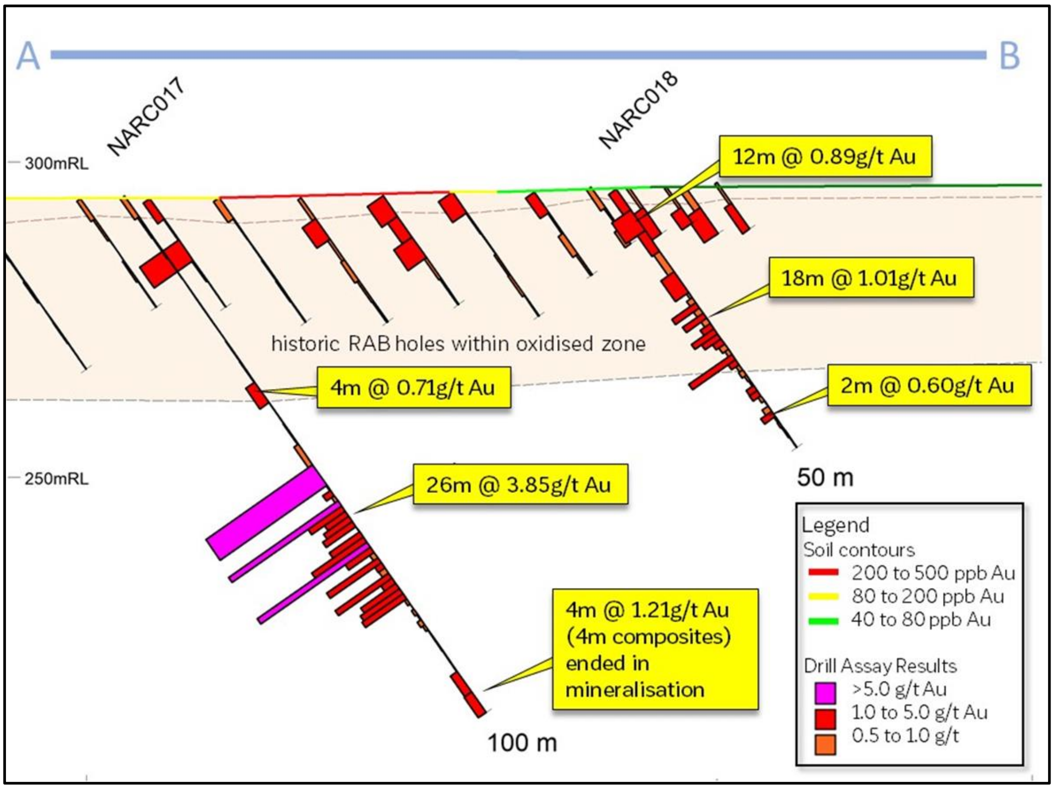

Figure 6: Tchaga cross section looking north

Gogbala Prospect – 4km Long High-Grade Gold Zone

Significant gold mineralisation was intersected from recent wide-spaced drilling completed within the Gogbala Prospect outlining a 4km mineralised trend (Figure 7). Individual assays returned values up to 14.7g/t Au, and separately, mineralised widths of up to 12m. The Gogbala Prospect is located approximately 3km south of the Tchaga Prospect.

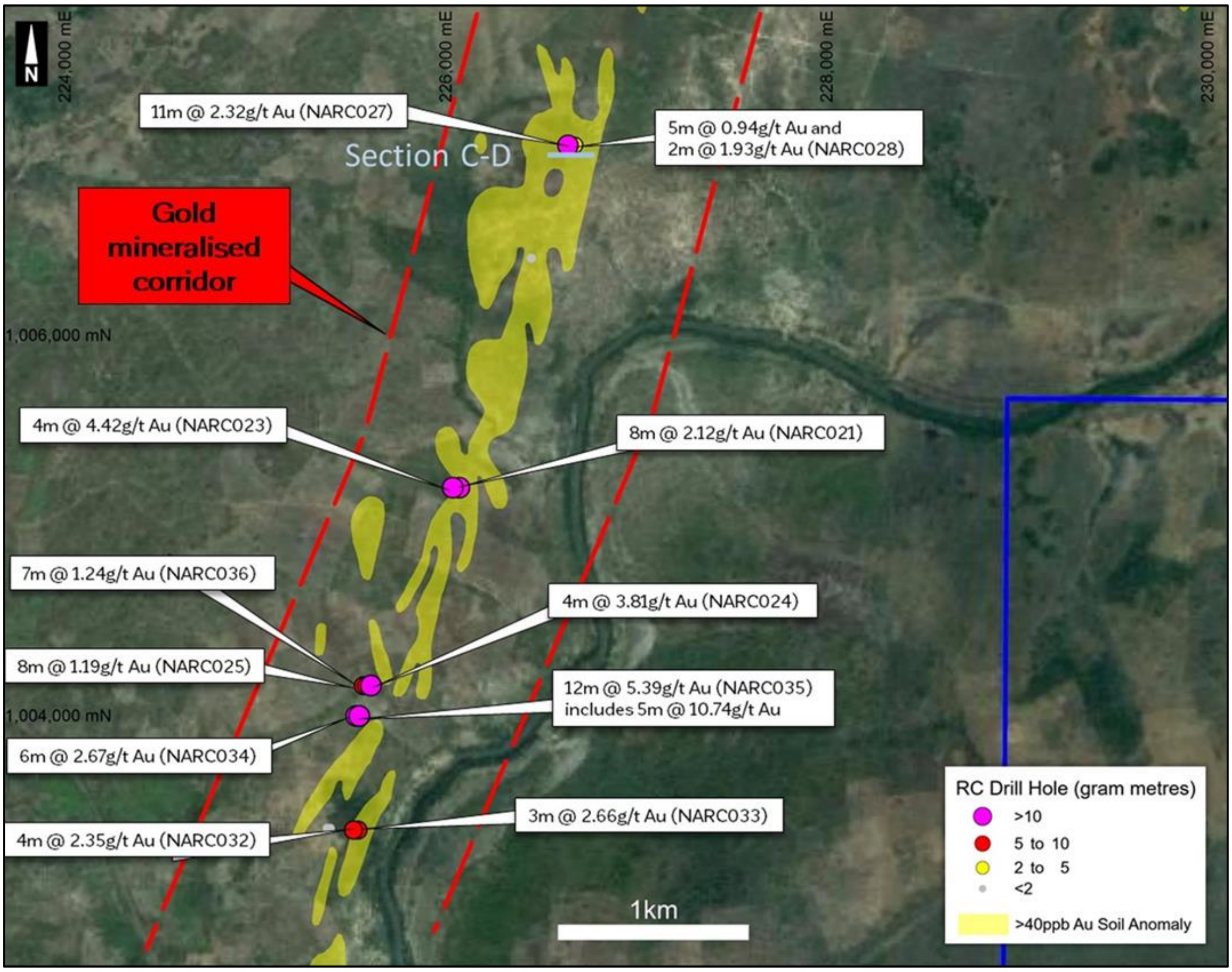

Figure 7: Gogbala Prospect - 4km long gold trend with collar locations and significant drill intersections

Significant drill intersections from the Gogbala Prospect include:

- **8m at 2.12g/t Au** from 29m in NARC021; including **1m at 8.29g/t Au**;
- **4m at 4.42g/t Au** (4m composite) from 64m in NARC023;
- **4m at 3.81g/t Au** (4m composite) from 40m in NARC024;
- **8m at 1.19g/t Au** (4m composite) from 24m in NARC025;
- **11m at 2.32g/t Au** from 51m in NARC027; including **1m at 7.03g/t Au;**
- **4m at 2.35g/t Au** (4m composite) from 40m in NARC0032;
- **3m at 2.66g/t Au** from 33m in NARC033;
- **6m at 2.67g/t Au** from 42m in NARC034; including **1m at 10.50g/t Au;**
- **12m at 5.39g/t Au** from 11m in NARC035; including **5m at 10.74g/t Au.**

The best results at the Gogbala Prospect also seem to be within the fresh rock (below the oxide zone) generally coincident with the gold soil anomaly as shown in the following cross-section (Figure 8).

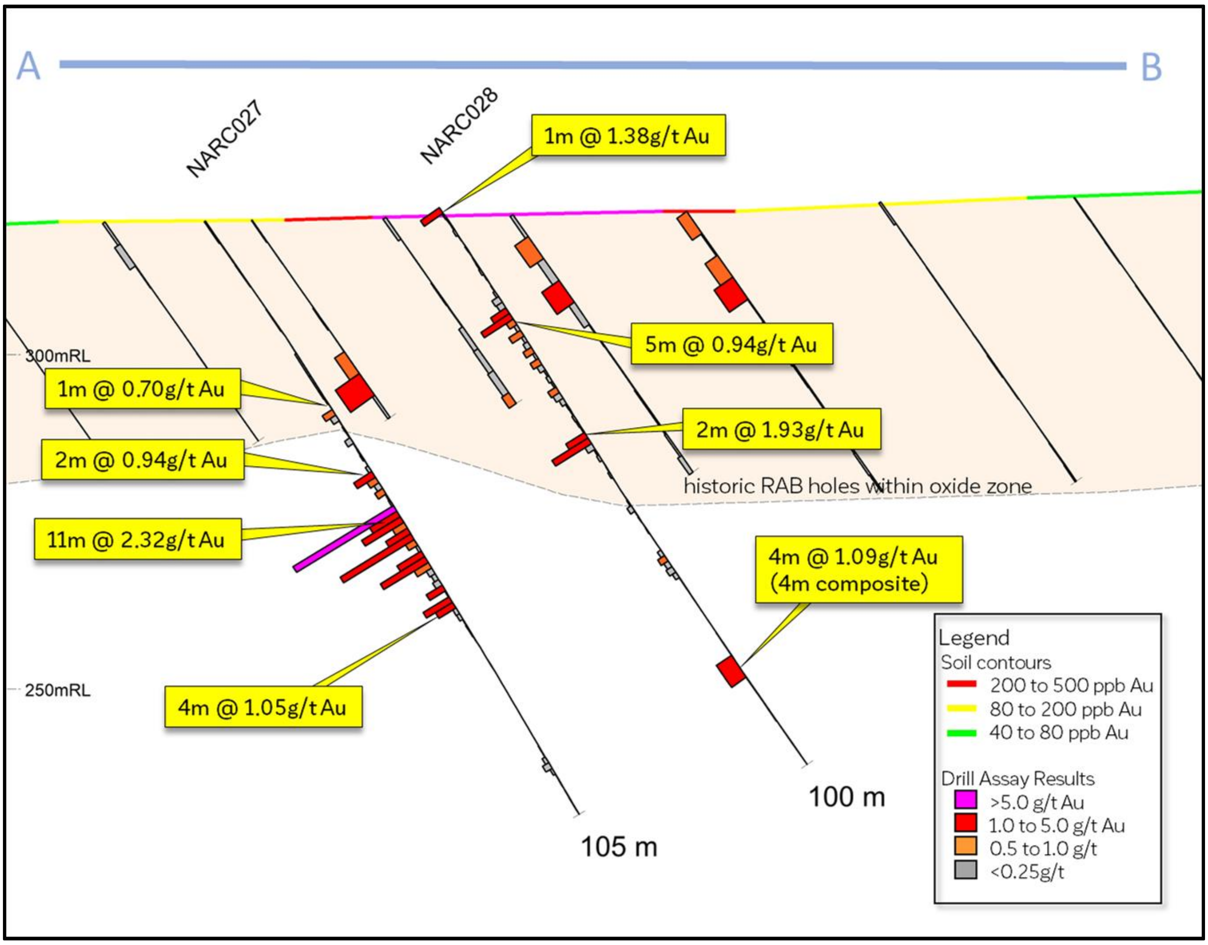

Figure 8: Gogbala cross-section looking north

Tchaga East Prospect – Scout drilling identifies another gold mineralised zone

Scout drilling identified another gold mineralised zone 4km to the east of the Tchaga Prospect (Tchaga East). Two of the three RC holes drilled on the 2km-long soil anomaly returned high-grade gold in drilling.

Significant drill intersections from Tchaga East Prospect include:

- **7m at 1.91g/t Au** from 0m (include a 4m composite) in NARC041**;**
- **2m at 2.52g/t Au** from 5m in NARC040

Napié Project – Future work

Following the end of the wet season, which is usually in early November, an induced polarisation (IP) geophysical program is planned on the Tchaga Prospect. Mako has identified an association of disseminated sulphides (pyrite with minor arsenopyrite) with gold mineralisation. IP geophysical surveys are used to identify areas of disseminated sulphides. The results of the IP program will give Mako another useful tool to further help in targeting drill holes. Once the results of the IP program are received, Mako plans to drill up to 4000 metres with the aim of outlining a significant strike length of gold mineralisation which could move Mako towards the next step of delineating a potential resource.

Niou and Tangora Projects – Burkina Faso

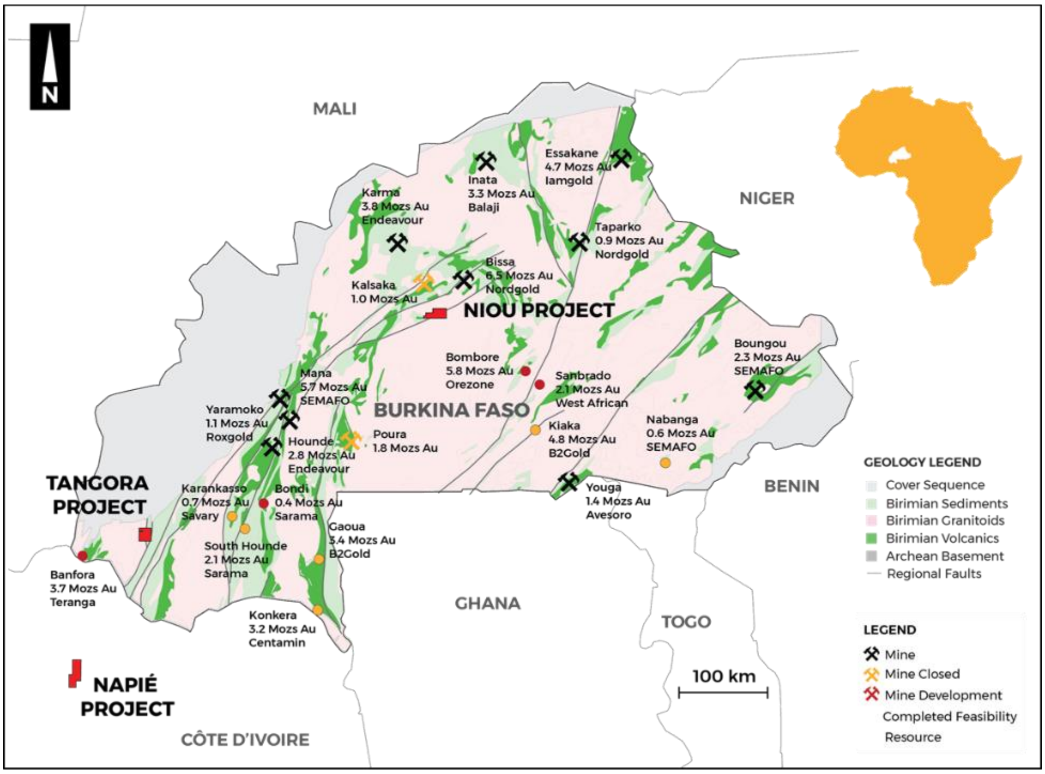

Figure 9: Niou and Tangora Project locations - Burkina Faso

The Niou and Tangora Projects are located in central and southwestern Burkina Faso respectively (Figure 9). Both the permits are held under 3-year option agreements with local owners for the right to acquire 100% ownership by Mako Gold.

Niou Project – 7km Anomaly Outlined from Soil Sampling Program

During the reporting period Mako completed a soil geochemical sampling program over a 52km^2 area of favourable geology and structure (Figure 10). The artisanal gold mining area was not sampled due to contamination issues from the workings. Sampling was conducted on a 200m x 200m spaced grid for a total of 1,373 samples. The soil geochemical program outlined a 7km long +20ppb soil anomaly within which lies the large artisanal gold mining site.

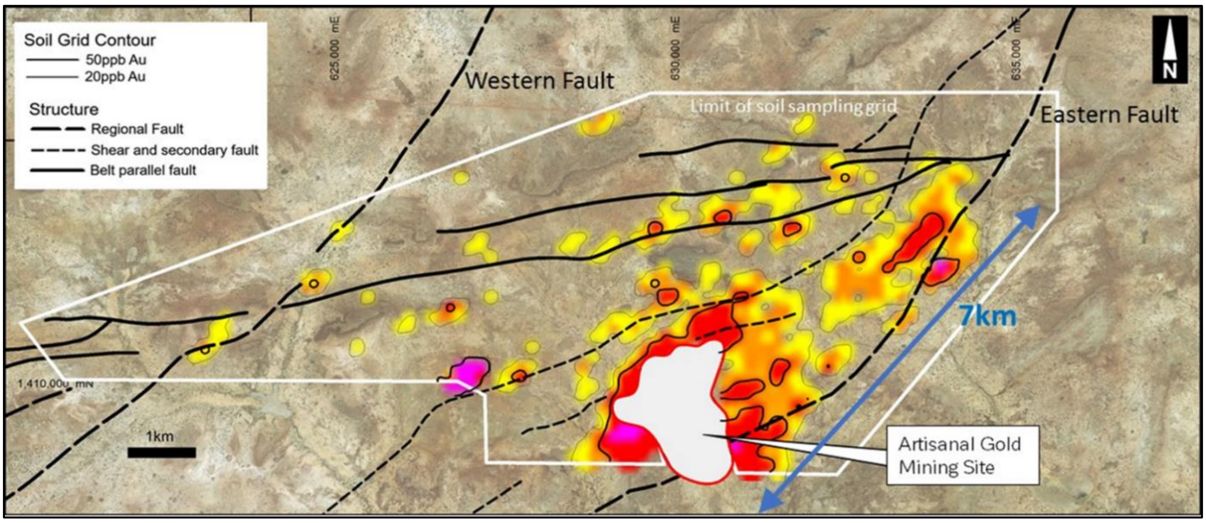

Figure 10: Niou Project – 7km soil anomaly outlined in soil geochem program

Niou Project - Geological Mapping and Rock Chip Sampling

During the reporting period a rock chip sampling program was completed on the 2km long x 1km wide artisanal gold mining site.

Rock chip assay results up to 34.8g/t Au were returned (Figure 11).

Niou Project - Future Work

A 1200m RC drilling program is planned following the wet season, which usually ends in early November. The focus of initial drill testing will be the zones of high-grade gold mineralisation identified through geological mapping and rock chip sampling within the gold artisanal mining site.

Mapping and rock-chip sampling in the area of the 7km-long soil anomaly will be completed after the end of the wet season to identify drill targets.

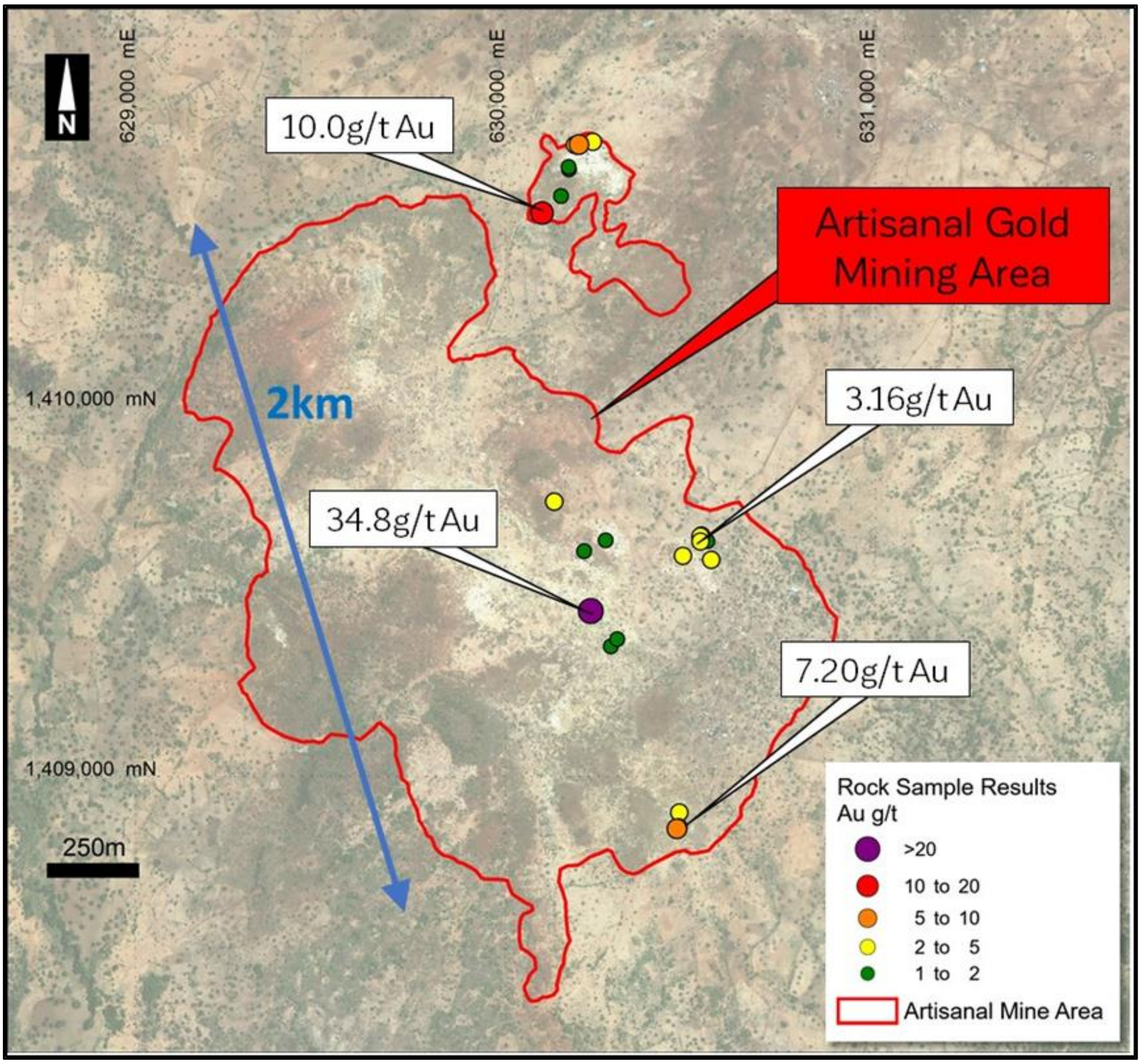

Figure 11: Rock chip sample results on Niou artisanal gold mining site

Tangora Project - Maiden Drilling Program Completed

A maiden drilling program comprising 1,005m of RC drilling in 10 holes was completed on 18 June 2018.

The RC drilling program was designed to test the two largest artisanal gold mining sites on the permit to approximately 90m vertical depth. 10 RC holes were drilled in the areas of concentrated artisanal mining shafts within the broader artisanal mining zones. Previous rock chip samples from these sites have returned values of up to 14g/t Au. The holes were positioned along 5 lines and drilled in a scissor configuration thereby testing various potential gold-bearing quartz vein orientations below the artisanal mining sites. The best result received from drilling was 24m at 0.16 g/t Au from 4 m in TARC002.

While the drilling results did not meet Mako's short term expectations, Mako believes that the permit still holds potential to host significant gold deposits, as only a very small portion of the artisanal gold mining site trend was tested by drilling as shown on Figure 12. In addition, a soil geochemical sampling program should be conducted over the permit to outline potentially mineralised areas under cover.

Mako has postponed any further exploration on the Tangora Project at this time, as the current expenditure commitments have been met and the tenement is in good standing, and is currently in discussions with a potential JV partner to fund exploration on the Project. This would allow Mako to focus on its highly prospective Napié and Niou projects which have returned high-grade results in drilling and rock chip sampling respectively.

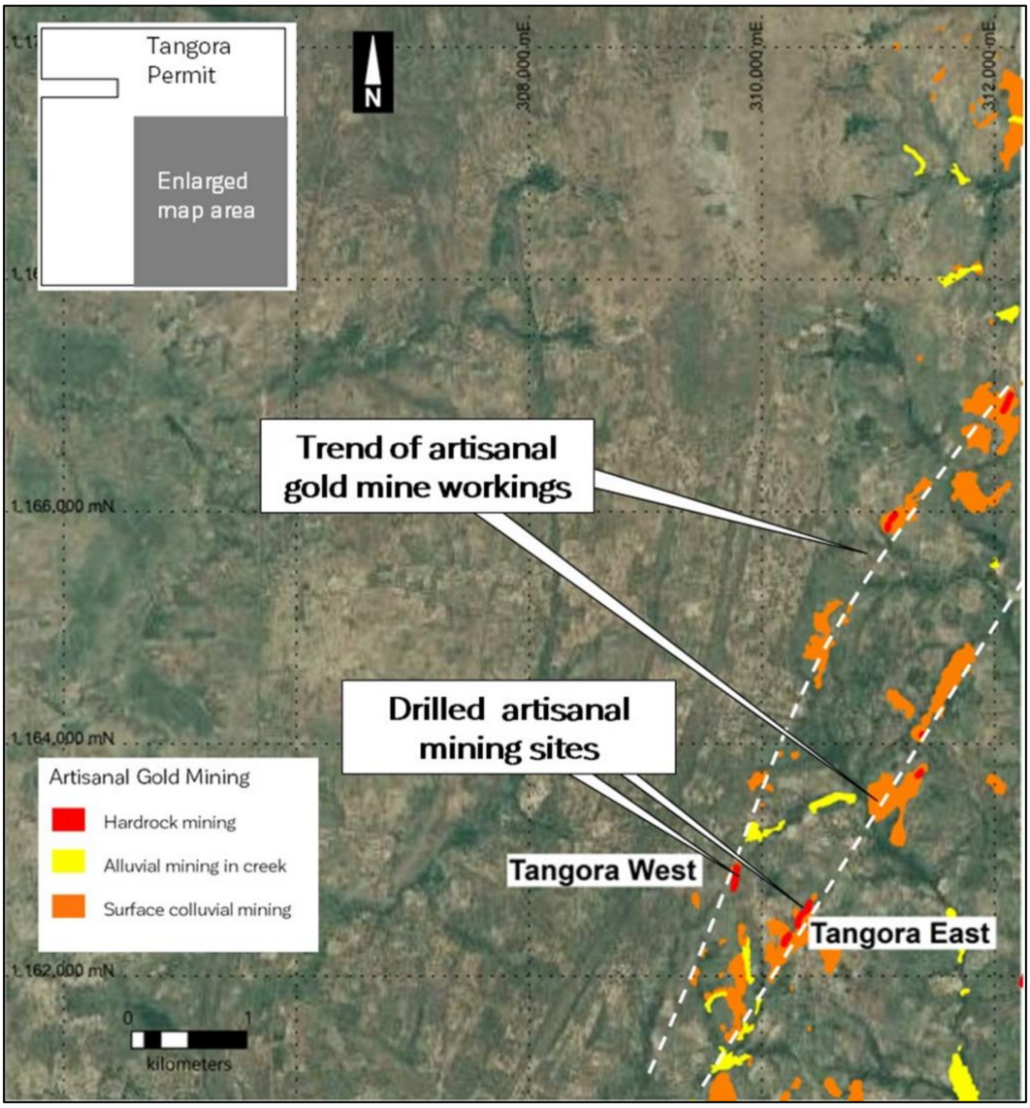

Figure 12: Tangora drill site locations and trend of artisanal gold mining sites

New Project Opportunities

Mako is currently evaluating and negotiating new project opportunities with various landholders in Côte d'Ivoire and Burkina Faso.

Corporate

During the financial year Mako issued a total of 30,000,000 shares and 14,999,983 listed $0.30 16/4/21 options at $0.20 to subscribers raising $6,000,000 before costs as it completed its oversubscribed IPO listing on ASX.

The company had issued the following securities as at 30 June 2018.

Ordinary Shares:	63,250,100*
Listed $0.30 16/4/21 Options:	14,999,983
Unlisted $0.30 26/4/21 Options:	2,500,000
Unlisted $0.30 30/4/21 Options:	500,000

* 2,500,000 are subject to ASX escrow until 6/12/18 and 13,860,100 are escrowed until 16/4/20.

Directors' Report

The directors present their report on Mako Gold Limited and its controlled entities (the "company", "consolidated entity", "Group" or "Mako") for the year ended 30 June 2018.

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

SM Elliott (Non-Executive Chairman) *Dip Appl Geology, PhD, FAICD, FAusIMM(CP Geol), FAIG*
Appointed 14 March 2017

Dr Mark Elliott is a Chartered Professional (CP) geologist with over 40 years' experience in economic geology, exploration, mining, project development and in corporate management roles as chairman and managing director for a number of ASX-listed resource companies.

Mark has extensive experience in managing companies and exploration/mining operations in a wide range of commodities including gold. His management experience includes founding IPOs and managing companies from commencement of project acquisition, exploration to production, capital raising and negotiating joint ventures. Dr Elliott is a Non-Executive Director of ASX listed exploration companies Nexus Minerals Limited and Aruma Resources Limited. He was a Director of HRL Holdings Limited from 2007 until November 2017.

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.

Most recently he spent six years working for ASX-listed Orbis Gold Limited in progressive senior management roles 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 in Burkina Faso and thereafter contributed geological ideas which helped achieve success for the company including the discovery of the Natougou gold deposit, which recently began gold production by TSX-listed Semafo.

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

M Muscillo (Non-Executive Director) *LLB*
Appointed 20 April 2017

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 was previously a director of ASX-Listed Orbis Gold Limited, until its takeover by TSX-Listed Semafo in March 2015, and he is a non-executive director of ASX-Listed Aeris Resources Limited, Xanadu Mines Limited and Cardinal Resources Limited.

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 years' experience including over twenty years spent in commercial roles as Company Secretary and CFO for a number of listed and unlisted companies mainly in the resources sector.

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:

	Ordinary Shares
Mark Elliott	3,266,667
Peter Ledwidge	7,533,433
Michele Muscillo	500,000

Meetings of Directors

The following table sets out the number of director's meetings held during the year ended 30 June 2018 and the number of meetings attended by each director.

	Directors' Meetings	
Director	A	B
M Elliott	4	4
P Ledwidge	4	4
M Muscillo	4	4

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

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%)

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 acquired its first project interest in Cote D'Ivoire, completed a second seed capital raise of $500,000, completed a $6,000,000 IPO listing on the ASX and commenced full scale field programs on its projects in Western Africa following the listing of the company on the ASX on 16 April 2018.

Revenue
As an early stage exploration company, Mako Gold Limited does not generate any income.

Expenses
The Consolidated Entity's main expenses were as follows:

	2018
	$
Corporate and Administration expenses	230,432
IPO expenses	227,960
Security issue expense	87,500
Employment expenses	133,583
Total expenses	679,475

<u>Comparison with Prior Year</u>
For the year ended 30 June 2018, the loss for the Consolidated Entity after providing for income tax was $673,764 (2017: loss of $62,879):

	2018 $	2017 $
Other income	5,711	690
IPO expenses	(227,960)	-
Security issue expense	(87,500)	-
Employment costs	(133,583)	(17,333)
Other expenses	(230,432)	(46,236)
Loss after income tax	(673,764)	(62,879)

Excluding the impact of IPO listing and the security issue expenses, which are not recurring in nature nor comparable, the adjusted loss for the 2018 financial year is approximately $295k higher than the adjusted loss of 2017. This increase is due to the additional costs following the company being successful in listing on the ASX in April 2018 - with the increased costs attributable to:

	$
Increase in employee costs	116,250
Increase in corporate, administrative and other costs	184,196
	300,446

Review of Financial Condition

<u>Capital structure</u>
In the 2018 financial year Mako issued or cancelled the following securities:

<u>Ordinary Shares</u>
- 6/12/17 issue of 5,000,000 shares at $0.10 to seed capital applicants
- 19/1/18 issue of 75,000 shares at $0.20 as fees re IPO prospectus lodgement
- 6/4/18 issue of 375,000 shares at $0.20 as fees re IPO listing
- 6/4/18 IPO issue of 30,000,000 shares at $0.20

In addition in April 2018 the company bought back and cancelled 16,200,000 shares for a total of $3 from the founding shareholders.

At 30 June 2018, the Company had 63,250,100 ordinary shares on issue.

<u>Options</u>
- 6/4/18 IPO issue of 14,999,983 listed 16/4/21 $0.30 options
- 26/4/18 issue of 2,500,000 unlisted 26/4/21 $0.30 options
- 17/5/18 issue of 500,000 unlisted 30/4/21 $0.30 options

At 30 June 2018, the Company had 17,999,983 $0.30 options on issue.

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

<u>Liquidity and funding</u>
The Company has in the 2018 financial year raised seed capital of $500,000 (before costs of issue) and an IPO raising of $6,000,000 (before costs of issue). The funds raised are sufficient to meet the short term liquidity and funding requirements of the Company.

Dividends

No dividend was paid during the year and none is recommended as at 30 June 2018.

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.

Matters Subsequent to the End of the Financial Year

No matter or circumstance has arisen since 30 June 2018, 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 2018.

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.

Share Options

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

		Movements				
Expiry Date	**Exercise Price**	**1 July 2017**	**Issued**	**Exercised**	**Expired**	**30 June 2018**
a) 16 April 2021	$0.20	-	14,999,983	-	-	14,999,983
b) 26 April 2021	$0.20	-	2,500,000	-	-	2,500,000
c) 30 April 2021	$0.20	-	500,000	-	-	500,000
		-	17,999,983	-	-	17,999,983

<u>Option details</u>

a) Listed options issued on a 1 for 2 basis at IPO
b) Unlisted options fully vested issued as a fee for corporate advisory services
c) Unlisted options with 166,666 fully vested, 166,667 to vest on 17/5/19 and 166,667 to vest on 17/5/20. The contractor must continue to provide services to the Company at the vesting date for the unvested options to vest. If the employee/consultant ceases to provide services to the Company then the options must be exercised within one month of the termination date

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.

Auditor

The Auditor's Independence Declaration is attached and forms part of the Director's Report for the year ended 30 June 2018.

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.

- $6,650 in relation to taxation compliance and advice services
- $9,700 in relation to IPO prospectus services

Remuneration Report (Audited)

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

Remuneration Policy

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

Remuneration Committee

The Board established a Remuneration Committee during the year who are responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The Committee did not meet in the financial year.

The Committee 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 Company'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 company'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 2018 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 Company 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 Company; 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. 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 2018 is detailed in this Remuneration Report.

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

The Company has entered into a service arrangement with Dr Mark Elliott as Non-Executive Chairman of the Company commencing from 1 March 2017. The key terms of the arrangement are:

- Ongoing contract – no fixed term;
- Fee of $80,000 per annum post listing on ASX;
- Fee for period from 1 March 2017 until listing on ASX of $5,000 per month;
- No notice period.

Non-Executive Director Arrangements

The Company entered into a service arrangement with Mr Michele Muscillo as a Non-Executive Director of the Company commencing from 20 April 2017. The key terms of the arrangement are:

- Ongoing contract – no fixed term;
- Fee of $50,000 per annum commencing from the date of the company listing on ASX;
- No notice period.

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 $255,000 per annum, inclusive of statutory superannuation contributions commencing from the date the company lists on ASX;
- Salary, inclusive of superannuation, for the period from 1 March 2017 until the date of listing on ASX of $5,000 per month;
- Four weeks annual leave;
- Annual bonus at the Board's discretion;
- Three month notice period.

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 $205,000 per annum, inclusive of statutory superannuation contributions;
- Four weeks annual leave;
- Salary for the period from 1 March 2017 until the date of listing on ASX of $5,000 plus superannuation per month;
- Annual bonus at the Board's discretion.
- 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 $104,000 per annum;
- One month notice period.

Details of Directors and other Key Management – Mako Gold Limited

Name	Position	Period of Service
Directors		
Mark Elliott	Non-Executive Chairman	Appointed 1 March 2017
Peter Ledwidge	Managing Director	Appointed 4 June 2015
Michele Muscillo	Non-Executive Director	Appointed 20 April 2017
Key Management		
Ann Ledwidge	General Manager Exploration	Appointed 4 June 2015
Paul Marshall	CFO/Company Secretary	Appointed 17 April 2017

Key management personnel equity holdings

Shareholdings

	Balance 1 July 2017	Acquired through capital raising	Acquired on market	Other additions /disposals/transfers	Balance 30 June 2018
Directors					
Mark Elliott	8,666,667	-	-	(5,400,000)	3,266,667
Peter Ledwidge*	18,333,433	-	-	(10,800,000)	7,533,433
Michele Muscillo	500,000	-	-	-	500,000
Key Management					
Ann Ledwidge*	18,333,433	-	-	(10,800,000)	7,533,433
Paul Marshall	500,000	-	-	-	500,000

* Shares are jointly owned by Peter and Ann Ledwidge

Remuneration of Directors and other Key Management Personnel – 2018

	Short Term Benefits			Long Term Benefits	Post Employment Benefits	Equity Based Benefits			
	Salary/ Director fees	Consulting fees	Non-monetary benefits	Leave benefits	Superannuation	Options	**Total**	Performance Related %	% of bonus forfeited
Directors									
Mark Elliott	64,167	-	-	-	-	-	64,167	-	-
Peter Ledwidge	127,456	-	-	22,418	9,084	-	158,957	-	-
Michele Muscillo	10,417	-	-	-	-	-	10,417	-	-
Key Management									
Ann Ledwidge	106,551	-	-	18,142	6,624	-	131,317	-	-
Paul Marshall	104,000	-	-	-	-	-	104,000	-	-
	412,590	**-**	**-**	**40,559**	**15,708**	**-**	**468,857**		

Remuneration of Directors and other Key Management Personnel – 2017

	Short Term Benefits			Long Term Benefits	Post Employment Benefits	Equity Based Benefits			
	Salary/ Director fees	Consulting fees	Non-monetary benefits	Leave benefits	Superannuation	Options	**Total**	Performance Related %	% of bonus forfeited
Directors									
Mark Elliott	20,000	-	-	-	-	-	20,000	-	-
Peter Ledwidge	20,000	-	-	-	-	-	20,000	-	-
Michele Muscillo	-	-	-	-	-	-	-	-	-
Key Management									
Ann Ledwidge	20,000	-	-	-	1,900	-	21,900	-	-
Paul Marshall	17,333	-	-	-	-	-	17,333	-	-
	77,333	**-**	**-**	**-**	**1,900**	**-**	**79,233**		

There were no termination benefits paid or accrued for the years ended 30 June 2018 or 2017.

Transactions with related parties

Loans with directors and key management personnel

As at 30 June 2018 a total of $nil (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 fully repaid in September 2017.

Transactions with Key Management Personnel related parties

Transaction	Entity	Association	2018 $	2017 $
Legal services	HopgoodGanim	Michele Muscillo	268,165	21,530

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	2018 $	2017 $
Legal services	HopgoodGanim	Michele Muscillo	-	-

Loans to related parties

There were no loans provided to related parties.

Relationship between remuneration and Company performance

The factors that are considered to affect shareholder return in the past 3 years are summarised below:

Measures	2018 $	2017 $	2015 $
Share price at end of financial year	0.22	n/a	n/a
Market capitalisation at end of financial year ($M)	13.92	n/a	n/a
Net Profit/(loss) for the financial year	(673,764)	(62,879)	(26,399)
Basic and diluted earnings per share (cents)	(1.34)	(0.75)	(26,399)
Director and Key Management Personnel remuneration	468,857	79,233	-

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.

No shares were issued on exercise of options issued as part of remuneration in 2018.

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

Signed in accordance with a resolution of the Board of Directors

M Elliott

M Elliott
Chairman
Brisbane, 28 September 2018

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

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

As lead auditor of Mako Gold Limited for the year ended 30 June 2018, 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 period.

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 28 September 2018

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 18 September 2018.

Expenditures
The Company confirms, in accordance with ASX Listing Rule 4.10.19 that it has used the cash and assets, in a form readily convertible to cash that it had at the time of admission in April 2018, in a way consistent with the business objectives.

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	8
1,001 to 5,000	29
5,001 to 10,000	107
10,001 to 100,000	238
100,001 and over	86
Total	468
Number of unmarketable parcels	25

MKGO – Listed 16/4/21 $0.30 Options

Number of Securities Held	No's of holders
1 to 1,000	0
1,001 to 5,000	95
5,001 to 10,000	50
10,001 to 100,000	126
100,001 and over	19
Total	290

Twenty largest holders

MKG – Ordinary Fully Paid Shares

No.	Name of Shareholder	Holding	% Held
1	Resolute (Treasury) Pty Ltd	12,301,000	19.45%
2	Peter Francis Rene Ledwidge & Ann Louise Ledwidge	7,533,433	11.91%
3	Elliott Nominees Pty Ltd	3,266,667	5.16%
4	Ibrahim Bondo	2,000,000	3.16%
5	Citicorp Nominees Pty Limited	1,500,702	2.37%
6	David Harper	1,375,000	2.17%
7	Mr Gregor Bruce Chalmers	925,000	1.46%
8	Sanperez Pty Ltd	900,000	1.42%
9	Terrance Frederick Burling	750,000	1.19%
10	Davis Family Capital Pty Ltd	650,000	1.03%
11	HSBC Custody Nominees (Australia) Limited	650,000	1.03%
12	Dianne Marie Doyle	630,000	1.00%
13	Dural Holdings Pty Ltd	600,000	0.95%
14	Mrs Barbara Michaels	600,000	0.95%
15	Mr Peter Capozzi & Mrs Jennifer Maree Capozzi	500,000	0.79%
16	Mr Jonathan Paul Kershaw Marshall	500,000	0.79%
17	Mr Simon Peter Capozzi	500,000	0.79%
18	Green Mountains Investments Ltd	500,000	0.79%
19	Andrew Robert Dinning	500,000	0.79%
20	Micamus Pty Ltd	500,000	0.79%
		36,681,802	57.99%

Substantial Shareholders

The company has received the following substantial shareholder notices as at 18 September 2018:

Resolute Mining Limited hold an interest in 12,301,000 shares (19.45%)
Mr Peter and Mrs Ann Ledwidge hold an interest in 7,533,433 shares (11.91%)
Dr Mark Elliott holds an interest in 3,266,667 shares (5.15%)

Restricted Securities

The company has the following securities subject to ASX escrow as at 18 September

Class	Nos	Escrow Expiry Date
Ordinary	2,500,000	6 December 2018
Ordinary	13,860,100	16 April 2020

Twenty largest holders

MKGO – Listed 16/4/21 $0.30 Options

No.	Name of Holder	Holding	% Held
1	Resolute (Treasury) Pty Ltd	5,000,000	33.33%
2	Basapa Pty Ltd	1,000,000	6.67%
3	Gazump Resources Pty Ltd	400,000	2.67%
4	Citicorp Nominees Pty Limited	375,000	2.50%
5	Mr Peter Lancelot Gebhardt & Mrs Carlene Joy Gebhardt	324,848	2.17%
6	Dural Holdings Pty Ltd	250,000	1.67%
7	Mr Peter Capozzi & Mrs Jennifer Maree Capozzi	250,000	1.67%
8	Green Mountains Investments Ltd	250,000	1.67%
9	Valleybrook Investments Pty Ltd	212,500	1.42%
10	Valleyrose Pty Ltd	212,500	1.42%
11	Sanperez Pty Ltd	200,000	1.33%
12	Mr Simon Peter Capozzi	200,000	1.33%
13	Mr David William Fox & Mr Rohan Stuart Fox	200,000	1.33%
14	Mrs Barbara Michaels	150,000	1.00%
15	Mrs Wendy Margaret Forsyth	150,000	1.00%
16	Fylpane Pty Ltd	140,000	0.93%
17	Brearley Holdings Pty Ltd	137,878	0.92%
18	Mr Robert Jesse Hunt	125,000	0.83%
19	Yea-Sayer Pty Limited	125,000	0.83%
20	Micjud Pty Ltd	100,000	0.67%
		9,802,726	65.35%

Unquoted Securities

There are the following unquoted securities as at 18 September 2018. Each option is convertible into one fully paid ordinary share.

Nos	Option Terms
2,500,000	Unlisted $0.30 options expiry date 25/4/21 – all held by CG Nominees Pty Ltd
500,000	Unlisted $0.30 options expiry date 30/4/21

Interests in Mining Tenements

Mako Gold Limited held the following interests in mining and exploration tenements as at 18 September 2018:

Tenement Schedule

Location	Permit Name	Permit Number	Legal Holder	Mako Interest	Status
Côte d'Ivoire	Napié	181 /MIM/DGMG DU	Occidental Gold SARL	Earning up to 75%	Granted
Burkina Faso	Niou	2018-142/MMC/SG/DGCM	Nouvelle COFIBI SARL	Earning up to 100%	Granted
Burkina Faso	Tangora	2016/046/MEMC/SG/DGCM	Mr. Daouda Ouedraogo	Earning up to 100%	In renewal

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.

Niou: The decree for the 2nd renewal of the Niou permit was issued by the Burkina Ministry of Mines on 18 July 2018. As per Burkina regulations the size of the permit was reduced by 25% and is now 187.5km2. Mako Gold SARL, a 100%-owned Burkina Faso subsidiary of Mako Gold Limited, signed an option agreement dated 31 July 2016 with the permit owner giving Mako an option to acquire 100% interest in the Niou Permit.

Tangora: Mako Gold SARL, a 100%-owned Burkina Faso subsidiary of Mako Gold Limited, signed an option agreement dated 30 July 2016 with the permit owner giving Mako an option to acquire 100% interest in the Tangora 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 does not have any Mineral Resources as at the date of this report. There have been no changes to the Mineral Resource estimates during the review period from 1 July 2017 to 30 June 2018.

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 Mining and Metallurgy. Mrs Ledwidge is a full-time employee and a substantial 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.

CONSOLIDATED STATEMENT PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

		Consolidated	
	Note	2018 $	2017 $
Other Income/(Expenses)	2	5,711	690
Employment costs		(133,583)	(17,333)
Consulting expense – share based payment	21	(87,500)	-
IPO expenses		(227,960)	(17,639)
Other expenses		(230,432)	(28,597)
Loss before tax	3	(673,764)	(62,879)
Income tax expense	4	-	-
Loss for the year		(673,764)	(62,879)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation differences for foreign operations	4	8,314	(6,401)
Income tax expense		-	-
Other comprehensive income for the period, net of tax		8,314	(6,401)
Total comprehensive income for the year attributable to:			
Owners of Mako Gold Limited		(665,450)	(69,290)
Loss per share			
Basic and diluted loss per share (cents per share)	18	(1.34)	(0.75)

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

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Current Assets			
Cash and cash equivalents	5	4,479,038	434,477
Trade and other receivables	6	69,383	6,084
Other current assets	7	71,532	3,170
Total Current Assets		4,619,953	443,731
Non-Current Assets			
Exploration and evaluation assets	9	2,202,209	332,737
Other assets		-	1,256
Total Non-Current Assets		2,202,209	333,993
Total Assets		6,822,162	777,724
Current Liabilities			
Trade and other payables	10	871,019	101,037
Borrowings	11	-	33,311
Provisions	12	60,533	-
Total Current Liabilities		931,552	134,348
Non-Current Liabilities			
Borrowings		-	-
Total Non-Current Liabilities		-	-
Total Liabilities		931,552	134,348
Net Assets		5,890,610	643,376
Equity			
Equity attributable to equity holders of the parent			
Share capital	13	6,556,961	739,100
Reserves	14	96,690	(6,446)
Accumulated losses	14	(763,042)	(89,278)
Total Equity		5,890,610	(643,376)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

Consolidated	Share Capital	Foreign Currency Reserve	Share Based Payment Reserve	Accumulated Losses	Total
	$	$	$	$	$
At 1 July 2016	100	(45)	-	(26,399)	(26,344)
Comprehensive income					
Loss after income tax	-	-	-	(62,879)	(62,879)
Foreign currency translation differences of foreign operations	-	(6,401)	-	-	(6,401)
Total comprehensive income	-	(6,401)	-	(62,879)	(69,280)
Transactions with owners in their capacity as owners					
Shares issued during the year	739,000	-	-	-	739,000
At 30 June 2017	**739,100**	**(6,446)**	**-**	**(89,278)**	**643,376**
At 1 July 2017	739,100	(6,446)	-	(89,278)	643,376
Comprehensive income					
Loss after income tax	-	-	-	(673,764)	(673,764)
Foreign currency translation differences of foreign operations	-	8,314	-	-	8,314
Total comprehensive income	-	8,314	-	(673,764)	(665,450)
Transactions with owners in their capacity as owners					
Shares issued during the year	6,590,000	-	-	-	6,590,000
Cancellation of shares	(3)	-	-	-	(3)
Share issue costs	(772,136)	-	-	-	(772,136)
Share based payments	-	-	94,823	-	94,823
Total	5,817,861	-	94,823	-	5,912,684
At 30 June 2018	**6,556,961**	**1,868**	**94,823**	**(763,042)**	**5,890,610**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Cash Flows from Operating Activities			
Receipts		-	-
Payments to suppliers and employees		(385,920)	(51,213)
Interest received		5,711	690
Interest paid		-	-
Net Cash Used in Operating Activities	15	(380,209)	(50,523)
Cash Flow From Investing Activities			
Payments for exploration & development		(1,089,776)	(256,863)
Deposits paid		(50,357)	-
Net Cash Flow Used in by Investing Activities		(1,140,133)	(256,863)
Cash Flow from Financing Activities			
Proceeds from issue of shares		6,500,000	720,667
Payments for share cancellation		(3)	-
Share issue expenses and listing costs		(910,097)	-
Loan received – Director loan facility		-	27,497
Loan repaid – Director loan facility		(33,311)	-
Net Cash Flow from Financing Activities		5,556,589	748,164
Net increase/(decrease) in cash held		4,036,248	440,778
Net foreign exchange differences		8,314	(6,401)
Cash at the beginning of the financial year		434,477	100
Cash at the end of the financial year	15	4,479,038	434,477

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

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 and the entities it controlled at the end of, or during, the year ended 30 June 2018.

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 28 September 2018.

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 2018, 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 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.

Based on the success of the IPO listing on ASX in April 2018, when the company raised $6,000,000 (before costs), the Directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The Directors are of the view that the IPO capital raising is sufficient to meet the Consolidated Entity's obligations as and when they fall due for at least 12 months from the date of the report.

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 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 entity has assumed no significant changes will occur in the relevant Federal and State legislation in relation to restoration of such mines in the future.

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.

Revenue Recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest revenue is accrued on a time basis, by reference to the principle 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.

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 which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

Receivables

All trade receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision of doubtful receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

The carrying amounts of the loans are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the loan is impaired to its recoverable amount. The recoverable amount of the receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate.

Investments and Other Financial Assets

The consolidated entity classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Such assets are carried at amortised cost using the effective rate interest method. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(ii) *Held-to-maturity investments*
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the consolidated entity's management has the positive intention and ability to hold to maturity.

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

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.

Borrowings

All loans and convertible notes are initially measured at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

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 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 long service leave is recognised and measured as 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 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.

New Accounting Standards and Interpretations

The Consolidated Entity adopted all new Accounting Standards and Interpretations effective for the year ended 30 June 2018. There were no material impacts on the financial statements of the Consolidated Entity as a result of adopting these standards.

<u>AASB 9 Financial Instruments</u>
This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2018. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The adoption of this standard will have no material impact on the financial statements.

<u>AASB 15 Revenue from Contracts with Customers</u>
This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2018. This standard requires recognised revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 Revenue. The adoption of this standard will have no material impact on the financial statements.

AASB16 Leases

This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2019. When effective, this standard will replace the current accounting requirements applicable to leases in AASB117 Leases and related interpretations. AASB16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. This means that for all leases, a right-to-use asset and a liability will be recognised, with the right-to-use asset being depreciated and the liability being unwound in principal and interest components over the life of the lease. The Consolidated Entity has not yet evaluated the impact adoption of this standard will have.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. OTHER INCOME

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Other income		
Bank interest income	5,711	690

3. EXPENSES

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Loss from ordinary activities before income tax includes the following specific items:		
Other costs		
Capital raising costs (including IPO)	227,960	17,639
Share based payments - options to consultants	87,500	-
Employee and consultancy expenses		
Consultancy expenses	117,875	15,433
Defined contribution superannuation expense	15,708	1,900
Other employee benefits expenses	-	-
Total employee benefits expenses	133,583	17,333

4. INCOME TAX

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
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 2018 and 2017 is as follows:		
Accounting (loss) before income tax from continuing operations	(673,764)	(62,879)
At the statutory income tax rate of 30% (2017: 30%)	(202,129)	(18,864)
Non-deductible expenses	26,250	-
Deferred tax assets not bought to account	175,879	18,864
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 2018 (2017: Nil).

Deferred tax balances
Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses. Deferred tax is calculated at the tax rates expected to apply to the period when the asset is realised or liability is settled. Current and deferred tax is recognised in the statement of comprehensive income except where it relates to items that may be recognised directly in equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Future income tax benefits in relation to tax losses have not brought to account at this stage as it is not probable the benefit will be utilised. The temporary differences and tax losses do not expire under current tax legislation.

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Unrecognised temporary differences and tax losses		
Unused tax losses and temporary differences for which no deferred tax asset has been recognised	1,052,519	117,716

Recognised temporary differences and tax losses		
Exploration expenditure	-	-
Provisions	-	-
Other	-	-
Tax losses carried forward	-	-
Net deferred tax liability/(asset)	**-**	**-**

There are no franking credits available (2017: nil).

5. CASH AND CASH EQUIVALENTS (CURRENT)

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Cash at bank and in hand	4,479,038	434,477

6. TRADE AND OTHER RECEIVABLES (CURRENT)

	2018	2017
Other receivables	69,383	6,084

Allowance for impairment loss
Current trade and other receivables are non-interest bearing and are generally on 0-90 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired.

Consolidated		**2018**			**2017**	
	Total	**Amount Impaired**	**Amount not impaired**	**Total**	**Amount Impaired**	**Amount not impaired**
	$	**$**	**$**	**$**	**$**	**$**
Not past due	69,383	-	69,383	6,084	-	6,084
Past due [0-90] days	-	-	-	-	-	-
Past due [>90] days	-	-	-	-	-	-
Total	69,383	-	69,383	6,084	-	6,084

Fair value and credit risk
Due to the short term nature of the current receivables the carrying value is assumed to approximate their fair value. Collateral is not held as security. There are no concentrations of credit risk.

7. OTHER CURRENT ASSETS

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Prepayments	71,532	3,170

8. INVESTMENTS IN CONTROLLED ENTITIES

Investments held by Mako Gold Limited:	**Percentage of equity interest**	
Subsidiary company incorporated in Burkina Faso	**2018 %**	**2017 %**
Mako Gold SARL	100	100

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
9. EXPLORATION AND EVALUATION ASSETS (NON CURRENT)		
Exploration costs carried forward in respect of areas of interest		
- Exploration phase	2,202,209	332,737
Reconciliation		
Exploration expenditure capitalised		
- Opening balance	332,737	-
- Current year expenditure	1,869,472	332,737
- Write off/disposed in current year	-	-
Carried forward	2,202,209	332,737

Included in the total capitalised exploration expenditure is an amount of $23,343 that relates to computer equipment, software and other 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.

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
10. TRADE AND OTHER PAYABLES (CURRENT)		
Trade creditors	309,153	37,499
Other payables and accruals	561,866	63,538
	871,019	101,037

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.

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
11. BORROWINGS (CURRENT)		
Unsecured		
Loan from Director related entity (refer note 20)	-	33,311

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
12. PROVISIONS (CURRENT)		
Employee Benefits	60,533	-

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
13. CONTRIBUTED CAPITAL		
(a) Issued and paid up capital		
Ordinary shares fully paid	6,556,961	739,100

(b) Movements in shares on issue	**2018** Nos of shares	**2018** $	**2017** Nos of shares	**2017** $
Ordinary shares fully paid				
Beginning of the financial year	44,000,100	739,100	100	100
Increases				
- Issued to company founders (1)	-	-	29,000,000	29,000
- Issue to NED and Co Sec (2)	-	-	1,000,000	10,000
- Placement of shares (3)	-	-	14,000,000	700,000
- Placement of shares (4)	5,000,000	500,000	-	-
- Issue of shares to sponsoring broker re IPO (5)	450,000	90,000	-	-
- Issue of IPO shares (6)	30,000,000	6,000,000	-	-
- Selective cancellation of shares (7)	(16,200,000)	(3)	-	-
- Costs of share issues (8)	-	(772,136)	-	-
	63,250,100	6,556,961	44,000,100	739,100

(1) Issue of shares to founding directors and staff at $0.001 cents per share, with 18,333,333 issued to repay a loan advance and 10,666,667 issued for cash
(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
(5) Issue of 75,000 shares on lodgement of IPO prospectus and 375,000 on approval of ASX listing at $0.20 per share
(6) Issue of 30,000,000 shares at $0.20 per share in relation to IPO of the company
(7) Cancellation of 16,200,000 shares held by founding shareholders for a total of $3 following approval at EGM
(8) Costs of $14,070 re placement of shares and $758,066 in relation to IPO.

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.

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

(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 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-17	Issued	Exercised	Expired	30-Jun-18
Listed 16/04/2021 (1)	$0.30	-	14,999,983	-	-	14,999,983
Unlisted 26/04/2021 (2)	$0.30		2,500,000			2,500,000
Unlisted 30/04/2021 (3)	$0.30		500,000			500,000
			17,999,983			17,999,983

(1) Issue of 14,999,983 listed 16/4/21 $0.30 options on a 1 for 2 basis in relation to IPO of the company
(2) Issue of 2,500,000 26/4/21 unlisted $0.30 options as a fee for ongoing corporate advisory services
(3) Issue of 500,000 30/4/21 unlisted $0.30 options in relation to ongoing geological services

14. ACCUMULATED LOSSES & RESERVES

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
(a) Accumulated losses		
Balance at the beginning of the year	(89,278)	(26,399)
Net profit/(loss) attributable to members of Mako Gold Limited	(673,764)	(62,879)
Balance at end of year	(763,042)	(89,278)
(b) Foreign exchange reserve		
Balance at the beginning of the year	(6,446)	(45)
Movement in period	8,313	(6,401)
Balance at end of year	1,867	(6,446)
(c) Share based payment reserve		
Balance at the beginning of the year	-	-
Movement in period	94,823	-
Balance at end of year	94,823	-

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.

15. STATEMENT OF CASH FLOWS

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Reconciliation of the operating loss after tax to the net cash flows from operating activities		
Loss from ordinary activities after tax	(673,764)	(62,879)
Securities issued non-cash	87,500	-
Listing costs included in financing activities	227,960	-
Changes in operating assets & liabilities during the year		
(Increase)/decrease in receivables	(54,774)	(4,953)
(Increase)/decrease in prepayments	(13,339)	(3,170)
(Decrease)/increase in creditors	13,107	2,318
(Decrease)/increase in accruals	33,100	18,163
	(380,209)	(50,523)
Reconciliation of cash		
- Cash at bank	4,479,038	434,477

Non cash financing and investing activities

Loan and Creditor Repayments
During the financial year, $7,323 worth of consultant options were issued to contractors which have been capitalised in exploration assets.

During the prior financial year shares were issued to repay amounts owing by the company as follows:
- 18,333,333 shares were issued at $0.001 per share to repay part of a loan from the company founders.

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.

	Consolidated Entity 2018 $	2017 $
The commitments to be undertaken are as follows:		
Payable		
- not later than 12 months	1,180,822	265,055
- between 12 months and 5 years	301,014	-
	1,481,836	265,055

17. CONTINGENCIES

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

18. LOSS PER SHARE

Loss per share	Consolidated Entity 2018 $	2017 $
Basic and diluted (loss) per share (cents per share)	(1.34)	(0.75)
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	(673,764)	(62,879)
	Number	Number
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	50,386,607	8,437,086
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	50,386,607	8,437,086

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.

Conversions, calls, subscriptions or issues after 30 June 2018

There have been no shares and other equity instruments issued subsequent to year end.

19. AUDITOR'S REMUNERATION

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Amounts received or due and receivable by the Auditors for:		
(i) Audit & other assurance services – BDO Audit Pty Ltd		
- Audit & review of financial statements	27,107	-
(ii) Other services		
- Taxation advice and compliance	6,650	-
- Investigating accountants report for prospectus	9,700	-
Total	43,457	-

BDO fees for the audit and tax work on the 2016 and 2017 financial statements was incurred and paid in the 2018 financial year.

20. RELATED PARTY DISCLOSURES

	Consolidated Entity 2018 $	Consolidated Entity 2017 $
Key management personnel compensation		
Short term benefits	412,590	77,333
Share based payments	-	-
Long term benefits	40,559	-
Post-employment benefits	15,708	1,900
Total	468,857	79,233

Detailed remuneration disclosures are provided in the remuneration report on pages 21 to 25.

Loans with directors and key management personnel.
As at 30 June 2018 a total of $nil (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 fully repaid in September 2017.

Ultimate parent
Mako Gold Limited is the ultimate parent entity. Mako Gold Limited provides funding for its subsidiary company Mako Gold SARL. All loans advanced are interest free and any expenses paid on behalf of Mako Gold SARL are repayable at cost. As at 30 June 2018 $1,072,286 (2017 - $356,861) was owed by Mako Gold SARL to Mako Gold Limited.

21. SHARE BASED PAYMENTS

Options

Advisor Options
During the period the Company granted options to its capital advisors, Canaccord Genuity (Australia) Limited in connection with the ongoing capital markets strategy requirements of the Company. 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 options issued, exercised and expired during the financial year are set out below:

		Movements				
Expiry Date	**Exercise Price**	**1 July 2017**	**Issued**	**Vested**	**Exercised /Expired**	**30 June 2018**
26 April 2021	$0.30	-	2,500,000	2,500,000	-	2,500,000

The remaining contractual life of advisor options outstanding at the end of the prior period was 2.83 years. The weighted average exercise price of the options is $0.30.

21. SHARE BASED PAYMENTS (cont)

Staff Options
During the period the Company granted options a geological contractor engaged for the projects in Burkina Faso and Cote d'Ivoire. 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 options issued, exercised and expired during the financial year are set out below:

Expiry Date	Exercise Price	1 July 2017	Issued	Vested	Exercised /Expired	30 June 2018
30 April 2021	$0.30	-	500,000	166,666	-	500,000

The remaining contractual life of advisor options outstanding at the end of the prior period was 2.83 years. The weighted average exercise price of the options is $0.30.

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. This value is then considered in light of the market price of the listed MKGO 16/4/21 $0.30 options. For the options issued in the 2017/18 year the value deemed appropriate was the market value of the listed options on the date of issue ($0.035) as it is considered this provided a more accurate valuation.

Expenses arising from share-based payment transactions	2018	2017
	$	$
Options issued to capital advisors	87,500	-
Options issued to contractors capitalised in exploration asserts	7,323	-

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

Liquidity risk is the risk that the consolidated entity may encounter difficulties raising funds to meet financial obligations as they fall due. Liquidity risk is reviewed regularly by the Board. The consolidated entity manages liquidity risk by monitoring forecast cash flows. At 30 June 2018 the Group has cash resources of $4,479,038 (2017 - $434,477) and net current assets of $3,686,400 (2017 $309,383). Current cash resources are sufficient to fund planned exploration activities.

22. FINANCIAL RISK MANAGEMENT (cont)

Maturity Analysis –Consolidated Entity - 2018	Carrying Amount	Contractual Cash flows	<1 year	1 - 5 years	> 5 years
Financial Liabilities	$	$	$	$	$
Trade and Other Payables	362,904	362,904	362,904	-	-
	362,904	362,904	362,904	-	-

Maturity Analysis – Consolidated entity - 2017	Carrying Amount	Contractual Cash flows	<1 year	1 - 5 years	> 5 years
Financial Liabilities	$	$	$	$	$
Trade and Other Payables	43,704	43,704	43,704	-	-
Loan from Director related entity	33,311	33,311	33,311	-	-
	77,015	77,015	77,015	-	-

(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 2018 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 to the tables below:

2018	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2018	2018	2018	2018	2018
	$	$	$	$	%
Financial assets					
Cash and cash equivalents	4,340,400	-	138,638	4,479,038	0.50%
Trade and other receivables	-	-	69,383	69,383	-
Total financial assets	4,340,400	-	208,021	4,548,422	
Financial liabilities					
Trade and other payables	-	-	362,904	362,904	-
Total financial liabilities	-	-	362,904	362,904	

2017	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2017	2017	2017	2017	2017
	$	$	$	$	%
Financial assets					
Cash and cash equivalents	339,690	-	94,787	434,477	0.50%
Trade and other receivables	-	-	6,084	6,084	-
Total financial assets	-	-	100,871	440,560	
Financial liabilities					
Trade and other payables	-	-	43,704	43,704	-
Loan from Director related entity	-	-	33,311	33,311	-
Total financial liabilities	-	-	77,015	77,015	

The consolidated entity has performed a sensitivity analysis relating to its exposure to interest rate risk. At 30 June 2018 the effect on profit and equity as a result of an increase of 1% in the interest rate is that the company could earn an additional $43,400 of interest income based on the closing cash balance as at 30 June 2018 (2017: minimal increase). 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 105,698 (2017 – AUD 36,348) at the end of the year. These funds are to be used to meet expenditures incurred in Burkina Faso and Cote 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.

22. FINANCIAL RISK MANAGEMENT (cont)

The consolidated entity has performed a sensitivity analysis relating to its exposure to currency risk. At 30 June 2018 the effect on profit and equity as a result of an increase of 1% in the CFA/AUD exchange rate is that the they would decrease by $1,057 of foreign exchange loss based on the closing cash balance as at 30 June 2018 (2017: $363 decrease). This analysis assumes all other variables remain constant.

(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.

23. PARENT COMPANY INFORMATION

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

Parent Entity Financial Information

	2018 $	2017 $
Current assets	4,496,952	398,844
Non-current assets	1,578,587	377,777
Total assets	6,075,539	2,532
Current liabilities	185,681	126,294
Non-current liabilities	-	-
Total liabilities	185,681	126,294
Net assets	5,889,858	650,327
Issued capital	6,556,961	739,100
Reserves	94,823	-
Accumulated losses	(761,926)	(88,773)
Total equity	5,889,858	650,327
Loss after income tax	(673,153)	(67,057)
Other comprehensive income	-	-
Total comprehensive income	(673,153)	(67,057)

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:

	Geographical – non-current assets	
	2018	**2017**
	$	**$**
Australia	-	-
Africa	2,202,209	333,993
	2,202,209	333,993

25. SUBSEQUENT EVENTS

No other matter or circumstance has arisen since 30 June 2018, 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 2018.

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 2018 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 Elliott

M Elliott
Chairman

Brisbane, 28 September 2018

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

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 statement of financial position as at 30 June 2018, 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 2018 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* (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.

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.

Carrying Value of Exploration and Evaluation Assets

Key audit matter	***How the matter was addressed in our audit***
Refer to note 9 in the annual report The Group carries exploration and evaluation assets as at 30 June 2018 in accordance with the Group's accounting policy for exploration and evaluation assets. The recoverability of exploration and evaluation asset is a key audit matter due to the significance of the total balance and the level of procedures undertaken to evaluate management's application of the requirements of AASB *6 Exploration for and Evaluation of Mineral Resources* ('AASB 6') in light of any indicators of impairment that may be present.	Our procedures included, but were not limited to the following: • Obtaining evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditure by obtaining supporting documentation such as license agreements and also considering whether the Group maintains the tenements in good standing • Making enquiries of management with respect to the status of ongoing exploration programs in the respective areas of interest and assessing the Group's cash flow budget for the level of budgeted spend on exploration projects and held discussions with management of the Group as to their intentions and strategy • Enquiring of management, reviewing ASX announcements and reviewing directors' minutes to ensure that the Group had not decided to discontinue activities in any applicable areas of interest and to assess whether there are any other facts or circumstances that existed to indicate impairment testing was required.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the 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.

In connection with our audit of the financial report, our responsibility is to read the other information 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, 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:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 - 25 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Mako Gold Limited, for the year ended 30 June 2018, 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

BDO
Rufwaby

R M Swaby
Director

Brisbane, 28 September 2018