MAKO GOLD LIMITED

A.C.N. 606 241 829

ANNUAL REPORT 30 JUNE 2019

Drilling on Napié Project - Côte d'Ivoire - July 2019

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

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

Chairman's Letter

Dear Shareholder

Your company, Mako Gold Limited ("Mako" or "The Company") has had a busy and successful year, hunting large, high-grade gold deposits in highly prospective terrains in West Africa.

Mako listed on the ASX in April 2018 and has already announced a gold discovery after its maiden drilling program at the Niou Project in Burkina Faso. In addition, very encouraging drilling results have been received from three drilling campaigns carried out at our Farm-in JV Napié Project in Côte d'Ivoire.

Between May and August 2019, the Company raised a total of $2.25m before costs by way of a placement and an entitlement offer.

Three drill programs have been completed on the Napié Project consisting of 96 reverse-circulation drill (RC) holes totalling 10,875m and 6 diamond drill (DD) holes totalling 609m. This limited reconnaissance style drilling has largely focussed on the Tchaga and Gogbala prospects which are located on a 17km interpreted shear coincident with a 23km-long mineralised zone outlined by previous soil, RAB and auger geochemistry surveys. Early results are very encouraging with zones of wide and high-grade gold being intersected at the two prospects.

The mineralised strike length at Tchaga Prospect has been confirmed to 1km with select drill intersections including:

- **28m at 4.86g/t Au** from 83m - hole NARC057
- **25m at 3.43g/t Au** from 53m - hole NARC017
- **18m at 3.25g/t Au** from 39m - hole NARC080

At the Gogbala Prospect the mineralised strike length has been confirmed to 2km with wide-spaced drilling. Select gold intersections from drilling to date includes:

- **12m at 5.39g/t Au** from 11m in hole NARC035;
- **17m at 1.67g/t Au** from 45m in hole NARC027;
- **6m at 2.67g/t Au** from 42m in hole NARC034;
- **2m at 16.81g/t Au** from 2m in hole NARC066

Gold mineralisation is open laterally, along strike and at depth at both prospects.

Mako accelerated its exploration expenditure on the Napié Permit and has spent over US$1.5m, earning a 51% equity in the permit held by a subsidiary of Perseus Mining Ltd (ASX:PRU). The Company is now continuing exploration and can earn up to 75% by completing further exploration and a feasibility study.

A new gold discovery was announced on 29 January 2019 at the Niou Project from Mako's 11 hole (1,210m) maiden RC drilling program which intersected multiple zones of gold mineralisation, including 24m at 2.7g/t Au and 3m at 18.9g/t Au. Three drill holes (NURC005, NURC006 and NURC007) intersected multiple zones of gold mineralisation throughout the entire length of the drill hole, at downhole depths of up to 150m and ended in mineralisation. Intermittent mineralisation was encountered across a span of 315m.

The Directors would like to thank all staff and contractors for their contribution to the continuing development of the Company. Finally, I would like to thank Mako shareholders for their support during the past twelve months. I am pleased 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 2019.

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 and Burkina Faso in West Africa.

The Company was established in June 2015 and acquired its first project interests in July 2016. The Company completed an IPO raising $6,000,000 and listed on the ASX on 16 April 2018. During and subsequent to the end of the current reporting period the company raised a total of approximately $2.246m (before costs) by way of a placement and a one for four entitlement offer at $0.085 per share.

Key Activities and Achievements for the 12 months ended 30 June 2019

- Successful multiple RC drilling programs with wide and high-grade intersections including 28m at 4.86g/t Au on Napié Project in Côte d'Ivoire
- Delineation of 1km of gold mineralisation along strike on the Tchaga Prospect (Napié Project) in Côte d'Ivoire through multiple RC drilling programs
- Delineation of 2km of gold mineralisation along strike on the Gogbala Prospect (Napié Project) in Côte d'Ivoire with wide-spaced drilling
- IP and ground magnetics geophysical program and interpretation on Tchaga Prospect (Napié Project in Côte d'Ivoire
- Re-interpretation of airborne geophysics which outlined multiple shear zones including a continuous 17km-long shear
- Milestone earn-in of 51% of Napié Project from JV partner Occidental Gold (subsidiary of Perseus Mining Ltd (ASX:PRU) ahead of schedule
- Gold discovery on Niou Project in Burkina Faso with multiple wide and high-grade intercepts, including 24m at 2.73g/t Au
- Lodging of two new permit applications in Côte d'Ivoire within 30km of Barrick's Tongon mine and processing plant (Subsequent to reporting period)

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 Ltd.

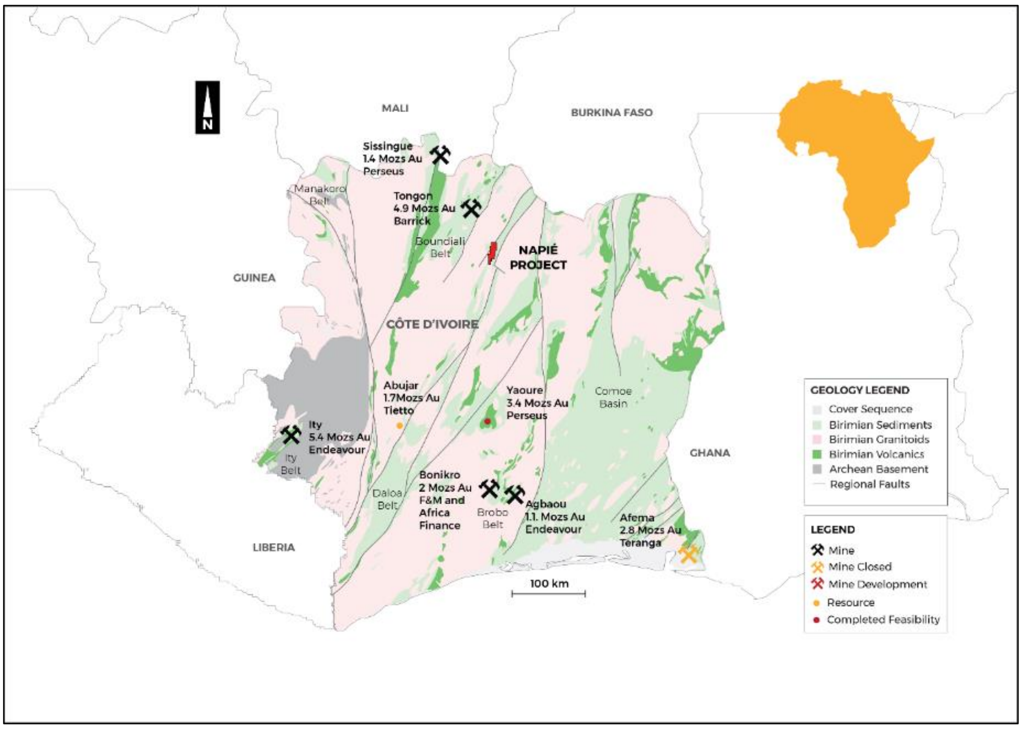

Figure 1: Napié Project location - Côte d'Ivoire

Multiple Drilling Programs Completed on Napié Project

The Company completed its maiden drilling program in July 2018 which consisted of 52 reverse circulation (RC) holes for a total of 4,171m drilled and 6 diamond drill (DD) holes for a total of 609m drilled. A 17-hole RC drilling program totalling 2,563m drilled was completed February 2019, and a third 27-hole RC drilling program totalling 4,141m was completed in July 2019.

The drill programs which followed the positive results received from the 2018 maiden drilling program returned wide, high-grade gold intersections. The follow-up drilling programs concentrated on the Tchaga and Gogbala prospects (Figure 3) and were planned using information learned from the interpretations of the airborne magnetics, ground IP and ground magnetic geophysical surveys, and a structural review of the diamond drill core completed during the reporting period.

Figure 2: Mako management/geologists at Napié drill site - July 2019

The results of the follow-up drilling were very pleasing with drilling intersecting multiple zones with significant widths and grades of gold mineralisation with individual 1m assays up to 29.89g/t Au (hole NARC066) and separately widths up to 28m at 4.86g/t Au (hole NARC057). The mineralised strike length at Tchaga Prospect has been confirmed to 1km and the mineralised strike length at Gogbala Prospect has been confirmed to 2km with wide-spaced drilling. Gold mineralisation is open laterally, along strike and at depth at both prospects. This increases our confidence in the potential for the Napié Project to host one or more economic gold deposits along the 23km-long gold geochemical anomaly.

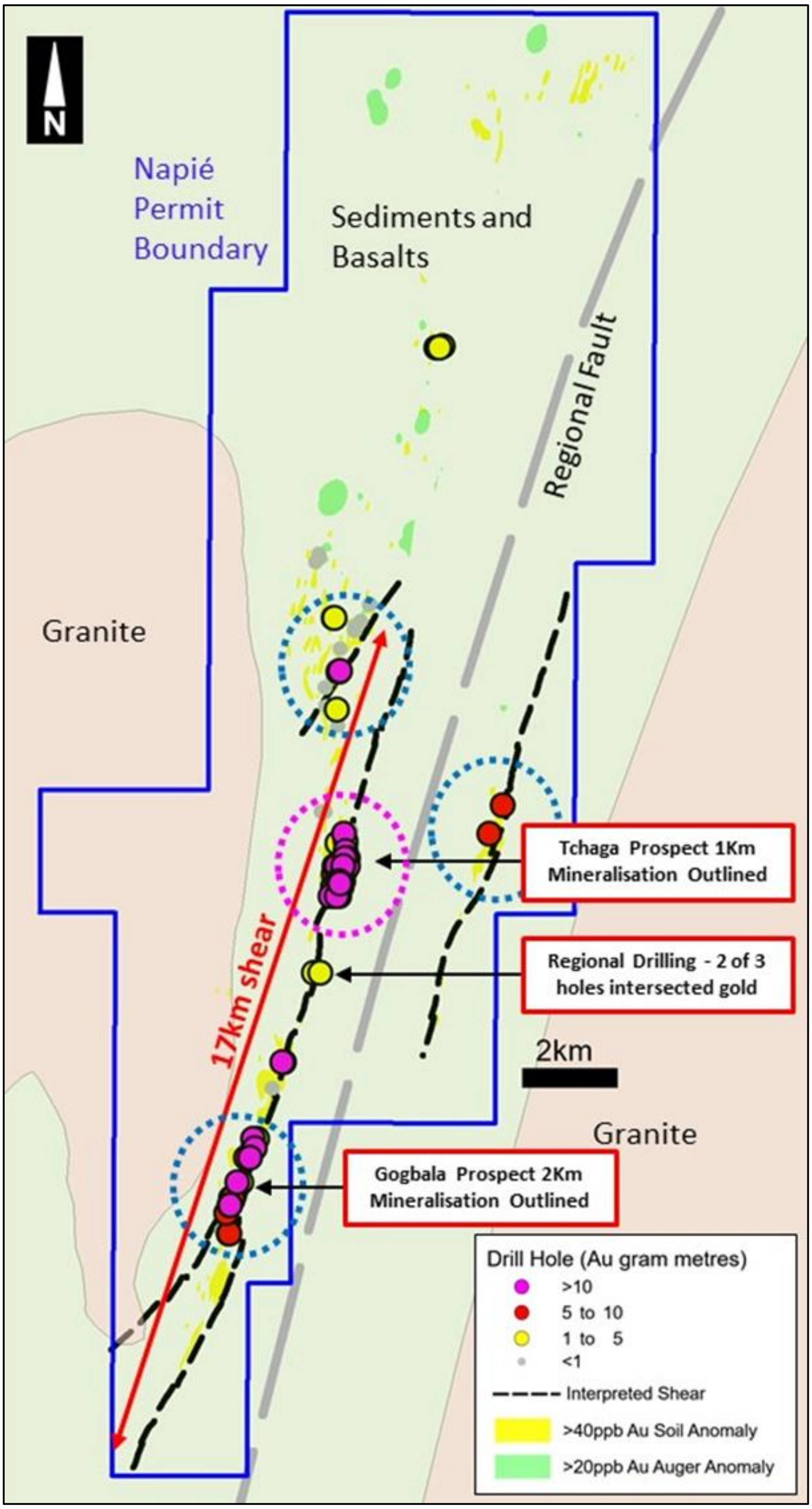

Figure 3: Priority targets along shears - Highest priority Tchaga Prospect in dashed line

Second priority targets (Includes Gogbala Prospect) shown in blue dashed lines

Tchaga Prospect – Strike length of gold mineralisation delineated over 1km

The drill programs followed up on previously reported gold mineralisation, which included 25m at 3.43g/t Au and 3.3m at 6.98g/t Au. The Tchaga Prospect covers only a very small part of the 23km long main +40ppb soil/auger anomaly coincident with the 17km shear identified from the re-interpretation of the geophysical airborne magnetics survey (Figure 3).

The goals of the follow-up drilling programs on Tchaga were to increase the width of the known mineralised zone, and to test continuity of the mineralisation along strike. Gold mineralisation has now been traced over a 1 km strike length (Figure 4). The maximum vertical depth of drilling on the Tchaga Prospect is 140 meters. Mineralisation is open along strike and at depth.

Significant drill intersections from the Tchaga Prospect include:

- **28m at 4.86g/t Au** from 83m - hole NARC057
- **25m at 3.43g/t Au** from 53m - hole NARC017
- **18m at 3.25g/t Au** from 39m - hole NARC080
- **23m at 2.46g/t Au** from 15m - hole NARC084
- **17m at 2.43g/t Au** from 86m - hole NARC055
- **15m at 1.13g/t Au** from 104m - hole NARC082

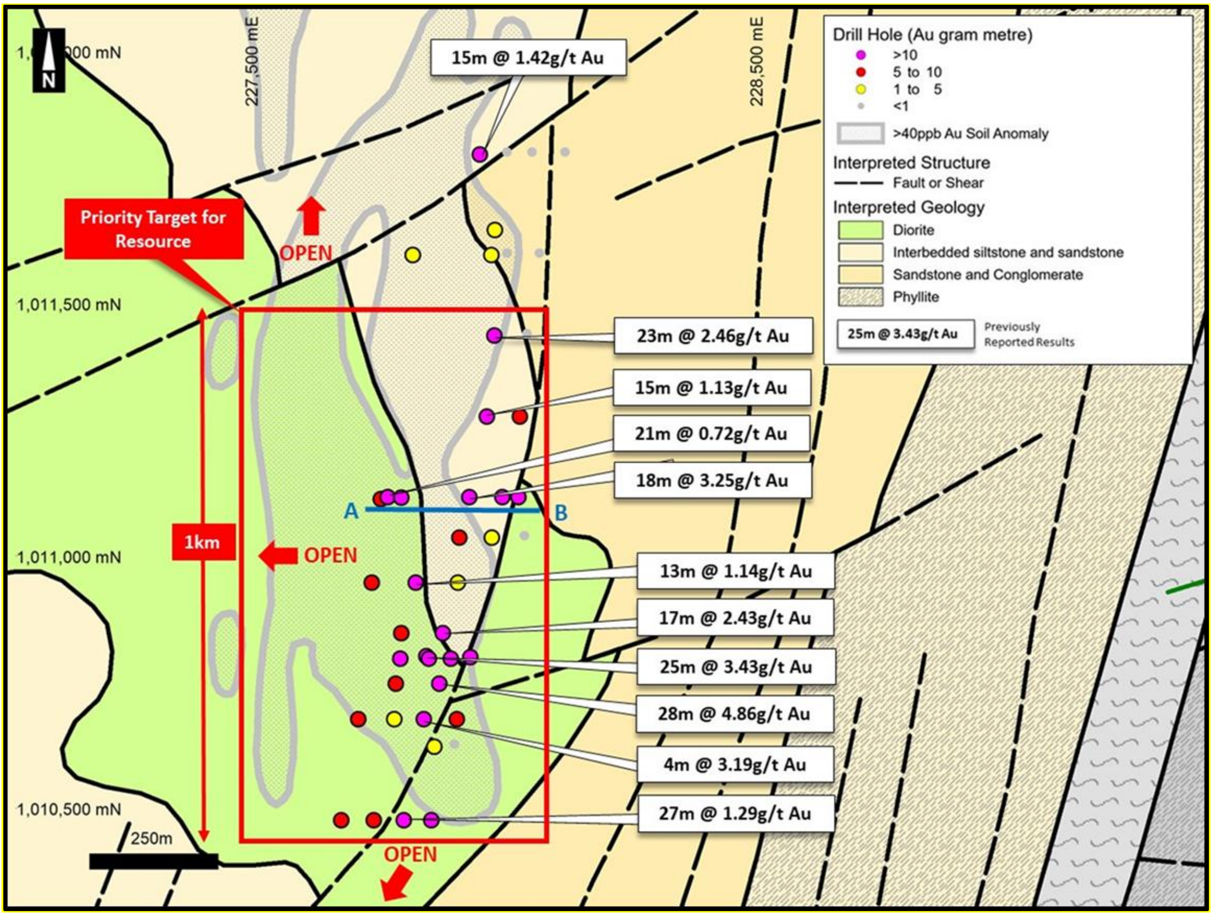

Figure 4: Tchaga Prospect - 1km strike-length gold mineralisation outlined to date

Mako has identified two prospective trends along faults and geological contacts as shown on section in Figure 5. Mako geologists have observed that the best gold values returned from drilling are located in proximity to these faults.

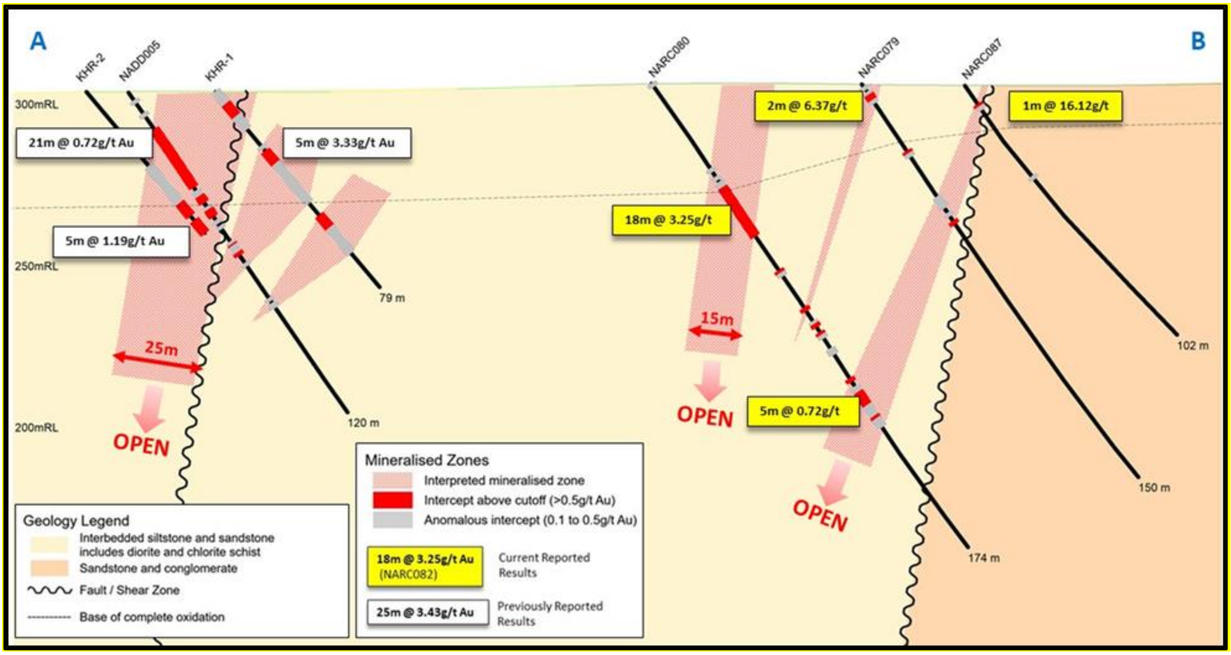

Figure 5: Tchaga cross section A-B looking north

Gogbala Prospect – Strike length of gold mineralisation delineated over 2km in wide spaced drilling

The drilling programs on Napié during the reporting period, also included 1,240m of RC drilling on the Gogbala Prospect to follow up on previously reported gold mineralisation. Significant intervals previously reported from the maiden drilling program are 12m at 5.39g/t Au and 6m at 2.67g/t and approximately 2km along strike to the north-northeast, intervals of 17m at 1.67g/t Au. Mineralisation in this area consists of quartz veins within alteration halos of potassium, silica and sericite associated with the NNE regional shear direction. The target area covers only a very small part of the 23km long main +40ppb soil/auger anomaly (Figure 3).

Drill holes were planned to test the strike and lateral continuity of mineralisation. Wide-spaced drilling to date has confirmed gold mineralisation along a strike length of 2km along the trend of the +17km regional shear zone and the 23km soil/auger geochemical anomaly. Mineralisation is open in all directions. The maximum vertical depth of drilling on the Gogbala Prospect is 140m.

Significant gold mineralisation was intersected from wide-spaced drilling outlined a 2km mineralised trend as shown in Figure 6. Individual assays returned values up to 16.81g/t Au, and separately, mineralised widths of up to 12m.

Significant gold intersections on the Gogbala Prospect from drilling to date include:

- **12m at 5.39g/t Au** from 11m in hole NARC035;
- **17m at 1.67g/t Au** from 45m in hole NARC027;
- **6m at 2.67g/t Au** from 42m in hole NARC034;
- **7m at 2.73g/t Au** from 77m in hole NARC065**;**
- **2m at 16.81g/t Au** from 2m and **5m at 2.12g/t Au** from 19m in hole NARC066

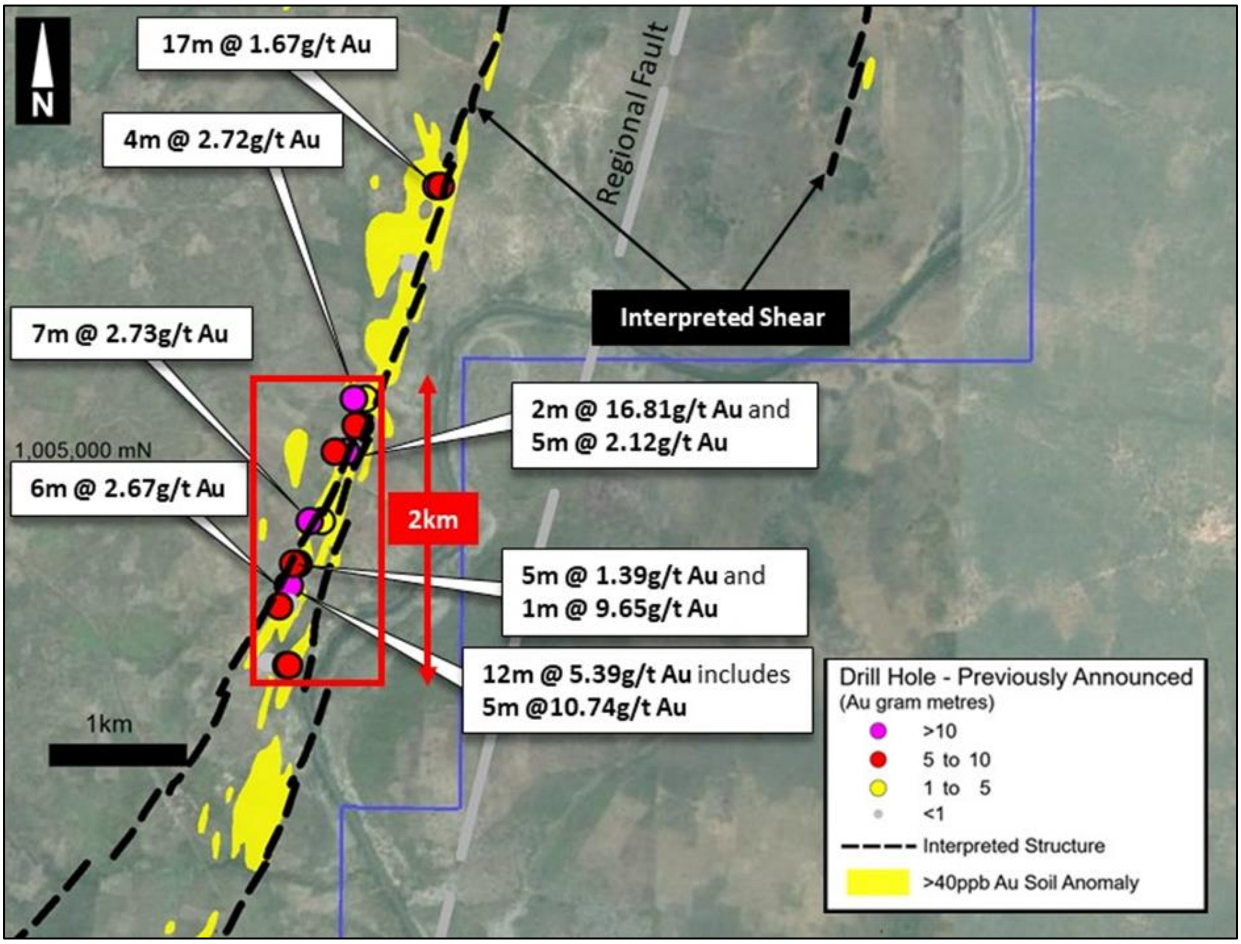

Figure 6: Gogbala Prospect - 2km long gold trend outlined from wide-spaced drilling

IP and magnetic geophysical programs completed

An IP geophysical survey was completed in December 2018 on the Tchaga Prospect, which had the best drilling results during the maiden drilling program. The survey was divided into two blocks totalling 4km^2. The program consisted of gradient array over the entire two blocks at a line spacing of 50m as well as two lines of pole-dipole lines over select areas hosting high-grade drill results. A ground magnetic survey was also conducted over the entire grid of the IP at a 50m line spacing. Interpretation of the ground geophysical surveys was used in drill hole targeting.

Re-interpretation of airborne geophysics, outlining multiple shears including a +17km shear

Mako commissioned reprocessing and reinterpretation of the airborne magnetic and radiometric data for the high priority areas of the Napié Permit which include the Tchaga and Gogbala Prospects. The interpretation independently highlighted multiple structures which coincide with anomalous gold in soil (>40ppb Au) and some of the best drill results Mako has achieved on the project to date. The structures are interpreted to be shear zones parallel to the NNE trending regional fault. The most significant of these shear zones can be traced for over 17km and coincides with an anomalous soil geochemical trend.

Structural analysis of diamond drill core completed

A structural geological consultant was on site in November 2018 to evaluate outcrop and 6 DD holes drilled on Napié to gain a better understanding of the structures hosting gold in the project. From this interpretation gold mineralisation appears to be associated with the predominant foliation trending approximately 20 degrees, which is parallel to the regional shear zone. A distinct alteration halo has also been identified which is composed of sericite, silica, and pyrite and thin quartz veins parallel to shearing (Figure 7). The alteration is visible during drilling, even in RC drill rock chips, which allows Mako geologists to identify whether they are drilling in the “sweet spot’ during drilling programs and modify hole locations during the drill programs. The information gained from the structural analysis in conjunction with the information returned from the interpretations of geophysical data has added confidence to drill targeting by Mako.

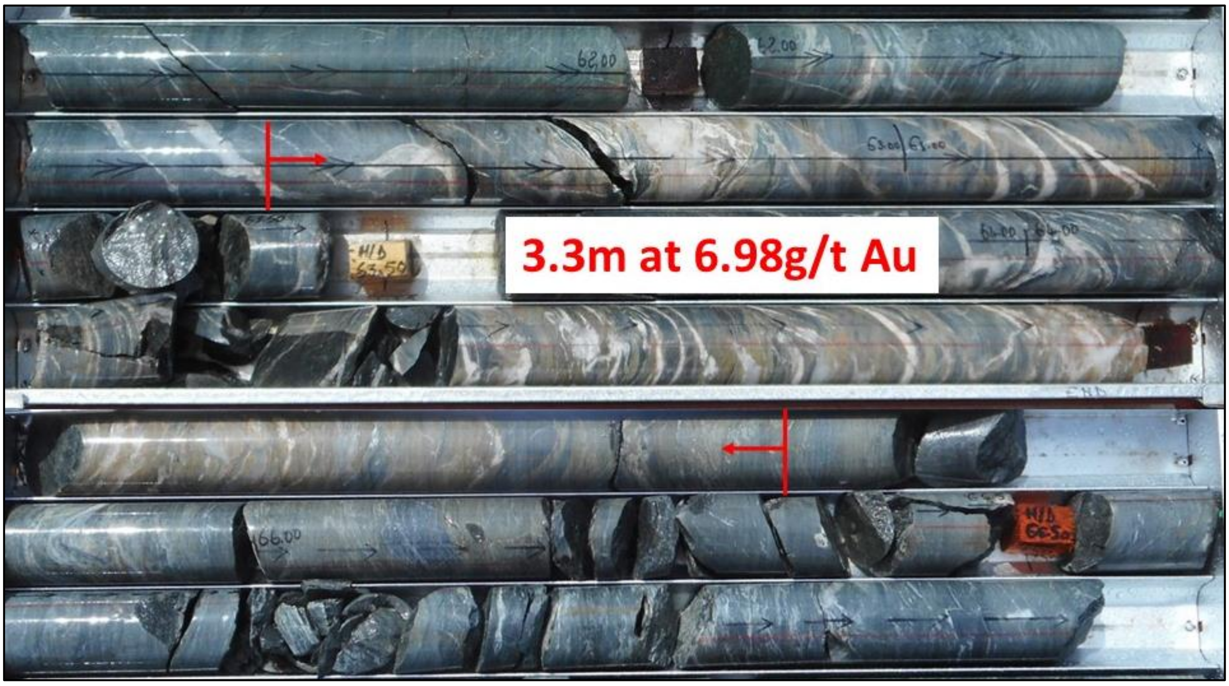

Figure 7: Alteration and shearing in gold mineralised zones

Napié Project - future work

Following the end of the wet season, which is usually in early November, a 2,000m RC drilling program is planned to commence. The object of the drilling program is to drill underneath and along strike of wide and high-grade gold intersections on the Tchaga Prospect, in order to add continuity to the mineralisation encountered thus far in drilling. Mako believes that the Tchaga Prospect holds the highest potential for outlining a resource in the near-term. Once the Tchaga Prospect is advanced, Mako will continue exploration on the Gogbala Prospect and other targets (outlined in blue dashed circles in Figure 3).

Earn-in of 51% on Farm-in JV achieved

During the reporting period Mako reached its first milestone on its Farm-in Joint Venture Agreement with Occidental Gold SARL, a subsidiary of Perseus Mining Ltd for the 224 km^2 Napié Permit, and earned-in 51% interest on the permit. Under the terms of the agreement Mako had up to three years to spend US$1.5 million on exploration on the permit in order to earn-in 51% of the permit. Mako has fast-tracked exploration and reached that milestone in under two years, and just over one year after listing on the ASX.

<u>Niou Project - Burkina Faso</u>

The Niou project is located in central Burkina Faso (Figure 8). The permit is held under a 3-year option agreement with local owners for the right to acquire 100% ownership by Mako Gold. The company is currently in the process of exercising its option to acquire the permit.

Mako announced a gold discovery from its RC maiden drilling program in January 2019. Drilling intersected multiple zones with significant widths and grades of gold mineralisation with individual 1m assays up to 53.80g/t Au and separately widths up to 24m at 2.73g/t Au. In addition, several drill holes intersected multiple zones of gold mineralisation throughout the entire length of the drill hole, up to 150m long, and ended in mineralisation. The discovery was a result of methodical exploration completed by Mako, including soil sampling, geological mapping and airborne geophysics.

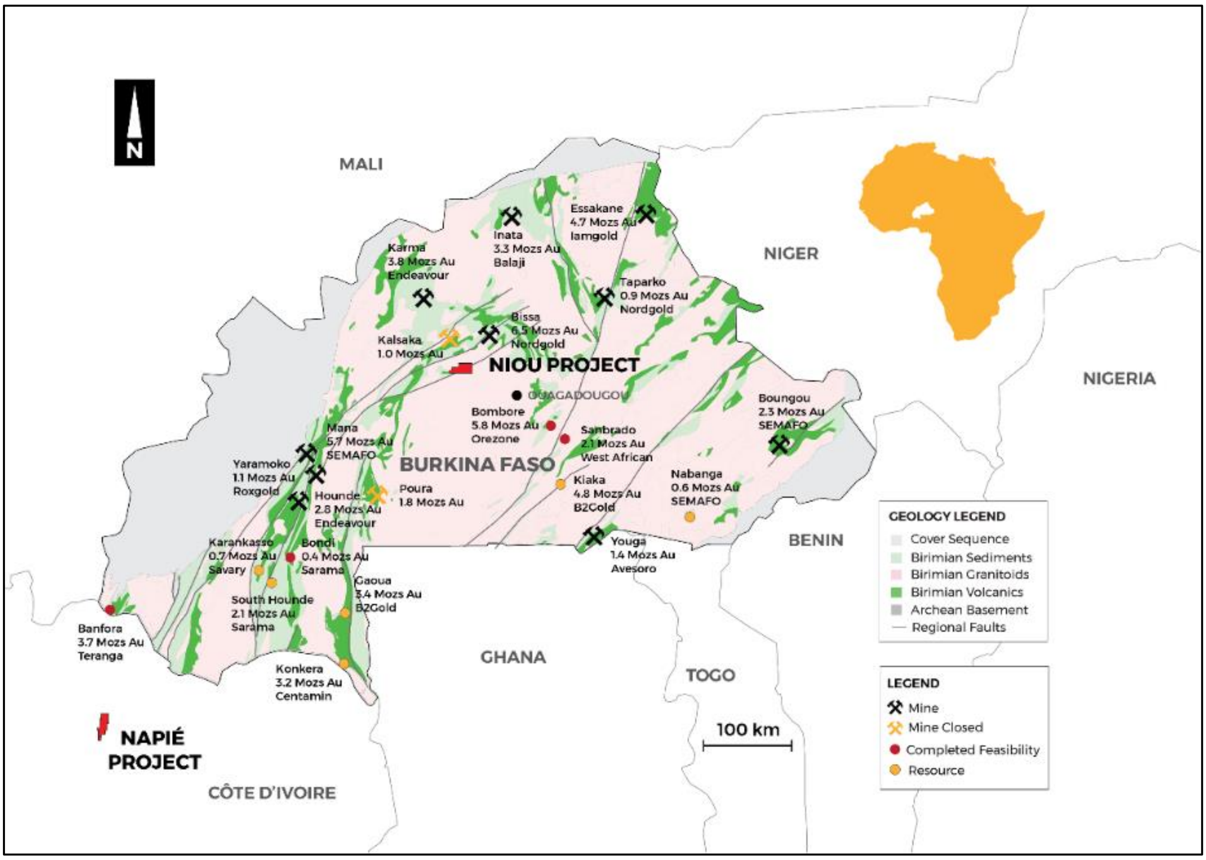

Figure 8: Niou Project location - Burkina Faso

The RC drilling program was designed to test two targets within a broad (1 to 2km wide) zone of shearing Drill hole locations and assay results are shown in Figure 9. The 2km-long by 1km-wide main gold artisanal mining site shown in white, where artisanal miners are mining to depths up to 50m suggest that high-grade mineralisation is present in the area. Seven RC drill holes totalling 810m were completed on the artisanal site. Six of the seven RC drill holes drilled within the main artisanal mining area returned significant gold intersections with multiple mineralised intervals within each hole.

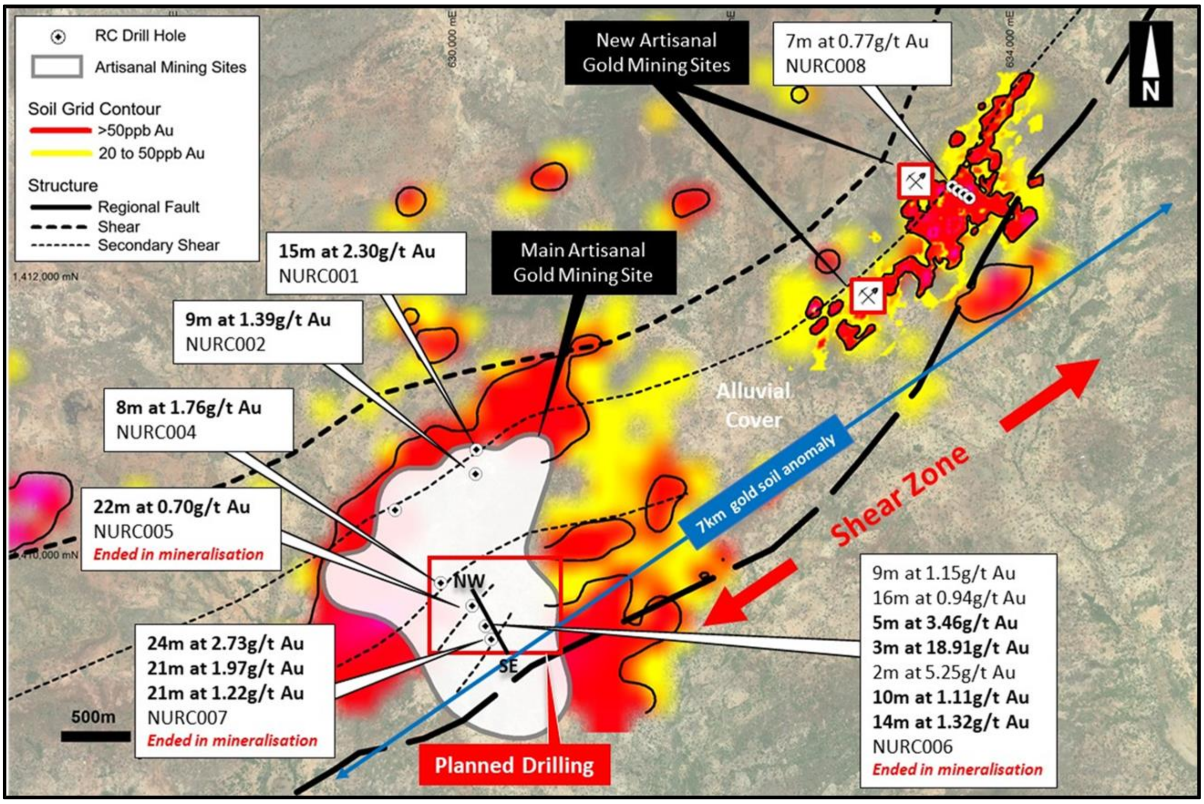

Figure 9: Niou Project – Drill results along coincident shear and 7km soil anomaly

The cross section below (NW-SE from Figures 9 and 10) highlights the width of mineralisation encountered in the maiden drilling program. It is noteworthy that all three holes ended in gold mineralisation and are open at depth.

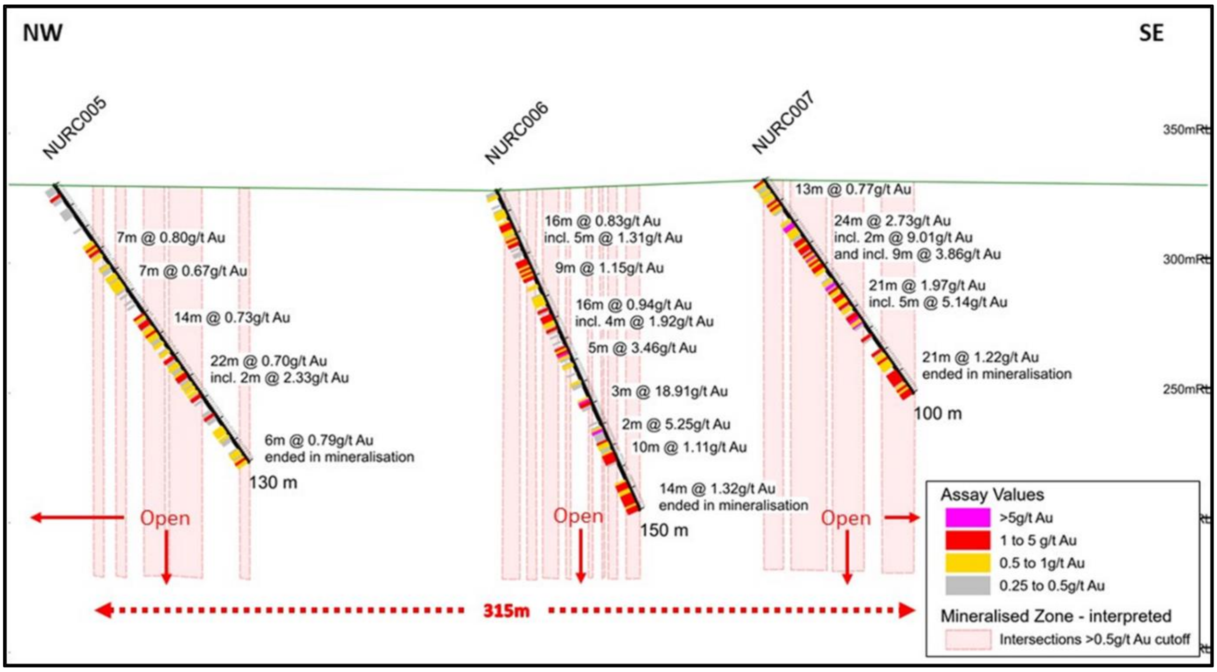

Figure 10: Cross section looking north with over 300m-wide intermittent gold mineralisation in shear

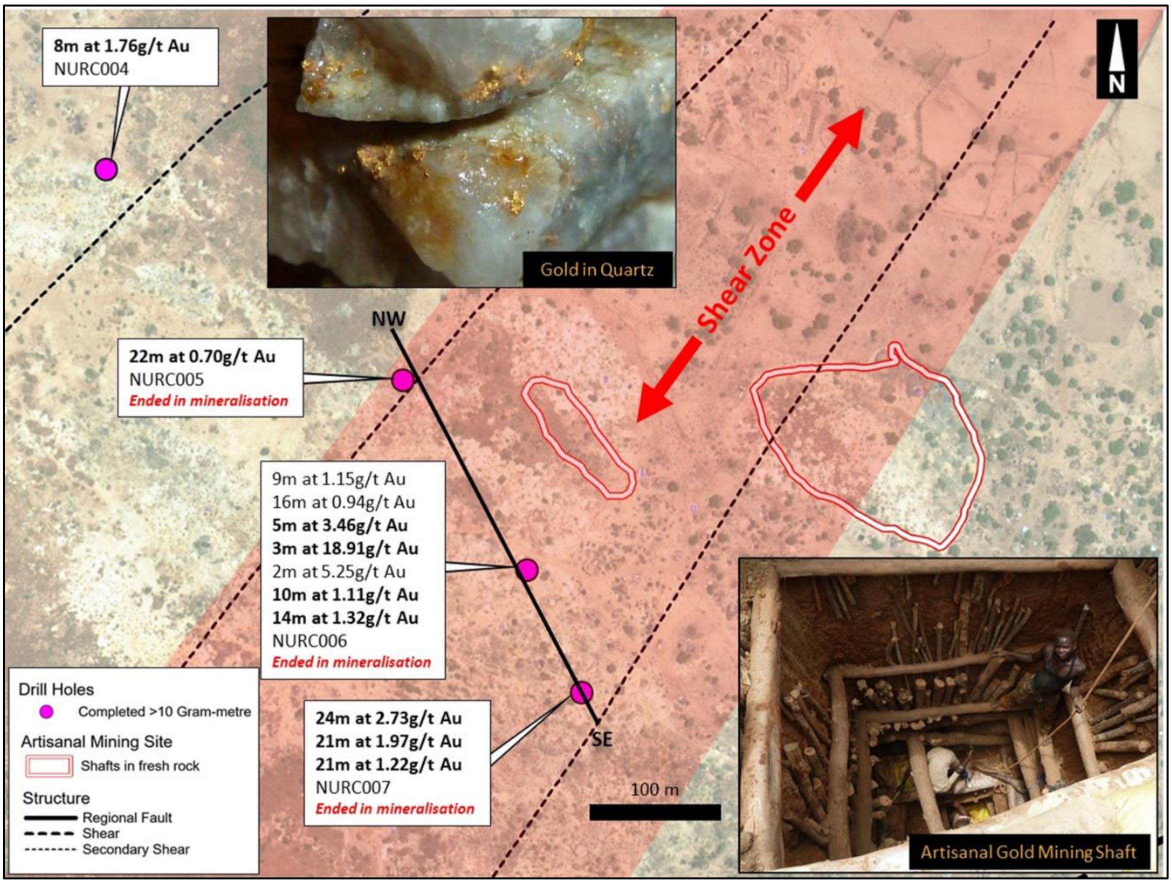

Figure 11: Enlarged area from Figure 9 – red shaded area shows high priority drilling target in shear

Niou Project - future work

An 1800m air core (AC) drilling program is planned in mid-October within the gold artisanal mining site. The purpose of the drill program is to follow up on the results of the successful maiden drilling program and outline a significant strike length of gold mineralization with shallow (50m) drill holes. The priority area to be drilled will be to the southwest and northeast of holes NURC005-007 in the shaded red area (high-priority shear) in Figure 11. Pending positive results from the program, the Company is planning an RC drilling program in Q1-2020 which would test mineralisation at greater depth and along strike.

Tangora Project - Burkina Faso

The Tangora project is located in southwestern Burkina Faso and was held under a 3 year option agreement with local owners for the right to acquire 100% ownership by Mako Gold. After disappointing results were received from the maiden drilling program which targeted the best two artisanal gold mining sites, the Company made the decision not to continue with the project to allow Mako to focus on the more advanced Napié and Niou projects. The permit was returned to the vendor at no cost to Mako. As a result, all of the previously capitalised expenditure on the Tangora project, totalling $554,260, has been expensed in the period.

New Applications

Subsequent to the reporting period, Mako lodged two applications for exploration permits with the Ministry of Mines in Côte d'Ivoire covering a total area of 296km^2 (Figure 12) The permit applications were strategically selected by Mako to cover significant greenstone-granite contact as these contacts present excellent targets for shear-hosted orogenic gold deposits. The northern permit application has a greenstone-granite contact of 9km, while the southern application has a greenstone-granite contact of 6km.

The northern and southern permit applications are respectively located 15km and 30km from Barrick Gold's Tongon mine processing plant.

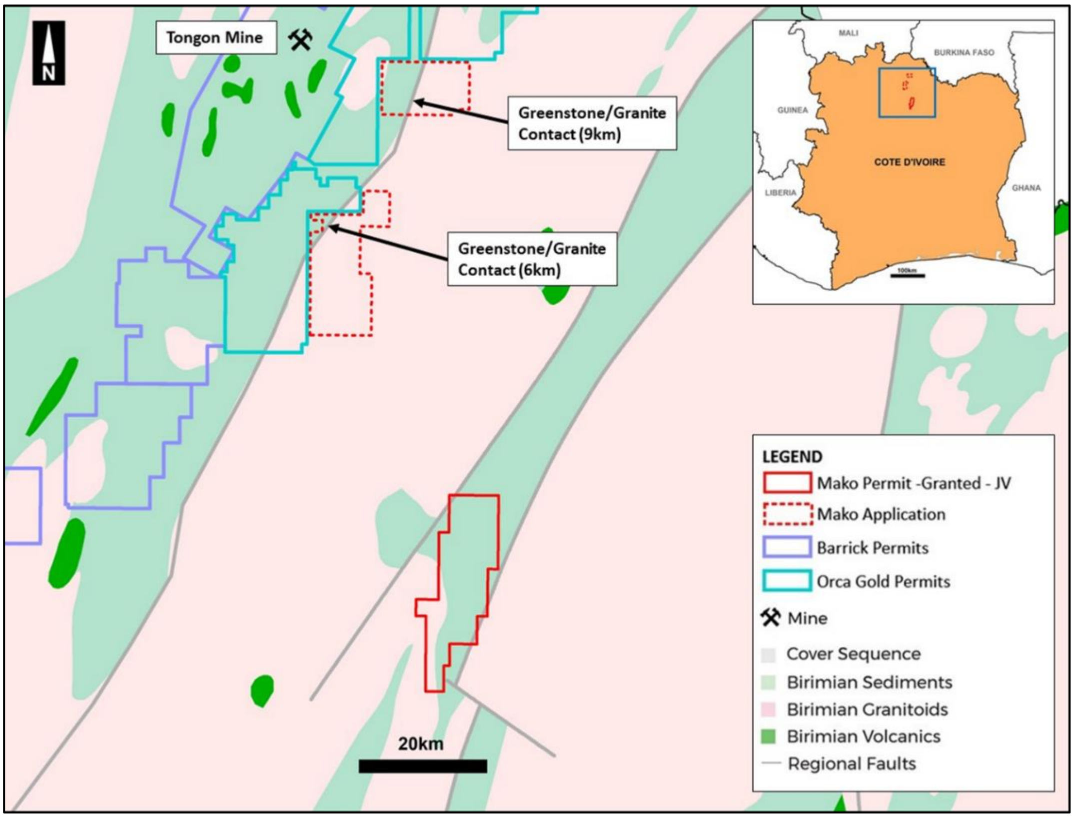

Figure 12: Mako Permit applications and granted Napié Permit

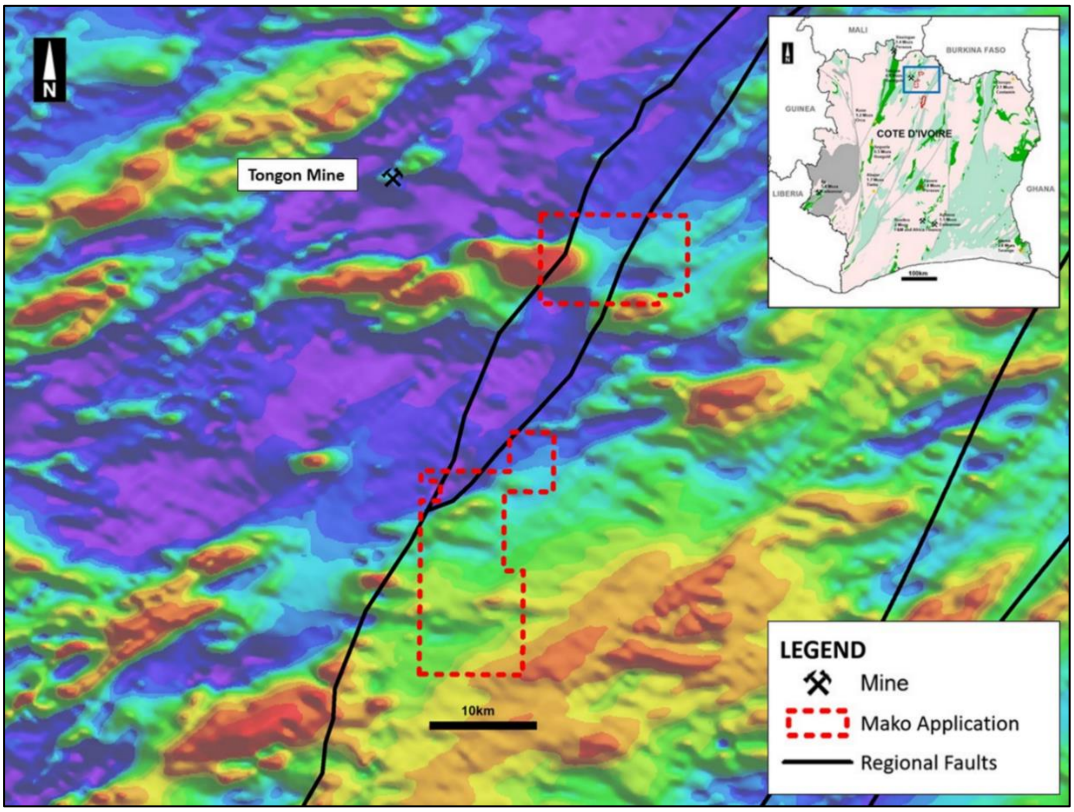

Figure 13: Regional magnetic geophysics (RTP) with Mako permit applications

Both permits are located on a regional fault shown in black on the regional magnetic geophysical map (Figure 13). Regional faults provide the "plumbing" for gold bearing fluids. In shear-hosted high-grade gold deposits, gold is often remobilised from greenstones and over time, deposited in the granites which are brittle and have a good network of open fractures and faults. In addition, at the interface of the greenstones and granites, the geochemistry changes, which typically causes precipitation of gold within the granites. Because of the above, the Company believes that the strategic location of the permit applications present excellent targets for high-grade orogenic shear-hosted gold deposits.

Corporate

During the financial year Mako issued a total of 13,308,050 shares at $0.085 cents by way of a placement and an entitlement offer to shareholders raising $1,131,184 before costs.

The company had issued the following securities as at 30 June 2019.

Ordinary Shares:	76,558,150*
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:	1,000,000

* 13,860,100 are subject to ASX escrow until 16/4/20.

Subsequent Events

In August 2019 the company completed a placement of the shortfall shares arising from the May 2019 one for four entitlement offer to shareholders. A total of 13,113,934 shares were issued at $0.085 to raise $1,114,684 before transaction costs.

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 2019.

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

<u>SM Elliott (Non-Executive Chairman)</u> *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 2018.

<u>P Ledwidge (Managing Director)</u> *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.

<u>M Muscillo (Non-Executive Director)</u> *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

<u>P Marshall</u> *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	3,146,667
Peter Ledwidge	7,768,727
Michele Muscillo	558,823

Meetings of Directors

The following table sets out the number of director's meetings held during the year ended 30 June 2019 and the number of meetings attended by each director.

	Directors' Meetings	
Director	A	B
M Elliott	5	5
P Ledwidge	5	5
M Muscillo	5	5

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%)
- Mako Cote D'Ivoire SARL (Incorporated in Cote D'Ivoire - 100%)

Principal Activities

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

Operating Results

During the year Mako continued with exploration activities on its projects in Burkina Faso and in Cote D'Ivoire.

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:

	2019
	$
Corporate and Administration expenses	349,361
Write off of exploration expenses	554,260
Employment expenses	234,000
Total expenses	1,137,621

Comparison with Prior Year
For the year ended 30 June 2019, the loss for the Consolidated Entity after providing for income tax was $1,127,580 (2018: loss of $673,764):

	2019	**2018**
	$	**$**
Other income	10,041	5,711
IPO expenses	-	(227,960)
Share based payment expense	-	(87,500)
Write off of exploration expenses	(554,260)	-
Employment costs	(234,000)	(133,583)
Other expenses	(349,361)	(230,432)
Loss after income tax	(1,127,580)	(673,764)

Excluding the current year exploration write off of an area surrendered and the prior period IPO listing and security issue expenses which are not recurring in nature nor comparable, the adjusted loss for the 2019 financial year is approximately $215k higher than the adjusted loss of 2018. This increase is mainly due to the company being listed on the ASX in for the full financial year, compared to the prior year when it was only listed for the last quarter, with the increased costs attributable to:

	$
Increase in interest revenue	4,330
Increase in employee costs	(100,417)
Increase in corporate, administrative and other costs	(118,929)
	(215,016)

Review of Financial Condition

Capital structure
In the 2019 financial year Mako issued or cancelled the following securities:

Ordinary Shares
- 24/5/19 issue of 8,487,515 shares at $0.085 by way of a placement
- 27/6/19 issue of 4,820,535 shares at $0.085 by way of an entitlement offer

Options
- 6/12/18 issue of 500,000 unlisted 30/4/21 $0.30 options

At 30 June 2019, the Company had 76,558,150 ordinary shares on issue and 18,499,983 $0.30 options that expire in April 2021 on issue.

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

Liquidity and funding
The Company has in the 2019 calendar year been successful in raising $2,245,868 (before costs) between May and August 2019. These funds will be utilised to progress its activities in the 2019/20 financial year.

Dividends

No dividend was paid during the year and none is recommended as at 30 June 2019.

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

In August 2019 the company issued 13,113,934 ordinary shares at $0.085 per share raising $1,114,684 by way of a placement of the shortfall shares from the May 2019 entitlement offer. Apart from this no matter or circumstance has arisen since 30 June 2019, 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 2019.

Likely Developments and Expected Results of Operations

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

Indemnification of Officers Directors or Auditor

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

Proceedings on Behalf of the Company

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

Environmental Regulation and Performance

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

Share Options

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

		Movements				
Expiry Date	**Exercise Price**	**1 July 2018**	**Issued**	**Exercised**	**Expired**	**30 June 2019**
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	-	-	1,000,000
		17,999,983	500,000	-	-	18,499,983

<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 666,666 fully vested and 333,334 to vest on 17/5/20. The employee/contractor must continue to provide services to the Company at the vesting date for the unvested options to vest. If the employee/contractor ceases to provide services to the Company then the options must be exercised within one month of the termination date

Auditor

The Auditor's Independence Declaration is attached and forms part of the Director's Report for the year ended 30 June 2019.

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

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

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

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

- $2,500 in relation to taxation compliance and advice 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 2019 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 2019 is detailed in this Remuneration Report.

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

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;
- 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;
- 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;
- 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;
- 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.

Key management personnel equity holdings

Shareholdings

	Balance 1 July 2018	Acquired through capital raising	Acquired on market	Other additions /disposals/transfers	Balance 30 June 2019
Directors					
Mark Elliott	3,266,667	150,000	-	-	3,416,667
Peter Ledwidge*	7,533,433	235,294	-	-	7,768,727
Michele Muscillo	500,000	58,823	-	-	558,823
Key Management					
Ann Ledwidge*	7,533,433	235,294	-	-	7,683,433
Paul Marshall	500,000	125,000	-	-	625,000

* Shares are jointly owned by Peter and Ann Ledwidge

Remuneration of Directors and other Key Management Personnel – 2019

	Short 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	80,000	-	-	-	-	-	80,000	-	-
Peter Ledwidge	233,150	-	-	1,793	21,850	-	256,793	-	-
Michele Muscillo	50,000	-	-	-	-	-	50,000	-	-
Key Management									
Ann Ledwidge	187,900	-	-	723	17,100	-	205,723	-	-
Paul Marshall	104,000	-	-	-	-	-	104,000	-	-
	655,050	**-**	**-**	**2,516**	**38,950**	**-**	**696,516**		

Remuneration of Directors and other Key Management Personnel – 2018

	Short 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	-	158,958	-	-
Michele Muscillo	10,417	-	-	-	-	-	10,417	-	-
Key Management									
Ann Ledwidge	106,551	-	-	18,142	6,624	-	131,317	-	-
Paul Marshall	104,000	-	-	-	-	-	104,000	-	-
	412,591	**-**	**-**	**40,560**	**15,708**	**-**	**468,859**		

There were no termination benefits paid or accrued for the years ended 30 June 2019 or 2018.

Transactions with related parties

Loans with directors and key management personnel

As at 30 June 2019 a total of $nil (2018 $nil) 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	2019 $	2018 $
Legal services	HopgoodGanim	Michele Muscillo	38,797	268,165

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	2019 $	2018 $
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 4 years are summarised below:

Measures	2019 $	2018 $	2017 $	2016 $
Share price at end of financial year	0.08	0.22	n/a	n/a
Market capitalisation at end of financial year ($M)	6.12	13.92	n/a	n/a
Net Profit/(loss) for the financial year	(1,127,580)	(673,764)	(62,879)	(26,399)
Basic and diluted earnings per share (cents)	(1.76)	(1.34)	(0.75)	(26,399)
Director and Key Management Personnel remuneration	696,516	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 2019.

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

Signed in accordance with a resolution of the Board of Directors

M Elliott

M Elliott
Chairman
Brisbane, 27 September 2019

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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 2019, 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, 27 September 2019

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 17 September 2019.

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	14
1,001 to 5,000	25
5,001 to 10,000	112
10,001 to 100,000	266
100,001 and over	129
Total	546
Number of unmarketable parcels	59

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	91
5,001 to 10,000	48
10,001 to 100,000	118
100,001 and over	20
Total	277

Twenty largest holders

MKG – Ordinary Fully Paid Shares

No.	Name of Shareholder	Holding	% Held
1	Resolute (Treasury) Pty Ltd	15,235,085	16.99%
2	Peter Francis Rene Ledwidge & Ann Louise Ledwidge	7,768,727	8.66%
3	Elliott Nominees Pty Ltd	3,416,667	3.81%
4	Ibrahim Bondo	2,000,000	2.23%
5	Mr David Harper	1,963,235	2.19%
6	Sanperez Pty Ltd	1,847,527	2.06%
7	Rookharp Capital Pty Limited	1,764,706	1.97%
8	HSBC Custody Nominees (Australia) Limited	1,547,250	1.73%
9	Citicorp Nominees Pty Limited	1,510,202	1.68%
10	Berto Nominees Pty Ltd	1,500,000	1.67%
11	PW and VJ Cooper Pty Limited	1,293,726	1.44%
12	Mr Gregor Bruce Chalmers	1,258,589	1.40%
13	Mrs Catherine Anne Marson & Mr Joseph Marson	835,511	0.93%
14	Ayers Pty Ltd	823,529	0.92%
15	Sacrosanct Pty Ltd	795,108	0.89%
16	Engelbert Investments Pty Ltd	761,232	0.85%
17	Davis Family Capital Pty Ltd	750,000	0.84%
18	Terrance Frederick Burling	750,000	0.84%
19	Zaimo Nominees Pty Ltd	722,310	0.81%
20	Saxon Acquisitions Pty Ltd	690,510	0.77%
		47,233,914	**52.67%**

Substantial Shareholders

The company has received the following substantial shareholder notices as at 17 September 2019:

Resolute Mining Limited hold an interest in 15,235,085 shares (16.99%)
Mr Peter and Mrs Ann Ledwidge hold an interest in 7,768,727 shares (8.66%)

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

Class	Nos	Escrow Expiry Date
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	Citicorp Nominees Pty Limited	675,000	4.50%
4	Gazump Resources Pty Ltd	400,000	2.67%
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	Pontre Securities Pty Ltd	145,000	0.97%
17	Fylpane Pty Ltd	140,000	0.93%
18	Brearley Holdings Pty Ltd	137,878	0.92%
19	Mr Robert Jesse Hunt	125,000	0.83%
20	Yea-Sayer Pty Limited	125,000	0.83%
		10,147,726	**67.65%**

Unquoted Securities

There are the following unquoted securities as at 18 September 2019. 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
1,000,000	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 2019:

Tenement Schedule

Location	Permit Name	Permit Number	Legal Holder	Mako Interest	Status
Côte d'Ivoire	Napié	281 /MIM/DGMG DU	Occidental Gold SARL	Earning up to 75%	Granted
Burkina Faso	Niou	2019-142/MMC/SG/DGCM	Nouvelle COFIBI SARL	Earning up to 100%	Granted

Napié: On 7th September 2017 Mako Gold Limited signed a Farm-In and Joint Venture Agreement with Occidental Gold SARL. The agreement gives Mako the right to earn 51% of the Napié Permit by pending US$1.5M on the property within three years and the right to earn 75% by sole funding the property to completion of a Feasibility Study. Mako completed the expenditure requirement in 2019 and the transfer of the 51% interest is being applied for.

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.

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 2018 to 30 June 2019.

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 2019

	Note	Consolidated 2019 $	2018 $
Other Income/(Expenses)	2	10,041	5,711
Write off of exploration expenditure		(554,260)	-
Employment costs		(234,000)	(133,583)
Consulting expense – share based payment	20	-	(87,500)
IPO expenses		-	(227,960)
Other expenses		(349,361)	(230,432)
Loss before tax		(1,127,580)	(673,764)
Income tax expense	4	-	-
Loss for the year		(1,127,580)	(673,764)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation differences for foreign operations		(23,646)	8,314
Income tax expense		-	-
Other comprehensive income for the period, net of tax		(23,646)	8,314
Total comprehensive income for the year attributable to:			
Owners of Mako Gold Limited		(1,151,226)	(665,450)
Loss per share			
Basic and diluted loss per share (cents per share)	17	(1.76)	(1.34)

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 2019

		Consolidated	
		2019	**2018**
	Note	**$**	**$**
Current Assets			
Cash and cash equivalents	5	1,650,536	4,479,038
Short term investment		42,900	-
Trade and other receivables	6	13,536	69,383
Other current assets	7	42,797	71,532
Total Current Assets		1,749,769	4,619,953
Non-Current Assets			
Exploration and evaluation assets	9	4,861,733	2,202,209
Total Non-Current Assets		4,861,733	2,202,209
Total Assets		6,611,503	6,822,162
Current Liabilities			
Trade and other payables	10	719,956	871,019
Provisions	12	81,138	60,533
Total Current Liabilities		801,094	931,552
Total Liabilities		801,094	931,552
Net Assets		5,810,408	5,890,610
Equity			
Equity attributable to equity holders of the parent			
Share capital	12	7,615,756	6,556,961
Reserves	13	85,274	96,691
Accumulated losses	13	(1,890,622)	(763,042)
Total Equity		5,810,408	5,890,610

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 2019

Consolidated	Share Capital	Foreign Currency Reserve	Share Based Payment Reserve	Accumulated Losses	Total
	$	$	$	$	$
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**
At 1 July 2018	6,556,961	1,868	94,823	(763,042)	5,890,610
Comprehensive income					
Loss after income tax	-	-	-	(1,127,580)	(1,127,580)
Foreign currency translation differences of foreign operations	-	(23,646)	-	-	(23,646)
Total comprehensive income	-	(23,646)	-	(1,127,580)	(1,151,225)
Transactions with owners in their capacity as owners					
Shares issued during the year	1,131,184	-	-	-	1,131,184
Share issue costs	(72,389)	-	-	-	(72,389)
Share based payments	-	-	12,229	-	12,229
Total	1,058,795	-	12,229	-	1,071,024
At 30 June 2019	**7,615,756**	**(21,778)**	**107,052**	**(1,890,622)**	**5,810,408**

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 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Cash Flows from Operating Activities			
Receipts		-	-
Payments to suppliers and employees		(531,711)	(385,920)
Interest received		10,041	5,711
Interest paid		-	-
Net Cash Used in Operating Activities	14	(521,670)	(380,209)
Cash Flow From Investing Activities			
Payments for exploration & development		(3,357,570)	(1,089,776)
Payment for short term investment		(42,900)	-
Deposits refunded/(paid)		49,756	(50,357)
Net Cash Flow Used in by Investing Activities		(3,350,714)	(1,140,133)
Cash Flow from Financing Activities			
Proceeds from issue of shares		1,131,184	6,500,000
Payments for share cancellation		-	(3)
Share issue expenses and listing costs		(63,656)	(910,097)
Loan repaid – Director loan facility		-	(33,311)
Net Cash Flow from Financing Activities		1,067,528	5,556,589
Net increase/(decrease) in cash held		(2,804,856)	4,036,248
Net foreign exchange differences		(23,646)	8,314
Cash at the beginning of the financial year		4,479,038	434,477
Cash at the end of the financial year	14	1,650,536	4,479,038

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 2019.

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 2019.

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 2019, the facts and circumstances do not suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. During the financial year the company wrote off the costs amounting to $554,260 associated with the Tangora project in Burkina Faso that it decided not to proceed with. 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.

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

As disclosed in the financial statements, the Company achieved a net loss of $1,151,225 (and net operating cash outflows of $3,872,384 for the year ended 30 June 2019. As at 30 June 2019 the Company had a total cash balance of $1,650,536 and raised a further $1,114,684 (before costs) in August 2019.

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

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

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

The directors believe that the going concern basis of preparation is appropriate due to the Company's proven history of successfully raising funds including its initial public offering completed on 16 April 2018 and its $2,245,868 capital raising completed in 2019.

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

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

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

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.

Payables

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

Contributed Equity

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

Employee Benefits

(i) Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave 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

A number of new or amended standards became applicable for the current reporting period and the Group had to consider its accounting policies as a result of adopting the following standards:

- AASB 9 *Financial Instruments*; and
- AASB 15 *Revenue from Contracts with Customers*.

Neither standard had any impact on the Group's accounting policies and did not require retrospective adjustments.

New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods. The Consolidated Entity has decided against early adoption of these standards. The Consolidated Entity's assessment of the impact of these new standards and interpretations is set out below:

AASB 16 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 AASB 117 Leases and related interpretations. AASB 16 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-of-use asset and a lease liability will be recognised, with the right-of-use asset being depreciated and the lease liability being unwound in principal and interest components over the life of the lease.

The Consolidated Entity has evaluated the impact on adoption of this standard. Upon adoption of this standard, it is the Consolidated Entity's intention to transition using the modified retrospective approach, where the right-of-use asset is recognised at the date of initial application at an amount equal to the lease liability, using the entity's current incremental borrowing rate. Comparative figures are not restated. Minimal impact is anticipated from the impact of the revised standard.

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.

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
2. OTHER INCOME		
Other income		
Bank interest income	10,041	5,711

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
3. EXPENSES		
Loss from ordinary activities before income tax includes the following specific items:		
Capital raising costs (including IPO)	-	227,960
Share based payments - options to consultants	-	87,500
Exploration expenses written off	554,260	-
Operating lease expense	38,700	-
Employee and consultancy expenses		
Consultancy expenses	234,000	133,583
Defined contribution superannuation expense	-	-
Other employee benefits expenses	-	-
Total employee benefits expenses	234,000	133,583

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
4. INCOME TAX		
A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate for the years ended 30 June 2019 and 2018 is as follows:		
Accounting (loss) before income tax from continuing operations	(1,127,580)	(673,764)
At the statutory income tax rate of 27.5% (2018: 27.5%)	(310,084)	(185,285)
Overseas losses not deductable	152,421	168
Non-deductible expenses	-	24,063
Deferred tax assets not bought to account	157,663	161,055
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 2019 (2018: Nil).

4. INCOME TAX (continued)

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
Unrecognised temporary differences and tax losses		
Unused tax losses and temporary differences for which no deferred tax asset has been recognised	2,045,968	1,052,519
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 (2018: nil).

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
5. CASH AND CASH EQUIVALENTS (CURRENT)		
Cash at bank and in hand	1,650,536	4,479,038
6. TRADE AND OTHER RECEIVABLES (CURRENT)		
Other receivables	13,536	69,383

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
7. OTHER CURRENT ASSETS		
Prepayments	42,797	71,532

8. INVESTMENTS IN CONTROLLED ENTITIES

Investments held by Mako Gold Limited:	**Percentage of equity interest**	
Subsidiary company incorporated in Burkina Faso	**2019 %**	**2018 %**
Mako Gold SARL (incorporated in Burkina Faso)	100	100
Mako Cote D'Ivoire SARL (incorporated in Cote D'Ivoire	100	-

9. EXPLORATION AND EVALUATION ASSETS (NON CURRENT)

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
Exploration costs carried forward in respect of areas of interest		
- Exploration phase	4,861,733	2,202,209
Reconciliation		
Exploration expenditure capitalised		
- Opening balance	2,202,209	332,737
- Current year expenditure	3,213,784	1,869,472
- Write off/disposed in current year	(554,260)	-
Carried forward	4,861,733	2,202,209

Included in the total capitalised exploration expenditure is an amount of $60,185 (2018: $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.

10. TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
Trade creditors	420,882	309,153
Other payables and accruals	299,074	561,866
	719,956	871,019

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.

11. PROVISIONS (CURRENT)

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
Employee Benefits	81,138	60,533

	Consolidated Entity 2019 $	2018 $
12. CONTRIBUTED CAPITAL		
(a) Issued and paid up capital		
Ordinary shares fully paid	7,615,756	6,556,961

(b) Movements in shares on issue

	2019 Nos of shares	2019 $	2018 Nos of shares	2018 $
Ordinary shares fully paid				
Beginning of the financial year	63,250,100	6,556,961	44,000,100	739,100
Increases				
- Placement of shares (1)	-	-	5,000,000	500,000
- Issue of shares to broker re IPO (2)	-	-	450,000	90,000
- Issue of IPO shares (3)	-	-	30,000,000	6,000,000
- Selective cancellation of shares (4)	-	-	(16,200,000)	(3)
- Placement of shares (5)	8,487,515	721,439	-	-
- Entitlement issue to shareholders (6)	4,820,535	409,745	-	-
- Costs of share issues (7)	-	(72,389)	-	(772,136)
	76,558,150	7,615,756	63,250,100	6,556,961

(1) Subscriptions for shares at $0.10 per share
(2) Issue of 75,000 shares on lodgement of IPO prospectus and 375,000 on approval of ASX listing at $0.20 per share
(3) Issue of 30,000,000 shares at $0.20 per share in relation to IPO of the company
(4) Cancellation of 16,200,000 shares held by founding shareholders for a total of $3 following approval at EGM
(5) Placement of shares at $0.085 per share
(6) Entitlement offer at $0.085 per share
(7) Costs in relation to issue of shares.

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

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-18	Issued	Exercised	Expired	30-Jun-19
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	-	-	1,000,000
		17,999,983	500,000	-	-	18,499,983

(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 1,000,000 30/4/21 unlisted $0.30 options in relation to ongoing employee/consultancy services

	Consolidated Entity 2019 $	2018 $
13. ACCUMULATED LOSSES & RESERVES		
(a) Accumulated losses		
Balance at the beginning of the year	(763,042)	(89,278)
Net profit/(loss) attributable to members of Mako Gold Limited	(1,127,580)	(673,764)
Balance at end of year	(1,890,622)	(763,042)
(b) Foreign exchange reserve		
Balance at the beginning of the year	1,868	(6,446)
Movement in period	(23,646)	8,314
Balance at end of year	(21,778)	1,868
(c) Share based payment reserve		
Balance at the beginning of the year	94,823	-
Movement in period	12,229	94,823
Balance at end of year	107,052	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.

	Consolidated Entity 2019 $	2018 $
14. STATEMENT OF CASH FLOWS		
Reconciliation of the operating loss after tax to the net cash flows from operating activities		
Loss from ordinary activities after tax	(1,127,580)	(673,764)
Securities issued non-cash	-	87,500
Listing costs included in financing activities	-	227,960
Write off of capitalised exploration expenditure	554,260	-
Changes in operating assets & liabilities during the year		
(Increase)/decrease in receivables	55,489	(54,774)
(Increase)/decrease in prepayments	(24,431)	(13,339)
(Decrease)/increase in creditors	17,080	13,108
(Decrease)/increase in accruals	3,512	33,100
	(521,670)	(380,210)
Reconciliation of cash		
- Cash at bank	1,650,536	4,479,038

Non cash financing and investing activities

Loan and Creditor Repayments
During the financial year, $12,229 (2018: $7,323) worth of consultant options issued to contractors have been capitalised in exploration assets.

Net Debt Reconciliation	2019 $	2018 $
Opening balance	-	33,311
Interest charges	-	-
Repayments	-	(33,311)
Closing balance	-	-

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
15. EXPENDITURE COMMITMENTS		
Lease expenditure commitments		
Operating leases		
Minimum lease payments		
- payable within one year	60,008	-
- payable between one and five years	75,225	-
Total contracted at balance date	135,233	-

Future exploration

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

The commitments to be undertaken are as follows:

	2019 $	2018 $
Payable		
- not later than 12 months	552,310	1,180,822
- between 12 months and 5 years	1,760,903	301,014
	2,313,213	1,481,836

16. CONTINGENCIES

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

17. LOSS PER SHARE

Loss per share	Consolidated Entity 2019 $	Consolidated Entity 2018 $
Basic and diluted (loss) per share (cents per share)	(1.76)	(1.34)

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

	2019	2018
Earnings used to calculate basic and diluted loss per share	(1,127,580)	(673,764)
	Number	Number
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	64,186,559	50,386,607
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	64,186,559	50,386,607

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 2019

The company issued a total of 13,113,934 ordinary shares on 13 August 2019 at an issue price of $0.085 per share in relation to the placement of the shortfall arising from a one for four entitlement offer to all shareholders undertaken in May 2019.

18. AUDITOR'S REMUNERATION

	Consolidated Entity 2019 $	2018 $
Amounts received or due and receivable by the Auditors for:		
(i) Audit & other assurance services – BDO Audit Pty Ltd		
- Audit & review of financial statements	46,256	27,107
(ii) Other services		
- Taxation advice and compliance	2,500	6,650
- Investigating accountants report for prospectus	-	9,700
Total	48,756	43,457

19. RELATED PARTY DISCLOSURES

	Consolidated Entity 2019 $	2018 $
Key management personnel compensation		
Short term benefits	655,050	412,590
Share based payments	-	-
Long term benefits	2,516	40,559
Post-employment benefits	38,950	15,708
Total	696,516	468,857

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 2019 a total of $nil (2018 $nil) 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 totalling $33,311 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 companies Mako Gold SARL and Mako Cote D'Ivoire SARL. All loans advanced are interest free and any expenses paid on behalf of Mako Gold SARL and Mako Cote D'Ivoire SARL are repayable at cost. As at 30 June 2019 $2,416,469 (2018 - $1,072,286) was owed by Mako Gold SARL to Mako Gold Limited and $2,440,453 (2018 - $nil) was owed by Mako Cote D'Ivoire SARL.

20. SHARE BASED PAYMENTS

Options

Advisor Options
During the 2018 financial year 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 2018**	**Issued**	**Vested**	**Exercised /Expired**	**30 June 2019**
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 1.83 years. The weighted average exercise price of the options is $0.30.

20. SHARE BASED PAYMENTS (cont)

Staff Options
During the 2018 and 2019 financial years the Company granted options to an employee and 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 2018	Issued	Vested	Exercised /Expired	30 June 2019
30 April 2021	$0.30	500,000	500,000	666,666	-	1,000,000

The remaining contractual life of advisor options outstanding at the end of the prior period was 1.83 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 2018 and 2019 years the value deemed appropriate was the market value of the listed options on the date of issue as it is considered this provided a more accurate valuation.

Expenses arising from share-based payment transactions	**2019**	**2018**
	$	**$**
Options issued to capital advisors	-	87,500
Options issued to contractors capitalised in exploration assets	12,229	7,323

21. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

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

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

(b) Credit Risk

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

(c) Liquidity risk

The consolidated entity manages liquidity risk by monitoring forecast cash flows. At 30 June 2019 the Group has cash resources (including short term deposits) of $1,693,436 (2018 - $4,479,038).

22. FINANCIAL RISK MANAGEMENT (cont)

Maturity Analysis –Consolidated Entity - 2019	Carrying Amount	Contractual Cash flows	<1 year	1 - 5 years	> 5 years
Financial Liabilities	$	$	$	$	$
Trade and Other Payables	719,956	719,956	719,956	-	-
	719,956	719,956	719,956	-	-

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	-	-

(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 2019 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:

2019	**Floating interest rate**	**Fixed interest rate**	**Non-interest bearing**	**Total carrying amount as per the balance sheet**	**Weighted average effective interest rate**
	2019	**2019**	**2019**	**2019**	**2019**
	$	**$**	**$**	**$**	**%**
Financial assets					
Cash and cash equivalents	1,197,336	-	453,200	1,650,536	0.15%
Short term investment	-	42,900	-	42,900	2.62%
Trade and other receivables	-	-	13,536	13,536	-
Total financial assets	1,197,336	42,900	466,736	1,706,972	
Financial liabilities					
Trade and other payables	-	-	719,956	719,956	-
Total financial liabilities	-	-	719,956	719,956	

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	

The consolidated entity has performed a sensitivity analysis relating to its exposure to interest rate risk. At 30 June 2019 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 $16,934 of interest income based on the closing cash balance as at 30 June 2019 (2018: $43,404). 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 100,009 (2018 – AUD 105,698) 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 2019 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 $1,000 of foreign exchange loss based on the closing cash balance as at 30 June 2019 (2018: $1,057 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

	2019 $	2018 $
Current assets	1,630,917	4,496,952
Non-current assets	4,331,572	1,578,587
Total assets	5,962,489	6,075,539
Current liabilities	152,180	185,681
Non-current liabilities	-	-
Total liabilities	152,180	185,681
Net assets	5,810,309	5,889,858
Issued capital	7,615,757	6,556,961
Reserves	107,052	94,823
Accumulated losses	(1,912,500)	(761,926)
Total equity	5,810,309	5,889,858
Loss after income tax	(1,150,573)	(673,153)
Other comprehensive income	-	-
Total comprehensive income	(1,150,573)	(673,153)

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	
	2019	**2018**
	$	**$**
Australia	-	-
Africa	4,861,733	2,202,209
	4,861,733	2,202,209

25. SUBSEQUENT EVENTS

In August 2019 the company completed a placement of the shortfall shares arising from the May 2019 one for four entitlement offer to shareholders. A total of 13,113,934 shares were issued at $0.085 to raise $1,114,684 before transaction costs. No other matter or circumstance has arisen since 30 June 2019, 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 2019.

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 2019 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
Chairman

Brisbane, 27 September 2019

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INDEPENDENT AUDITOR'S REPORT

To the members of Mako Gold Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mako Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 30 June 2019, 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 2019 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.

Material uncertainty related to going concern

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

Key audit matters

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

Carrying value of exploration and evaluation assets

Key audit matter	***How the matter was addressed in our audit***
Refer to note 9 in the annual report The Group carries exploration and evaluation assets as at 30 June 2019 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 2019, 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 to 25 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Mako Gold Limited, for the year ended 30 June 2019, 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

R M Swaby
Director

Brisbane, 27 September 2019