

**PACGOLD LIMITED
INTERIM REPORT
31 DECEMBER 2023**

PACGOLD LIMITED

ACN 636 421 782

Interim Report – 31 December 2023

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CORPORATE DIRECTORY

Directors	C Moises T Schreck M Pitt S Goodwin
Company Secretary	S Yeates
Principal Place of Business	Level 38, 71 Eagle Street Brisbane QLD 4000
Registered Office	Level 38, 71 Eagle Street Brisbane QLD 4000
Auditor	BDO Audit (WA) Pty Ltd Level 9, 5 Spring Street Perth WA 6000 www.bdo.com.au
Solicitors	HWL Ebsworth Level 19, 480 Queen Street Brisbane QLD 4000 www.hwlebsworth.com.au
Bankers	Commonwealth Bank Of Australia
Share registry	Computershare Investor Services Pty Limited 452 Johnston Street Abbotsford VIC 3037 www.computershare.com/au +61 3 9415 400 or 1300 850 505 (within Australia)
Pacgold Website address	www.pacgold.com.au

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

The Directors of Pacgold Limited ("PGO", "Pacgold" or the "Company") are pleased to provide the Company's Half-Year Activities Report for the six-month period ending 31 December 2023.

Directors

The following persons were Directors of Pacgold Limited during the half-year and up to the date of this report, unless otherwise stated:

Catherine Moises (appointed 11 February 2021)

Anthony Schreck (appointed 4 December 2020)

Michael Pitt (appointed 28 August 2020)

Shane Goodwin (appointed 28 August 2020)

Principal Activities

The principal activity of the company during the half-year was the exploration of its key asset being the Alice River Project, comprising a portfolio of eight mining leases and five exploration permits for minerals tenements in the Alice River region of North Queensland.

Review of Operations

The loss of the Company for the financial half-year after providing for income tax amounts to \$447,418 (2022: \$607,128).



Alice River Gold Project – North Queensland

Central Target – Maiden drilling of the F1-2 zone strikes high-grade gold¹

- **Continued expansion of high-grade gold mineralised structures with the discovery of the F1-2 high-grade zone** 200m west of the F1a Zone
 - **First ever drilling within the F1-2 zone intersects 1m @ 41.1g/t Au from 71m**
 - **The F1-2 zone has a potential strike of >1.4km** and represents the western margin of the Alice River Central Target IP geophysics corridor, with the high-grade F1a zone occurring on the eastern margin of the corridor
- **Significant advances in the structural geological model for gold system** and enhanced understanding of structural controls on high-grade gold zones to enable more predictive targeting

PGO ASX Releases ¹10 July 2023

Southern Target – *Step-out drilling significantly expands gold system along strike and at depth*

- **Broad gold zone intersected within IP anomaly**, linking two existing mineralised zones to confirm a combined strike >1.8km on the Southern Target²
- **High-grade gold intersected in step-out drilling** targeting extensions to existing gold zones, with results including²:
 - **1m @ 89.1g/t Au** and 1.1m @ 10.4g/t Au

Posie – *1.4km high-grade target identified on 30km Alice River fault zone³*

- **High-grade rock chips define a 1.4km long zone (open) with results up to 46.2g/t Au** averaging 4.4g/t Au (65 samples) over the trend – **first rock chip sampling undertaken at Posie**
- **IP geophysics defines a compelling structural target >2km long x 200m** encompassing the exposed veining trend and mostly concealed by shallow sand cover

Regional Targets – *Accelerated regional exploration programme defines significant extensions to the Alice River fault zone and new regional structures prospective for high-grade gold*

- **Significant extensions to the Alice River fault zone defined through IP geophysics²** and regional rock chip sampling³ provides compelling support for the prospective fault zone to extend >30km
- **Surface rock chips up to 47.4g/t Au** define a new structure >2km in strike length hosting the historical **Jerry Dodds prospect** workings, located 0.6km southwest of and sub-parallel to the high-grade Alice River fault zone³
- **Initial drilling of priority regional targets was completed over the Posie, Jerry Dodds and Victoria prospects and the Northern target** with a total of 2,288m RC drilling (25 RC holes) and 750m aircore (102 holes) with results received and presented⁶ post 31 December 2023.

Corporate – *\$3.0M placement (after costs) to accelerate district-scale exploration⁵*

- **Oversubscribed \$3.0 million placement** (after costs) to institutional and sophisticated investors

PGO ASX Releases ² 17 Oct 2023, ³ 20 Nov 2023, ⁴ 22 Sept 2023, ⁵ 17 Oct 2023, ⁶ 8 Feb and 12 Feb 2024

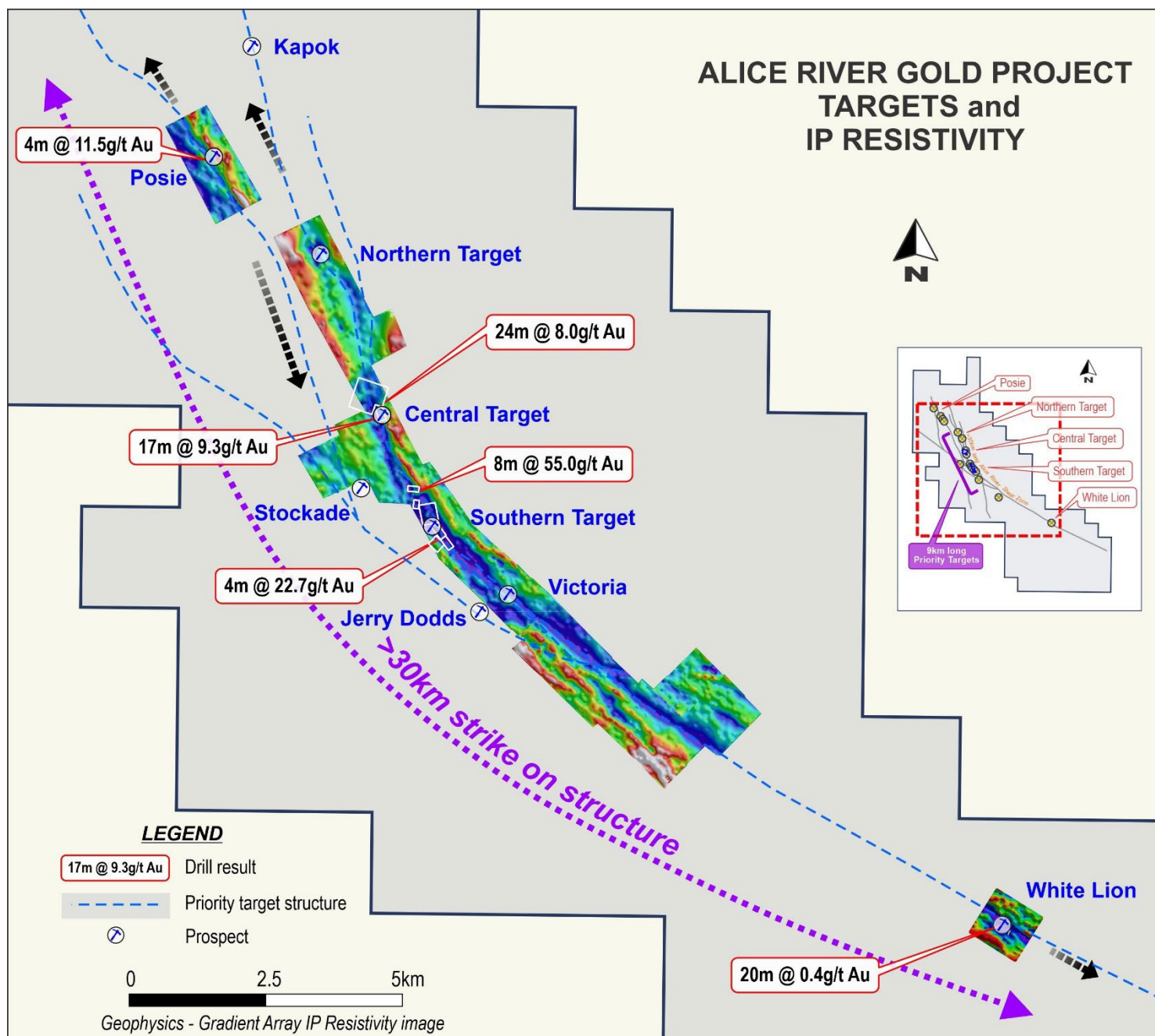


Figure 1: Resistivity IP geophysics highlighting prospective regional structures associated with IP geophysics resistivity lows defining prospective regional structures.

Alice River Gold Project Overview

Pacgold is progressing the Alice River Gold Project ('the Project'), 300km northwest of Cairns, North Queensland. The Project comprises a portfolio of eight mining leases and five exploration permits in a highly prospective and largely underexplored gold terrain.

The Company's focus in the second half of 2023 was to expand the exploration programme to include several regional prospects additional to the Central and Southern Targets on the 30km long Alice River gold-bearing fault zone (refer Figure 1):

- **Central Target:** Four high-grade gold shoots now identified within granted mining leases on 800m strike and over 500m depth (open at depth and along strike);
- **Southern Target:** Multiple high-grade zones defined by limited shallow drilling extending over 1.8km (open) x 200m; and
- **Regional:** IP geophysics and rock chip sampling highlights several priority targets along the Alice River fault zone with multiple new parallel structures being defined as the regional IP geophysics and geochemical surveys expand.

Activity during the half year period included:

- **Reconnaissance RC drilling** – A total of 25 holes for 2,288m including Central, Southern, and Northern Targets, Posie, Jerry Dodds, and Victoria prospects investigating district-scale targets on the Alice River fault zone and multiple new sub-parallel structures
- **Shallow orientation bedrock (aircore) drilling** – 102 holes for 750m were completed as an orientation bedrock drilling program on the Central Target and the Victoria prospect, confirming the method as an efficient sampling technique to penetrate the shallow cover sediments
- **Processing of IP geophysics** (gradient array) defined a 4km extension of the Alice River fault zone which is completely concealed by shallow cover and not previously drilled
- **Surface rock chip sampling and field mapping** returned a high-grade gold on extension to the Alice River fault zone (Kapak prospect) and surface mineralisation on new sub-parallel structures including Posie and Jerry Dodds prospects
- **Assay results from drilling** completed in the first half of the year returned bonanza gold at the new F1-2 zone within the Central Target and established a link connecting two shallow high-grade mineralised zones at the Southern Target over >1.8km strike
- **\$3.0M placement (after costs)** completed to accelerate exploration at the Alice River gold project

Central Target

Drilling on the Central Target (F1a zone) in the past two years has been extremely successful in defining multiple high-grade plunging gold zones over 800m of strike and down to 500m vertical depth which are open along strike and at depth (refer Figure 2 and Figure 3). The high-grade zones all contain visible gold in varying amounts, usually associated with multi-phase quartz breccias.

Significant high-grade drill results from the F1a zone to date include:

- **24.0m @ 8.0g/t Au** (from 168m) incl. **1.9m @ 87.0g/t Au** (ARDH051)³
- **14.9m @ 10.3g/t Au** (from 242m) incl. **4.9m @ 21.4g/t Au** (ARDH061)⁴
- **4.0m @ 10.3g/t Au** (from 563m) incl. **1.0m @ 32.8g/t Au** (ARDH050)³
- **4.1m @ 7.6g/t Au** (from 265.8m) incl. **1.1m @ 16.0g/t Au** (ARDH072)⁵
- **4m @ 4.9g/t Au** (from 234m) incl. **1m @ 14.4g/t Au** from 237m (ARDH063)⁵

Bonanza-grade gold was intersected on the new F1-2 zone which returned **1m @ 41.1g/t Au** from 71m. The F1-2 zone represents the western margin of the IP geophysics resistivity low corridor which extends over 1.4km (refer Figure 2) and has not been previously drill tested.

This new zone lies 200m west of, and parallel to, the high-grade F1a zone which lies on the eastern margin of the IP resistivity low corridor.

Four bedrock drilling traverses were completed over the Central Target to investigate potential for shallow high-grade gold mineralisation associated with parallel structures west of the F1a zone. The overall target zone defined by the IP geophysics (resistivity low) is 300m wide and dominantly concealed by shallow sediments. Results from this bedrock drilling are being interpreted in conjunction with a refined structural model developed during the half year and aimed at identifying repetitions of the high-grade F1a zone.

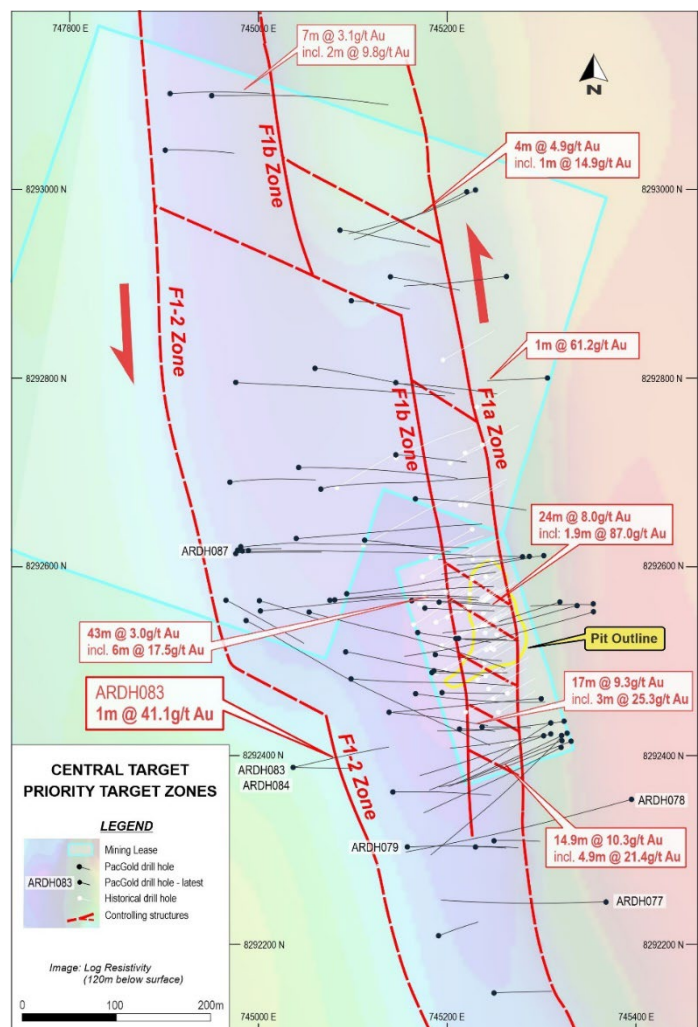


Figure 2: Central Target plan showing the IP resistivity low (blue-purple) and F1a and F1-2 zones

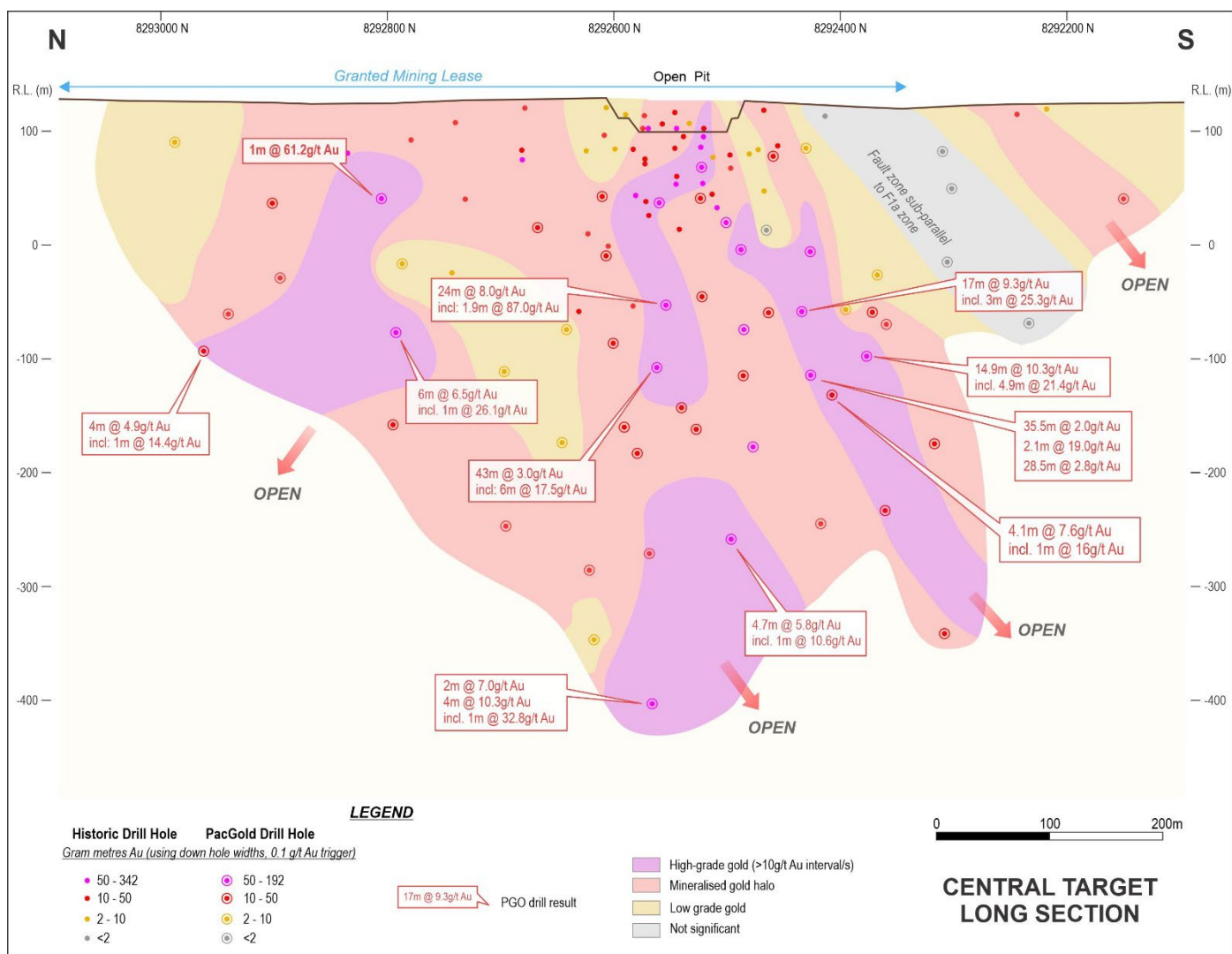


Figure 3: Long section along F1a zone, Central target

Southern Target

Historical shallow drilling over the Southern Target in the 1980s defined a broad gold system extending over 2km along the Alice River fault zone (3km south of the Central Target) with high-grade drilling intersections including **8m @ 55g/t Au**⁷. Exploration completed by Pacgold over the past two years represents the first modern exploration on the Southern Target and highlights a significant opportunity to apply the successful exploration model applied at the Central Target to the Southern Target gold system.

Step-out drilling by Pacgold during the second half of 2023 intersected a number of encouraging gold results in several drill holes, including **1m @ 89.1g/t Au**⁸, with the entire gold mineralisation extending to depth of 100m to 250m below surface and open along strike and at depth. The drilling programme provided strong encouragement for the definition of a second high-grade gold system on the project, additional to the Central Target (F1a zone).

Broad gold mineralisation (26.8m @ 0.6g/t Au) was intersected in drilling associated with a >400m long IP geophysical anomaly concealed by shallow cover sediments confirming the potential to link the two main Southern Target gold systems (Julie Anne and Peninsula King). Refer to Figure 4.

PGO ASX Releases ⁷ PGO Prospectus 6 July 2021,⁸ ASX PGO release 11 July 2023,

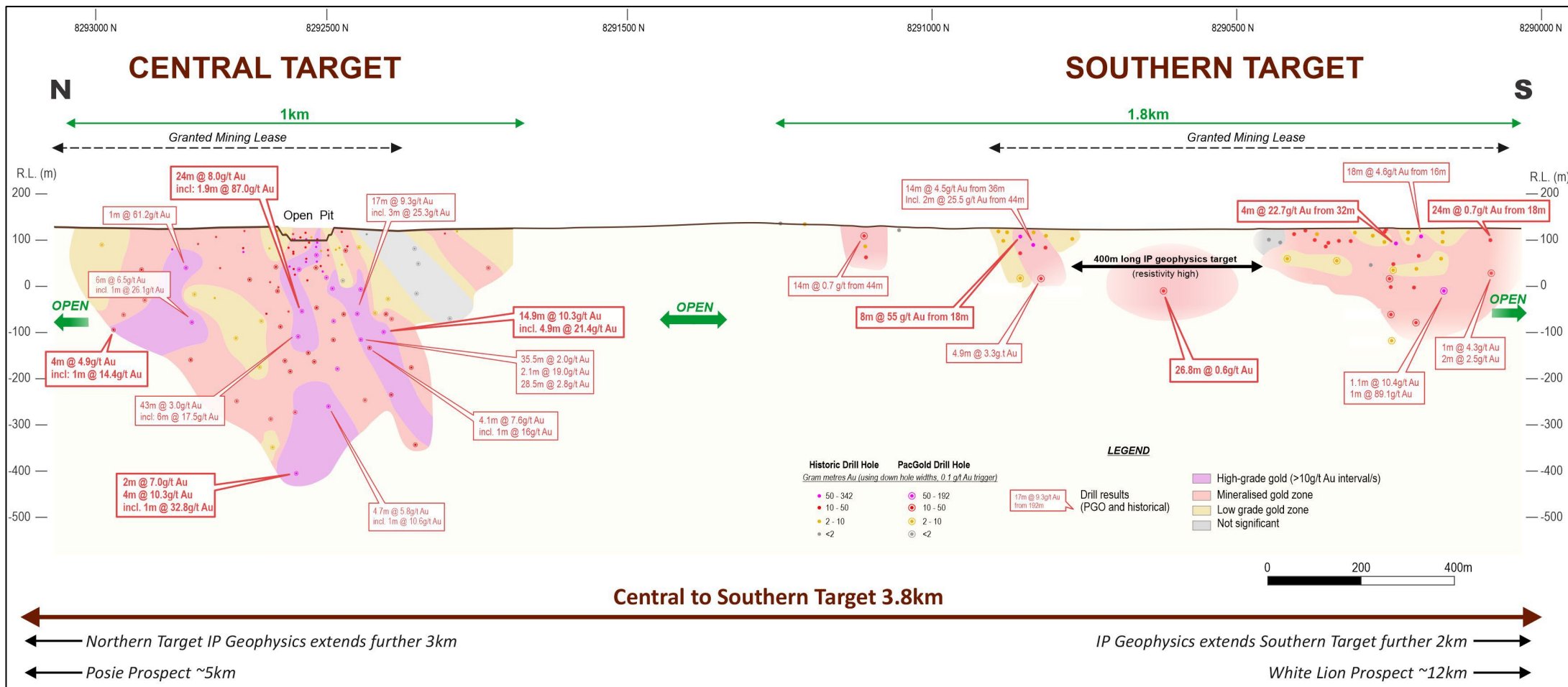


Figure 4: Central to Southern Target long section highlighting over 3.8km of strike (open) demonstrating large-scale gold system

Regional Targets

District-scale exploration during the second half of 2023 provided strong evidence for the prospective Alice River fault zone to extend >30km with multiple new sub-parallel, gold mineralised structures also being defined (refer Figure 1). Highlights of the regional exploration for the half year include:

- **Alice River fault zone**
 - Latest **IP geophysics defined a 4km long extension** on the Alice River fault zone to the southeast of the Southern Target⁹.
 - First-pass bedrock sampling (aircore drilling) completed at the **Victoria prospect** covering a 1km strike extension southeast of the Southern Target with results released post half year end confirming strong pathfinder geochemistry (Au-As-Sb) associated with the IP geophysics beneath the shallow cover¹⁰.
 - Wide-spaced reconnaissance RC drilling targeting the Alice River fault zone at the **Northern Target** (3km north of the Central Target) was completed with results released post half year end returning broad gold mineralisation¹⁰.
 - Reconnaissance rock chip sampling returned results up to 2.2g/t Au from the **Kapok prospect** located 3.8km north of the Northern Target provide potential for significant extension on the Alice River fault zone¹¹.
- **New mineralised structures sub-parallel to Alice River fault zone**
 - **Posie prospect**
 - High-grade rock chips defined a 1.4km long zone (open) with results up to 46.2g/t Au averaging 4.4g/t Au (65 samples) over the trend – first rock chip sampling undertaken of the Posie prospect¹²
 - IP geophysics defined a compelling structural target >2km long x 200m encompassing the exposed veining trend and mostly concealed by shallow sand cover
 - Initial RC drilling programme completed (9 holes for 762m) with results returned post half-year end intersecting strong gold mineralisation within the Posie structural zone¹³
 - **Jerry Dodds prospect**
 - Surface rock chips up to 47.4g/t Au defined a new structure >2km in strike length hosting the historical Jerry Dodds prospect workings, located 0.6km southwest of and sub-parallel to the high-grade Alice River fault zone
 - Initial wide-spaced reconnaissance drilling programme completed (4 holes for 326m) over 0.5km of strike on the >2km regional structure with results returned post half-year end returning shallow gold mineralisation in all holes¹³

PGO ASX Releases ⁹ 17 October 2023, ¹⁰ 13 February 2024, ¹¹ 20 November 2023, ¹² 28 August 2023, ¹³ 8 February 2023

Tenement Status

Licence No.	Area	Status	Grant date / Application	Expiry date	Registered holder
EPM28287	100 s/b	Application	04-02-2022(A)		Company (100%)
EPM28288	100 s/b	Application	04-02-2022(A)		Company (100%)
EPM 14313	10 s/b	Granted	13-07-2005	12-07-2024	Company (100%)
EPM 15359	15 s/b	Granted	24-05-2007	23-05-2025	Company (100%)
EPM 15360	8 s/b	Granted	23-08-2007	22-08-2025	Company (100%)
EPM 16301	4 s/b	Granted	14-10-2021	13-10-2026	Company (100%)
EPM 26266	75 s/b	Granted	08-05-2017	07-05-2027	Company (100%)
ML 2901	2.88 ha	Granted	29-04-1982	30-04-2024	Company (100%)
ML 2902	2.88 ha	Granted	29-04-1982	30-04-2024	Company (100%)
ML 2907	2.058 ha	Granted	03-06-1982	30-06-2024	Company (100%)
ML 2908	4.034 ha	Granted	03-06-1982	30-06-2024	Company (100%)
ML 2957	1.6 ha	Granted	07-03-1985	31-03-2027	Company (100%)
ML 2958	11.43 ha	Granted	10-04-1986	30-06-2024	Company (100%)
ML 3010	29.52 ha	Granted	25-01-1990	30-06-2024	Company (100%)
ML 3011	4.4 ha	Granted	01-10-1987	30-06-2024	Company (100%)

Significant Changes in the State of Affairs

During the half year period the Company:

- (a) raised \$3,258,000 through the issue of 17,144,875 fully paid ordinary shares at \$0.19 per share, with 8,572,459 free attaching options exercisable at \$0.30 and expiring 30 September 2026, through a placement to institutional and sophisticated investors. 394,735 of these shares were issued to KMP (52,631 ordinary shares and 26,316 options to Cathy Moises, 105,263 ordinary shares and 52,632 options to Tony Schreck, 105,263 ordinary shares and 52,632 options to Michael Pitt and, 52,631 ordinary shares and 26,316 options to Shane Goodwin).
- (b) Entered into an Underwriting Agreement under which 3,000,000 broker options were issued to the lead manager of the capital raising, exercisable at \$0.30 and expiring 30 September 2026.
- (c) Issued 150,000 ordinary shares on the vesting of performance rights held by non-KMP employees.

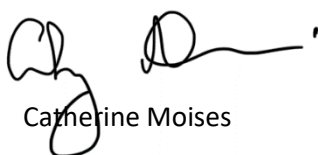
Events Occurring after the Reporting Date

No matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is set out on page 16.

This report is made in accordance with a resolution of Directors.



Catherine Moises

Chair

Brisbane

11 March 2024

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF PACGOLD LIMITED

As lead auditor for the review of PacGold Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

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



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth
11 March 2024

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

		Half-year	
	Notes	2023	2022
		\$	\$
Continuing operations			
Other income		17,335	20,647
Administrative and other expenses		(234,841)	(256,152)
Director and executive remuneration		(148,066)	(100,920)
Financing costs		(4,591)	(12,865)
Legal fees		(22,307)	(59,754)
Share based payments expense	9	(54,948)	(198,084)
Loss before income tax expense		(447,418)	(607,128)
Income tax expense		-	-
Loss after income tax expense		(447,418)	(607,128)
Other comprehensive income for the period, net of tax			
Total comprehensive income for the period		(447,418)	(607,128)
		Cents	Cents
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic earnings per share	8	(0.59)	(0.91)
Diluted earnings per share	8	(0.59)	(0.91)

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Notes	31 December 2023 \$	30 June 2023 \$
ASSETS			
Current assets			
Cash and cash equivalents		3,214,489	2,514,758
Other receivables		126,345	222,231
Total current assets		3,340,834	2,736,989
Non-current assets			
Exploration and evaluation assets	3	15,528,809	13,603,701
Plant and equipment		54,990	61,075
Other assets		702,553	702,553
Total non-current assets		16,286,352	14,367,329
Total assets		19,627,186	17,104,318
LIABILITIES			
Current liabilities			
Trade and other payables	4	414,180	554,671
Total current liabilities		414,180	554,671
Non-current liabilities			
Provisions	5	746,161	726,579
Total non-current liabilities		746,161	726,579
Total liabilities		1,160,341	1,281,250
Net assets		18,466,845	15,823,068
EQUITY			
Contributed equity	6	19,667,150	16,890,103
Reserves		2,525,168	2,211,020
Accumulated losses		(3,725,473)	(3,278,055)
Total equity		18,466,845	15,823,068

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Contributed equity \$	Accumulated losses \$	Share based payments reserve \$	Total \$
Balance at 1 July 2022	16,890,103	(1,963,765)	1,655,650	16,581,988
Loss for the period	-	(607,128)	-	(607,128)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(607,128)	-	(607,128)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	-	-	-	-
Share based payments (note 9)	-	-	198,084	198,084
Balance as at 31 December 2022	16,890,103	(2,570,893)	1,853,734	16,172,944
Balance at 1 July 2023	16,890,103	(3,278,055)	2,211,020	15,823,068
Loss for the period	-	(447,418)	-	(447,418)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(447,418)	-	(447,418)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	2,777,047	-	-	2,777,047
Share based payments (note 9)	-	-	314,148	314,148
Balance as at 31 December 2023	19,667,150	(3,725,473)	2,525,168	18,466,845

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Half-year	
	2023	2022
	\$	\$
Cash flows from operating activities		
Goods and Services Tax refunds received	213,110	532,560
Payments to suppliers and employees (GST inclusive)	(574,207)	(963,329)
Interest received	17,335	20,647
Net cash outflow from operating activities	(343,762)	(410,122)
Cash flows from investing activities		
Payments for exploration expenditure	(1,987,605)	(4,891,890)
Payments for plant and equipment	(5,149)	-
Net cash outflow from investing activities	(1,992,754)	(4,891,890)
Cash flows from financing activities		
Proceeds on issue of shares	3,257,527	-
Payments for capital raising costs	(221,280)	-
Net cash inflow from financing activities	3,036,247	-
Net increase / (decrease) in cash and cash equivalents	699,731	(5,302,012)
Cash and cash equivalents at the beginning of the period	2,514,758	11,013,173
Cash and cash equivalents at the end of the period	3,214,489	5,711,161

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 1 Summary of significant accounting policies

These general purpose interim financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities.

These general purpose interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

Historical cost convention

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

New standards, interpretations and amendments adopted by the group

There are no new standards, interpretations or amendments that have affected the current reporting period and neither has there been a retrospective adjustment or current period adjustment as a result of new standards, interpretations or amendments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 2 Segment information

The Company operates solely within one segment, being the mineral exploration industry in Australia.

Note 3 Non-current assets – exploration and evaluation assets

	31 December 2023 \$	30 June 2023 \$
Exploration and evaluation assets – at cost	<u>15,528,809</u>	<u>13,603,701</u>
The capitalised exploration and evaluation assets carried forward above have been determined as follows:		
Balance at the beginning of the half-year	13,603,701	5,759,687
Expenditure incurred during the half-year	1,910,118	7,783,083
Rehabilitation asset	<u>14,990</u>	<u>60,931</u>
Balance at the end of the half-year	<u>15,528,809</u>	<u>13,603,701</u>

Capitalised exploration and evaluation assets include initial acquisition costs, capitalised costs and a rehabilitation asset (refer note 5).

The Directors have assessed that for the exploration and evaluation assets recognised at 31 December 2023, the facts and circumstances do not suggest that the carrying amount of an asset may exceed its recoverable amount. In considering this, the Directors have had regard to the facts and circumstances that indicate no need for an impairment as noted in Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources*.

Note 4 Current liabilities – Trade and other payables

	31 December 2023 \$	30 June 2023 \$
Unsecured liabilities:		
Trade payables	262,733	481,853
Sundry payables and accrued expenses	<u>151,447</u>	<u>72,818</u>
	<u>414,180</u>	<u>554,671</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 5 Non-current liabilities – Provisions

	31 December 2023 \$	30 June 2023 \$
Provision for rehabilitation	746,161	726,579
Reconciliation of carrying amount:		
Opening balance	726,579	641,208
Additions (refer note 3)	-	60,931
Unwinding of discount	19,582	24,440
Balance at the end of the half-year	746,161	726,579

Rehabilitation provision

The rehabilitation provision relates to the Alice River ML's (located in North Queensland). Pacgold Limited is liable to pay 100% of rehabilitation costs for the lease.

The liability associated with the provision has been present valued in accordance with the Company's accounting policy.

Note 6 Contributed equity

	31 Dec 2023 Shares	30 June 2023 Shares	31 Dec 2023 \$	30 June 2023 \$
(a) Share capital				
Fully paid ordinary shares	84,145,440	66,850,565	19,667,150	16,890,103

(b) Ordinary share capital

Date	Details	Note	Number of Shares	Issue Price	\$
1 July 2023	Balance		66,850,565		16,890,103
2 Aug 2023	Exercise of performance rights	(c)	150,000	-	-
28 Sept 2023	Placement shares	(d)	17,144,875	\$0.19	3,257,526
	Share issue costs	(e)	-		(480,479)
31 Dec 2023	Balance		84,145,440		19,667,150

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 6 Contributed equity (continued)

(c) Exercise of performance rights

During the half year period ended 31 December 2023, 150,000 ordinary shares were issued to non-KMP employees on the exercise of vested performance rights.

(d) Placement shares

During the half year period ended 31 December 2023, 17,144,875 fully paid ordinary shares at \$0.19 per share, with 8,572,459 free attaching options exercisable at \$0.30 and expiring 30 September 2026, through a placement to institutional and sophisticated investors. 394,735 of these shares were issued to KMP (52,631 ordinary shares and 26,316 options to Cathy Moises, 105,263 ordinary shares and 52,632 options to Tony Schreck, 105,263 ordinary shares and 52,632 options to Michael Pitt and, 52,631 ordinary shares and 26,316 options to Shane Goodwin).

(e) Share issue costs

Share issue costs consists of cash costs of \$221,279 and the fair value of options issued to the Lead Managers of the Company during the financial year, as set out below, being \$259,200.

The options, 3,000,000 in total, were granted to the Lead Manager on 20 November 2023. The options are exercisable at \$0.30 each and expire on 30 September 2026. The options have no voting or dividend rights and are not transferable.

The fair value of the services cannot be determined therefore the fair value has been calculated using a Black-Scholes option pricing model applying the inputs below. The fair value of these options at grant date was \$259,200.

Number of options	3,000,000
Exercise price	\$0.30
Grant date	20/11/2023
Expiry date	30/09/2026
Volatility	75%
Dividend yield	0%
Risk-free interest rate	4.134%
Weighted average fair value at grant date	\$0.0864

(f) Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 6 Contributed equity (continued)

The capital structure of the Company includes equity attributable to equity holders, comprising issued capital, reserves and accumulated losses. In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets to reduce debt or adjust the level of activities undertaken by the Company.

The Company monitors capital on the basis of cash flow requirements for operational, and exploration and evaluation expenditure. The Company will use capital market issues and joint venture participant funding contributions to satisfy anticipated funding requirements.

The Company has no externally imposed capital requirements.

Note 7 Contingent liabilities and commitments

Contingent liabilities

There have been no change to the contingent liabilities since 30 June 2023.

Exploration commitments

So as to maintain current rights to tenure of various exploration tenements, the Company will be required to outlay amounts in respect of tenement exploration expenditure commitments. These outlays, which arise in relation to granted tenements are noted above. The outlays may be varied from time to time, subject to approval of the relevant government departments, and may be relieved if a tenement is relinquished.

As at 31 December 2023 the company has met all of its minimum expenditure commitments on its tenements.

Note 8 Earnings per share

	2023 \$	2022 \$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Pacgold Limited	(447,418)	(607,128)
	Number	Number
Weighted average number of shares used in calculating basic and diluted earnings per share	75,614,466	66,850,565
	Cents	Cents
Basic earnings per share	(0.59)	(0.91)
Diluted earnings per share	(0.59)	(0.91)

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 9 Share-based payments

Share based payments expense for the year is derived as follows:

	2023 \$	2022 \$
Options granted in current year	-	139,580
Options granted in prior year	97,646	-
Performance rights granted in current year	-	58,504
Performance rights granted in prior year	(42,698)	-
	<u>54,948</u>	<u>198,084</u>

PERFORMANCE RIGHTS

A summary of movements of all performance rights issued is as follows:

	Number	Weighted Average Exercise Price
Performance rights outstanding as at 30 June 2023	150,000	-
Performance rights exercisable as at 30 June 2023	-	-
Granted	-	-
Vested / exercised	(150,000)	-
Forfeited	-	-
Expired	-	-
Performance rights outstanding as at 31 December 2023	-	-
Performance rights exercisable as at 31 December 2023	-	-

150,000 performance rights were granted to non-KMP employees vested and were exercised during the half year period.

OPTIONS

A summary of movements of all options issued is as follows:

	Number	Weighted Average Exercise Price
Options outstanding as at 30 June 2023	11,440,000	\$0.60
Options exercisable as at 30 June 2023	9,490,000	\$0.57
Granted	11,572,459	\$0.30
Forfeited	-	-
Expired	-	-
Options outstanding as at 31 December 2023	23,012,459	\$0.45
Options exercisable as at 31 December 2023	21,062,459	\$0.42

For further details regarding options issued during the year rerefer to note 6 (d) and (e).

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 10 Related party transactions

Related Parties

The company's main related parties are as follows:

a. **Ultimate parent entity**

The company does not have an ultimate parent entity.

b. **Key management personnel**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

c. **Other related parties**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

d. **Transactions with related parties**

During the half year 394,735 ordinary shares and 157,896 options over ordinary shares were issued to directors (52,631 ordinary shares and 26,316 options to Cathy Moises, 105,263 ordinary shares and 52,632 options to Tony Schreck, 105,263 ordinary shares and 52,632 options to Michael Pitt and, 52,631 ordinary shares and 26,316 options to Shane Goodwin), refer note 6(d).

Note 11 Events occurring after the reporting period

No matters or circumstances have arisen since 31 December 2023 that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 12 Contingent liabilities

(i) *Deferred consideration*

The Company entered into a Sale and Purchase Agreement with Tinpitch Pty Ltd ("SPA") to acquire the Alice River Gold Tenements. Under the SPA the following milestone payments are payable as follows:

Milestone payments		Milestone conditions
Milestone 1 Payment	\$300,000	Definition of a JORC code compliance resource category of indicated or better of 500,000 troy ounces or more of gold or 500,000 troy ounces or more of gold is mined from within the tenements.
Milestone 2 Payment	\$750,000	Definition of a JORC code compliance resource category of indicated or better of 750,000 troy ounces or more of gold or 750,000 troy ounces or more of gold is mined from within the tenements.
Milestone 3 Payment	\$1,200,000	Definition of a JORC code compliance resource category of indicated or better of 1,000,000 troy ounces or more of gold or 1,000,000 troy ounces or more of gold is mined from within the tenements.
Total	\$2,250,000	

As the milestone conditions are not probable of being met as at the reporting date, the deferred consideration has not been brought to account.

(ii) *Royalty Deed*

The Company entered into a royalty deed (Royalty Deed) with RoyaltyOne Pty Ltd (RoyaltyOne) dated 20 November 2019 pursuant to which the Company agreed to pay a royalty to RoyaltyOne equal to 2% of the net smelter return for each quarter on and from the date of the deed in consideration for RoyaltyOne entering into a deed poll in which RoyaltyOne guaranteed the payment obligations of the Company to Tinpitch Pty Ltd in relation to the acquisition of the Alice River Project.


DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 '*Interim Financial Reporting*', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



C Moises
Chair

11 March 2024
Brisbane

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pacgold Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Pacgold Limited (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the directors for the financial report

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



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit (WA) Pty Ltd

BDO
J Prue

Jarrad Prue

Director

Perth, 11 March 2024