

**PACGOLD LIMITED
ANNUAL REPORT
For the year ended
30 June 2023**

PACGOLD LIMITED

ACN 636 421 782

Annual Report – 30 June 2023

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CORPORATE DIRECTORY

Directors	C Moises (Non-executive Chair) T Schreck (Managing Director) M Pitt (Non-executive Director) S Goodwin (Non-executive Director)
Company Secretary	S Yeates
Principal Place of Business	Level 38 71 Eagle Street Brisbane QLD 4000 +61 7 3778 6728
Registered Office	Level 38 71 Eagle Street Brisbane QLD 4000 +61 7 3778 6728
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)
Website address	www.pacgold.com.au

CHAIRMAN'S LETTER

Dear Fellow Shareholder,

The Board of Directors of Pacgold Limited (ASX: PGO) is pleased to share the 2023 Annual Report. In what has been a particularly challenging year for junior explorers, and the gold sector as a whole, I am pleased that Pacgold has continued to make considerable advances in our exploration of the Alice River Gold Project and is systematically 'unlocking' the potential of the project to host significant gold resources.

The progress to date at Alice River has been underpinned by the exploration team's application of modern exploration techniques not previously used on the underexplored project area, combined with revised geological interpretations and new exploration model.

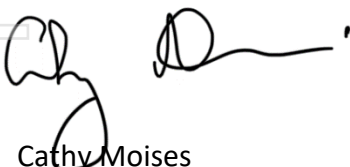
The exploration programmes completed in the past twelve months have continued to expand the gold mineralisation defined in 2021 on the Central Target - F1a zone with new zones of high-grade mineralisation underpinning the large and as-yet unconstrained gold footprint. In addition, the programmes have expanded to define new zones of high-grade gold at the Southern Target and Posie Prospect.

The most exciting aspect of our work to date is the confirmation that the entire 30km of the Alice River Fault structure we hold under tenure is host to multiple shallow gold zones which are being evaluated with our current and future programmes and continue to produce noteworthy results. This regional scale of gold mineralisation held by a single company is unique in eastern Australia and underpins our future success in defining robust and scalable gold resources.

As we plan for another exciting year of activity, I thank you on behalf of my fellow Directors for your ongoing support, and I look forward providing you with updates on further progress.

I also want to extend my gratitude to all our management team and employees for their tireless commitment and exceptional efforts on the Alice River Project.

Yours sincerely



Cathy Moises
Non-Executive Chair

DIRECTORS' REPORT

Your Directors present their report on the Company for the year ended 30 June 2023.

DIRECTORS AND COMPANY SECRETARY

The following persons were Directors of Pacgold Limited during the financial year and up to the date of this report:

Catherine Moises (appointed 11 February 2021)

Anthony Schreck (appointed 4 December 2020)

Michael Pitt (appointed 28 August 2020)

Shane Goodwin (appointed 28 August 2020)

The Company Secretary is Suzanne Yeates. Suzanne was appointed to the position of Company Secretary on 20 September 2021. Suzanne is a Chartered Accountant, Founder and Principal of Outsourced Accounting Solutions Pty Ltd. She holds similar positions with other public and private companies.

PRINCIPAL ACTIVITIES

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

DIVIDENDS

The Directors do not recommend the payment of a dividend. No dividend was paid during the year.

REVIEW OF OPERATIONS

Since listing on the ASX in July 2021, the Company has focussed on exploring and developing the mineral resource potential of its key asset, the Alice River Gold Project in North Queensland. The Project comprises a portfolio of eight mining leases and five exploration permits and is centred on an overlooked historical goldfield in a highly prospective gold terrain.

Pacgold's initial drill programme in 2021 resulted in immediate success with the discovery of the F1a zone at the Central Target. Drilling intersected high-grade gold hosted by a robust structural zone, and the exploration programme on the Central Target in the past 12 months has continued to expand the mineralised footprint of the F1a zone, confirming the discovery of a substantial gold deposit. The F1a zone is now more than 800 metres in strike length and over 500 metres in depth, and importantly, open in all directions. Step-out drilling on the Central Target has also defined new intersections of high-grade gold mineralisation on structures adjacent to the F1a zone, providing new targets for further drilling.

The discovery and subsequent advancement of the Central Target F1a zone gold has underpinned the expansion of the exploration programme by the Company in the past twelve months. First-pass drilling was conducted on the Southern Target (3km south of the Central Target) in early 2023, returning several significant high-grade gold results. In addition, an expansion of IP geophysics along strike to the SE of the Southern Target has clearly defined the extension of the Alice River Fault and provided a number of concealed geophysical targets for future drilling. The Southern Target now has an interpreted potential strike length of more than 2.8 kilometres.

Exploration in the first half of 2023 has also encompassed field evaluation of several historical regional prospects along a 20km section of the Alice River Fault. This work has resulted in the definition of surface gold mineralisation on prospects both historical and new, and the confirmation of a mineralised strike extent of over 20km which has bolstered our confidence in the district-scale opportunities that the Alice River Gold Project presents.

Results of geophysical IP and surface rock chip sampling programmes (subsequent to the end of June 2023) at the Posie Prospect were released to the market¹. The Posie Prospect is located 5km to the NW of the Central Target and was subject to limited exploration and colluvial gravel mining in the 1990's. Pacgold's IP geophysics clearly defines a major 'resistivity low' structure at Posie which open along strike to the NW and SE and is parallel to the main Alice River Fault zone.

Exposed basement quartz veining at Posie was not explored in the 1990s and rock chip sampling by Pacgold this year has returned a robust and consistent zone of gold mineralisation along a 1.4km zone of the exposed veining. The combined IP geophysics and definition of strong surface gold mineralisation underpin a major mineralised prospect at Posie which will be drilled in 2023/24.

The outlook for Pacgold in 2023/24 and beyond is positive. The Company has made considerable progress on the Alice River Project in the past 12 months and is poised to advance the Central and Southern Targets and the Posie Prospect towards defining mineral resources. Additionally, and of equal importance, the exploration to date has confirmed that a number of other mineralised prospects along the 30km Alice River Fault (and adjacent parallel structures) which warrant detailed exploration programmes to advance them towards drill testing in 2024. Pacgold believes that the potential for the Alice River Project to host recoverable and sustainable gold resources is high, and the Company has an unwavering commitment to unlocking the value in the project.

¹ ASX PGO release 28 August 2023

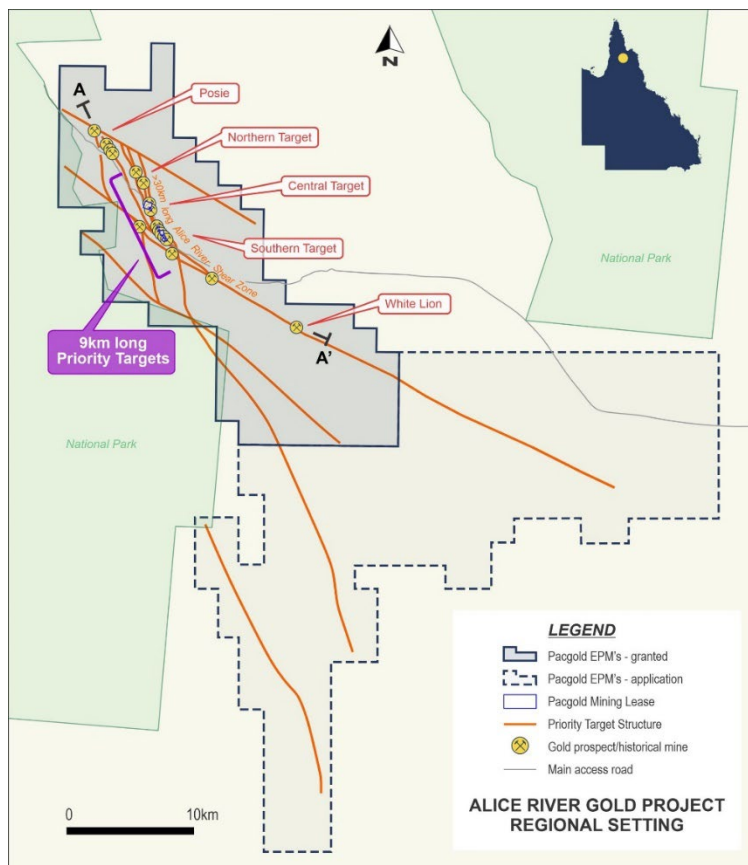


Figure 1: Alice River Gold Project regional setting

ALICE RIVER GOLD PROJECT

1. Central Target

During the 2022-2023 year, Pacgold's progress at the Alice River Gold Project was highlighted by the continued growth through systematic drilling of the high-grade F1a gold zone at Central Target. The Company's 2022-2023 Central Target drilling programme comprised 32 drill holes for 7,146m of diamond drilling and 5,466m of reverse circulation (RC) drilling. The drilling was specifically designed to add scale to the F1a zone, building on the initial drilling undertaken in 2021, and to provide information to confirm the geological model and for future mineral resource estimation.

The Pacgold geology team and consultants completed a rigorous review and interpretation of the data generated to date, with the aim of cementing the Company's understanding of the Central Target F1a zone and applying this understanding to exploration of the Southern Target and regional prospects in 2023-2024.

The results of the drilling to date have provided the basis for a detailed interpretation of the nature and controls on the high-grade gold mineralisation. The geological and structural architecture and mineralisation model for the Central Target were re-evaluated to improve the understanding of the geometry of the hydrothermal system and Au-Sb metal zoning. This resulted in the construction of an updated 3D model with specific mineralogical, alteration, lithological and metal zonation characteristics defining different domains of interest within the orebody. The work has resulted in a vastly improved understanding of the mineralising system responsible for the gold deposition at the Central Target and will allow the team to apply a predictive exploration strategy with additional confidence in the current phase of exploration.

Technical advances from this review include:

- Increased understanding of the paragenetic sequence of quartz veining and breccia;
- Improved understanding of trace element geochemistry;
- Improved understanding of the structural architecture at both deposit and regional scale;
- Re-evaluation of historical geochemical programmes and understanding of the project regolith; and
- Continued application of the Donlin gold deposit model to reinforce focus on the “big picture”.

Drilling to date indicates the F1a zone comprises a number of zones of intense multi-phase, hydrothermal quartz veining and brecciation at the upper levels of a large-scale, high-grade gold system. Two primary controlling (north-south trending) structures have been identified on the Central Target, being the NNW-trending F1a and the F1b zones (refer to Figure 3). The highest gold grades intersected in drilling occur where broad, WNW to NW-trending, ‘hanging wall’ or linking vein sets intersect the F1a and F1b zones. In simple terms, ‘bends’ along the main structure are interpreted to potentially represent dilation of the structural zones which can focus gold mineralisation, and these manifest as high-grade gold shoots. These ‘bends’ can be seen in the IP geophysics (mapped as resistivity lows), with the best example being at the Central Target (Refer to Figure 3).

Drilling in 2022-23 by Pacgold has focussed on defining an 800m section of strike on the 1.5km-long F1a zone, down to 500m vertical depth. Drilling has defined multiple high-grade plunging zones which are all open along strike and at depth. 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 in this programme included:

- **24.0m @ 8.0g/t Au** (from 168m) incl. **1.9m @ 87.0g/t Au** (ARDH051)²
- **14.9m @ 10.3g/t Au** (from 242m) incl. **4.9m @ 21.4g/t Au** (ARDH061)³
- **4.0m @ 10.3g/t Au** (from 563m) incl. **1.0m @ 32.8g/t Au** (ARDH050)⁴
- **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)⁶

Repetitions of the F1a structural setting have been identified along both the northern extent of the F1a zone (F1b zone, Figure 3) as well as on the western margin of the IP resistivity low corridor (F1-2 zone, Figure 3). First pass drilling was completed on both the F1b and F1-2 target zones, aimed at determining the potential existence of structural disruption and veining. Drilling has successfully intersected high grade gold mineralisation associated with quartz veining and breccia in both locations (Refer to Figure 3), with significant results this year on the F1-2 zone including:

- **1m @ 41.1 g/t Au from 71m** (ARDH083)⁷

² ASX PGO release 19 September 2022

³ ASX PGO release 05 October 2022

⁴ ASX PGO release 19 September 2022

⁵ ASX PGO release 21 November 2022

⁶ ASX PGO release 21 November 2022

⁷ PGO ASX release 10 July 2023



Figure 2: Central Target diamond drilling on the F1a zone, adjacent to redundant 1990s mining equipment

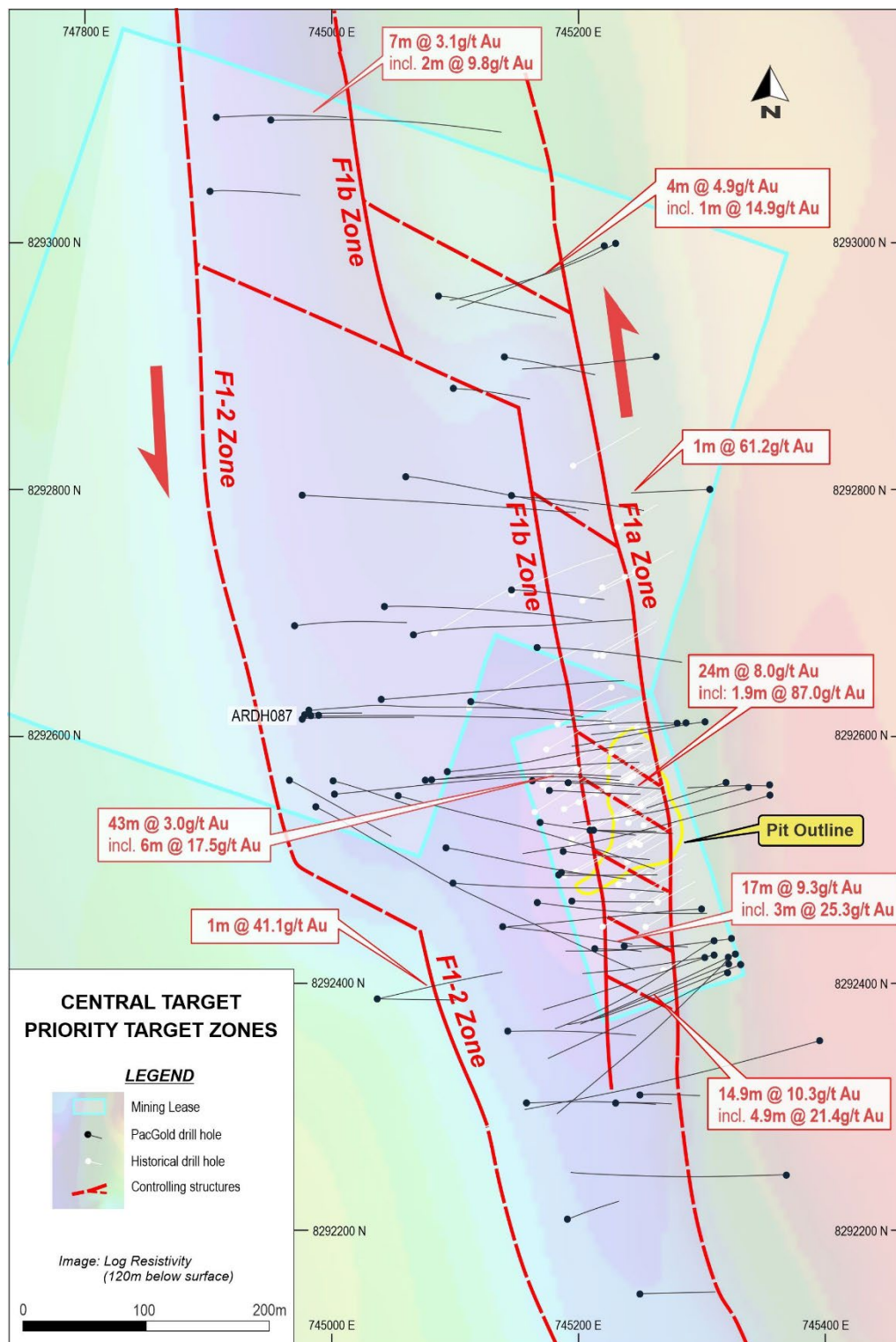


Figure 3: Drill plan of the Central Target showing IP resistivity low corridor (blue-purple colour) with the F1a high-grade zone on the eastern margin of the corridor and the new high-grade zone, F1-2 zone located on the western margin of the corridor

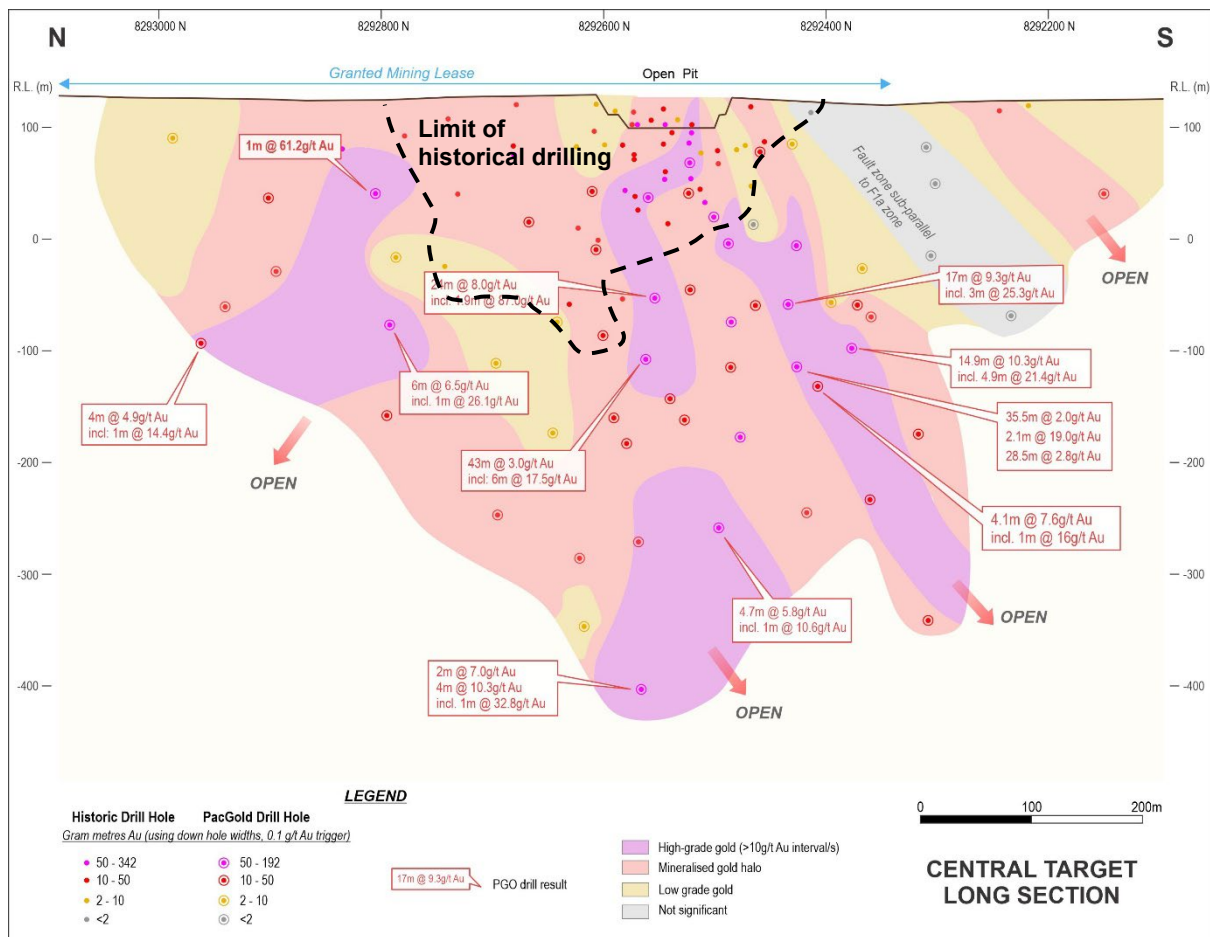


Figure 4: Central Target F1a zone Long Projection displaying all Pacgold holes drilled to date and significant results, along with historical drilling

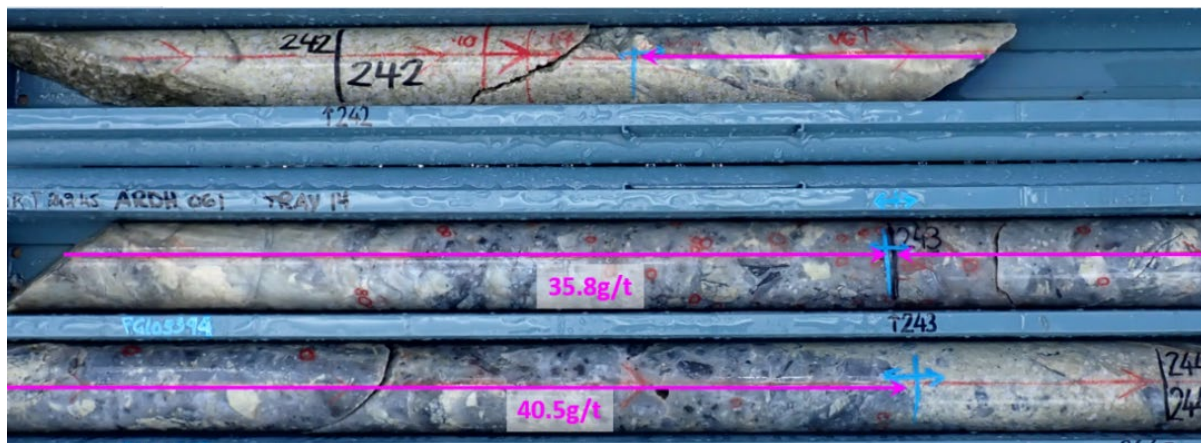


Figure 5: Drill core from Central Target hole ARDH061 displaying numerous occurrences of fine visible gold in multiphase breccia (interval assayed 1.8m @ 38.1g/t Au from 242.1m downhole)

Central Target Metallurgical Test Work

Selected drilling samples were compiled and submitted to ALS Metallurgy for a programme of initial “sighter” metallurgical test work.

Two representative primary high-grade composite samples from the Central Target F1a zone, along with a low-grade gold sample containing high antimony were tested. The flowsheet for this testwork comprised an initial grind to 300 µm for gravity separation and regrind to 106 µm for cyanidation (typical industry grind sizes). Results for the two high-grade gold composite samples are summarised in Table 1 below.

Table 1: Initial gravity and cyanide metallurgical test work on high-grade Au composite samples

Composite	Head grade				Total Extraction	
	Au g/t (average)	Ag g/t	As ppm	Sb ppm	Au Gravity Recovery	Au Cyanide Recovery
1	14.5 (14.1/15.5/13.9)	12	3000	327	30%	89.2%
2	24.0 (22.6/25.5/23.9)	10	4600	63.9	61.2%	97.4%

These preliminary results are highly encouraging and will form the basis for continuation of metallurgical test work and flowsheet optimisation throughout current and future drilling activities.

The third sample containing high-grade antimony indicated poor gravity and cyanide gold recoveries, as expected. It is interpreted that the high-grade antimony represents a separate mineral phase to the high-grade gold mineralisation, with negligible overlap. The zones containing high antimony are also spatially restricted and therefore will be excluded from any future JORC resource estimation.

2. Southern Target

The Southern Target is located 3km to the south of the Central Target on the Alice River Fault. Gold was mined in the early 1900s from several shallow pits on outcropping quartz lodes, and the known mineralisation is defined over 2km of strike and up to 400m wide.

Pacgold completed a first pass drilling programme on the Southern Target in late 2022 and early 2023, comprising ten diamond drill holes for 2,351 metres. Drilling was designed to test a 1km strike to determine the depth extent, nature and gold tenor of the outcropping quartz lodes, and provide information for structural analysis.

The Pacgold drilling represents the first diamond core holes to be completed on the Southern Target and the deepest holes completed to date on the Southern Target. All holes intersected encouraging zones of quartz veining and alteration, including several visible gold occurrences. Refer to Figure 6 showing the location of recent diamond drill holes.

Assay results included:

- **10.4m @ 1.9g/t Au** from 33.6m (PKDH001)
 - incl. **4.4m @ 3.3g/t Au** from 33.6m
 - incl. **1m @ 11.2g/t Au** from 35m
- 3m @ 3.1g/t Au from 68m (PKDH001)
- 1m @ 4.4g/t Au from 32m (PKDH002)
- **15m @ 2.0g/t Au** from 64m (PKDH002)
 - incl. **3m @ 6.9g/t Au** from 66.8m
- **1.1m @ 10.4g/t Au** from 48m (STDH007)
- **1m @ 89.1g/t Au** from 84m (STDH007)
- 1m @ 4.3g/t Au from 31m (STDH004)
- 2m @ 2.5g/t Au from 174m (STDH004)
- **4.9m @ 3.3g/t Au** from 65m, including **1.9m @ 7.7g/t Au** from 66m (STDH003)
- 26.8m @ 0.6g/t Au from 162m, including 1m @ 3.3g/t Au from 162m and 1.3m @ 2.9g/t Au from 187.4m (STDH006)

The drilling results from the Southern Target provide strong encouragement for the definition of a second high grade gold system on the project, additional to the Central Target (F1a zone). All holes in this programme generally intersected significant widths of mineralised quartz veining and breccia in multiple sub-parallel 'lodes', similar to that observed on the Central Target F1a zone. The programme confirmed that the mineralised system is open at depth (>250m below surface) and open to both the north and the south, where IP geophysics demonstrates potential for the system to extend >2km along strike below shallow sediment cover with no previous drilling.

Of particular note is the broad gold mineralisation intersected in STDH006 (Figure 6 below). STDH006 was drilled to test an IP geophysical anomaly >400m in length, comprising a discrete resistivity high within the broad resistivity low representing the main mineralised fault corridor. The IP anomaly is within the Southern Target trend located between the historically exploited "Julie-Anne" and "Peninsula King" quartz lodes, however the anomaly is concealed by shallow cover sediments.

STDH006 intersected an encouraging zone of consistent sheeted and stockwork quartz veining and alteration over an approximate 50m downhole width, which is interpreted to be directly associated with the IP resistivity high anomaly. The results from drillhole STDH006 demonstrated that the Julie-Anne and the Peninsula King lodes are geologically linked beneath a 400m zone of shallow cover sediments, extending the gold system over 1.8km, open along strike to the north and south.

The result from STDH006 provided the impetus for a renewed interpretation of the IP resistivity data, and this has identified several additional resistivity highs within the broad resistivity low corridor along strike to the southeast from the Southern Target. The resistivity highs extend for more than 2km and form the "Southern Extension Zone" which is concealed by shallow cover and has never been drilled. These targets are considered to be highly prospective for gold-mineralised quartz veining and will be drill tested in 2023-2024.

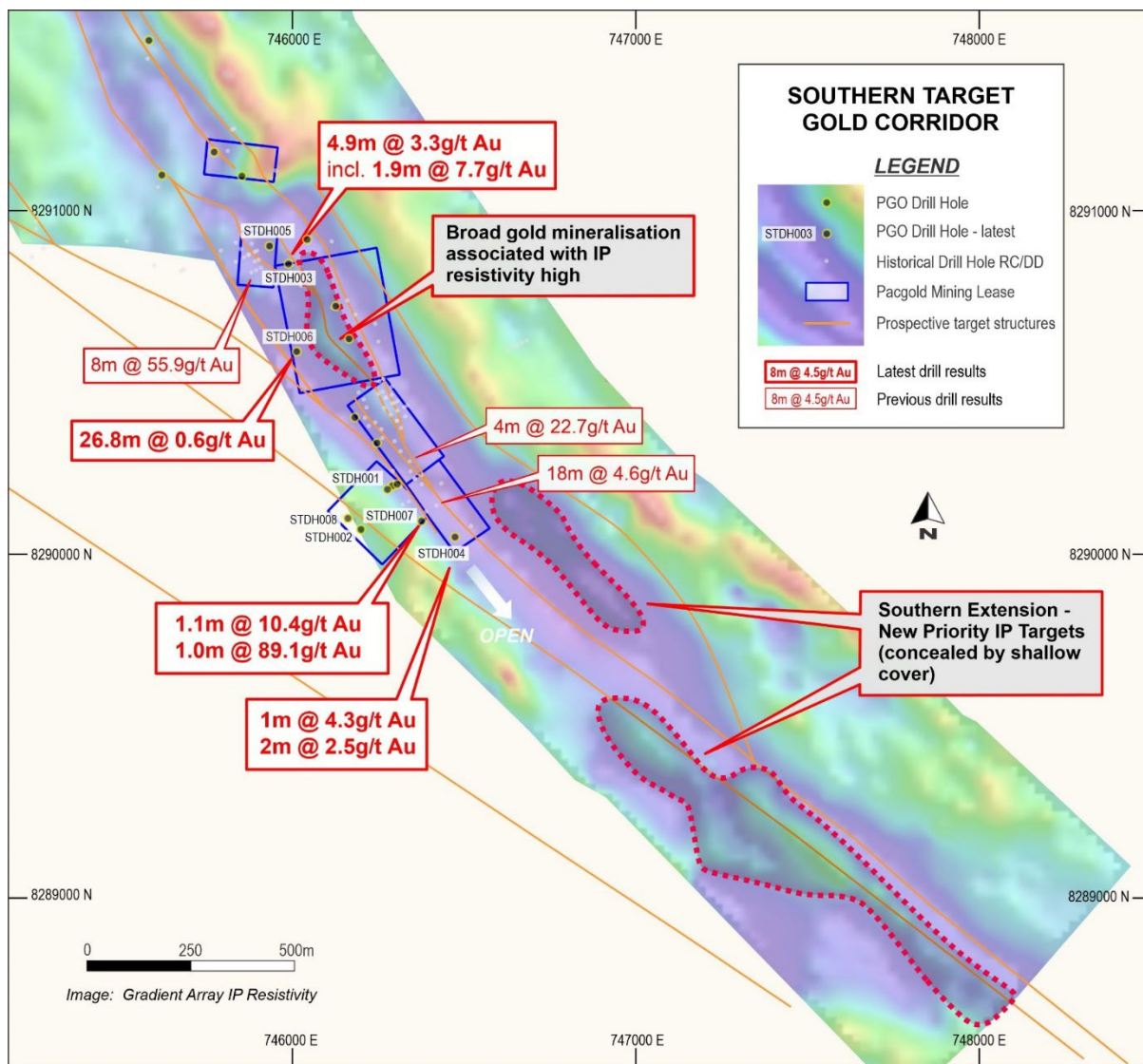


Figure 6: Southern Target IP resistivity geophysics showing main corridor as a resistivity low (blue-purple colour) with drill hole and priority targets

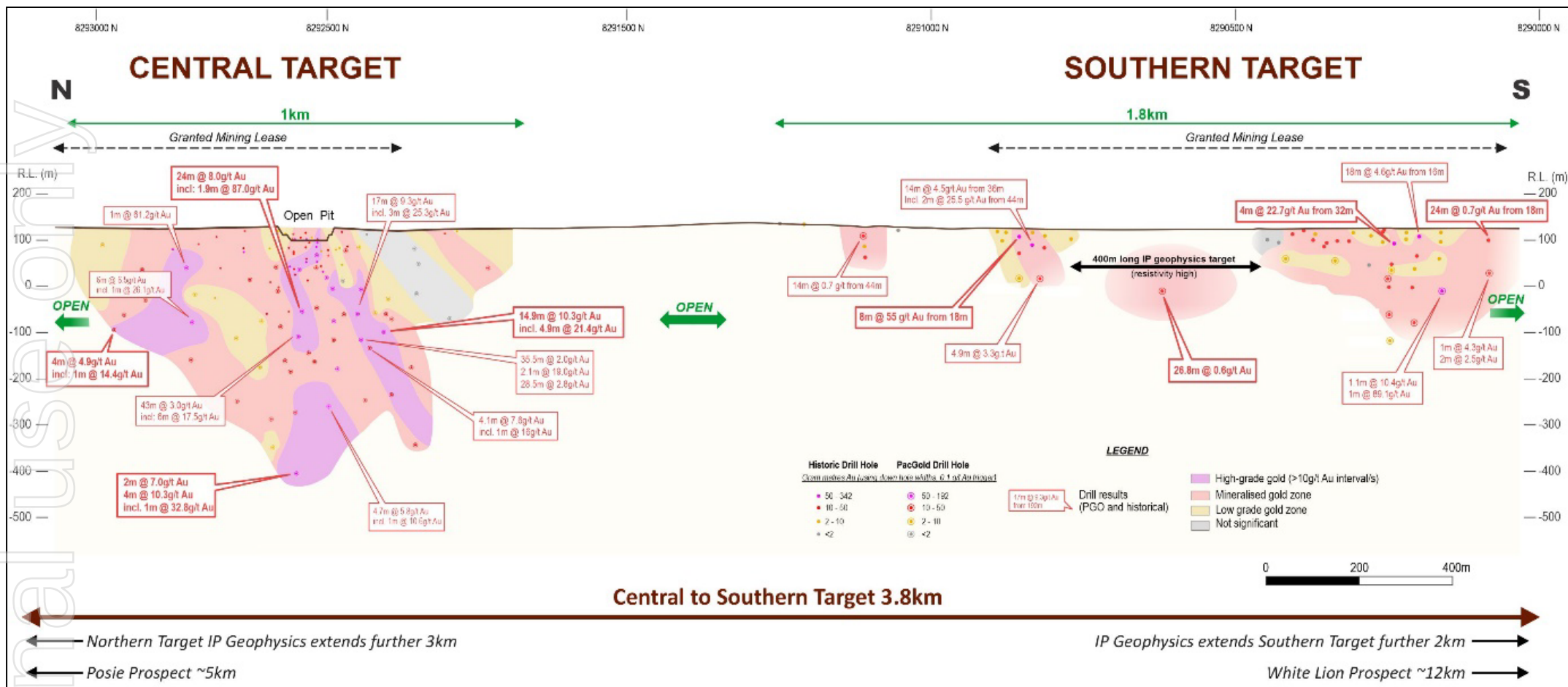


Figure 7: Long Projection of the Central and Southern Targets illustrating the combined strike extent based on drilling to date. Both Targets are open at depth and along strike to north and south.

3. District Targets and Opportunity

The work completed by Pacgold on the Central and Southern Targets in 2022-2023 has unlocked enormous scope on the Project, with significant potential to define large-scale gold resources. Consistent shallow gold mineralisation is now clearly defined over a strike length more than 3.5km encompassing the Central and Southern Targets, which lie within a >30km-long, highly prospective structural corridor containing several regional gold prospects with encouraging historical surface sampling and limited scout drilling (refer Figure 9 below).

IP Geophysical Signature

The gold mineralisation associated with both the Central and Southern Targets shows an excellent correlation with the IP resistivity geophysics completed to date (see Figures 8 and 9 below). An intense resistivity low 'corridor' represents the strong shearing and hydrothermal alteration of the Alice River Fault Zone within the older granitic host rock. The exploration completed in 2022-2023 indicates that both the eastern and western margins of the resistivity low corridor are gold-mineralised, and the main focussing mechanism for the mineralisation is the presence of dilational 'bends' and/or cross structures on the main Alice River Fault.

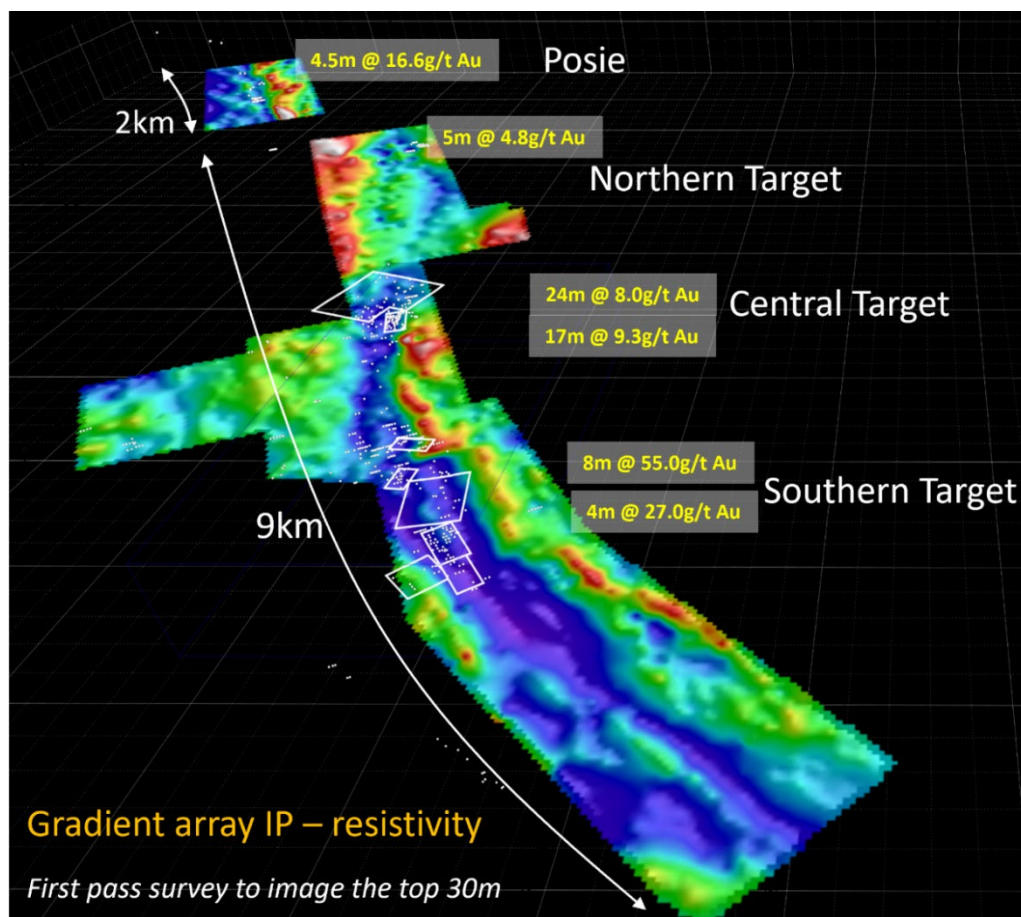


Figure 8: Oblique view looking north of the resistivity IP 2D inversion model sections over the Southern, Central, and Northern Targets, and the Posie Prospect. Blue / purple reflect the resistivity low corridor defining the highly prospective structural target zones.

Induced Polarisation Geophysical Survey

In the current year Pacgold continued collection of high-resolution IP geophysical data (gradient array and pole-dipole), with a total of 65 line km of survey over the ARSZ. The survey covered an additional 7km of the resistivity low corridor corresponding to the Alice River Fault (Figure 9) with a focus on -

- Extension of the **Southern Target** (approximately 2km of strike) to the south-east, which has not been previously drilled and is concealed beneath shallow recent sand cover;
- The **White Lion Prospect** approximately 12km to the south-east of the Southern Target, where historical reconnaissance scout RAB drilling intersected results up to 20m @ 0.4g/t Au (from surface, drillhole ARAT-244);
- The **Northern Target** approximately 1-2km to the north-northwest of the Central Target, where wide-spaced IP by Pacgold in 2021 identified the trend of the Alice River fault zone, and the infill IP geophysics will provide higher definition of structural features in the zone; and
- The **Posie Prospect** approximately 5km north-northwest of the Central Target, where historical drilling has intersected 4m @ 16.6 g/t Au (from surface, drillhole POD1) and 2m @ 26g/t Au (from 46m, drillhole POD2a)⁸.

3D inversion modelling of the detailed IP survey data was completed, and interpretation of the geophysical modelling continued to highlight the exceptionally strong correlation between pronounced linear resistivity lows and the Alice River Fault Zone. Of note is the IP survey data from the Southern Target extension which identified several additional resistivity highs within the broad resistivity low corridor along strike to the southeast from the Southern Target. The resistivity highs extend for more than 2km and form the “Southern Extension Zone” which is concealed by shallow cover and has never been drilled (Figures 6 and 9).

Additionally, the resistivity survey confirmed that the White Lion Prospect is hosted in a linear resistivity low corridor interpreted to be the Alice River Fault Zone, and the Posie Prospect is hosted in a linear resistivity low corridor interpreted to be a parallel structure located to the west of the Alice River Fault Zone.

Subsequent to 30 June, an IP resistivity survey has been undertaken to extend the Southern Target IP coverage by a further 4km, and a detailed infill survey also completed over the Resistivity low feature drilled by STDH006 (refer Southern Target drilling section above) to provide data to interpret the nature of the quartz veining intersected in STDH006 with the resistivity high feature.

⁸ Beckstar EPM 7566, 1997, CR29604



Figure 9: Plan view of the gradient array resistivity coverage on the Alice River Fault, with new data on the southern extension to the Southern Target, the White Lion Prospect and the Posie Prospect

Geological Mapping and Rock Sampling

A programme of regional geological mapping and rock geochemical sampling commenced over the Alice River Fault Zone in June 2023, focussed on historical prospects not explored since the 1980s. The mapping and sampling programme is ongoing and results will be reported as they come to hand in Q4 2023.

The mapping programme included a detailed evaluation of the Posie Prospect, previously explored in the 1990's. Following the recognition of the lack of any previous exploration of the exposed quartz veining at Posie, a systematic geological mapping and rock chip sampling was undertaken over an area of 1400m by 200m. A total of 65 samples were collected from a NNW-trending zone of sheeted and stockwork quartz veining within this target corridor. Most samples returned high-grade gold results - eight samples returned greater than 10g/t Au with a peak result of 46.2g/t Au, and the average of all 65 rock chip samples collected over 1.4km of strike is 4.4g/t Au. Refer to Figure 1 showing the location of the rock chip samples.

Detailed geological mapping completed in conjunction with the mapping has refined the structural controls on the high-grade gold mineralisation and defines a coherent linear zone of veining exposed as basement 'windows' in the previous mining zones. The veins are hosted in Imooya

Granite (as per the Central Target F1a zone) and are interpreted to continue beneath the shallow transported sand cover to the NNW and SSE of the basement exposures. At least two generations of quartz veining were noted in the mapping, and vein types are very similar in nature to those defined by Pacgold on the high-grade F1a zone at the Central Target.

The exposure of veining is restricted by the limits of the previous surface colluvium mining, and as such it is interpreted that the vein corridor is highly likely to be larger than what is observed, extending laterally under cover to the east and west of the exposed zones, as defined by the IP geophysics (Refer Figure 10).

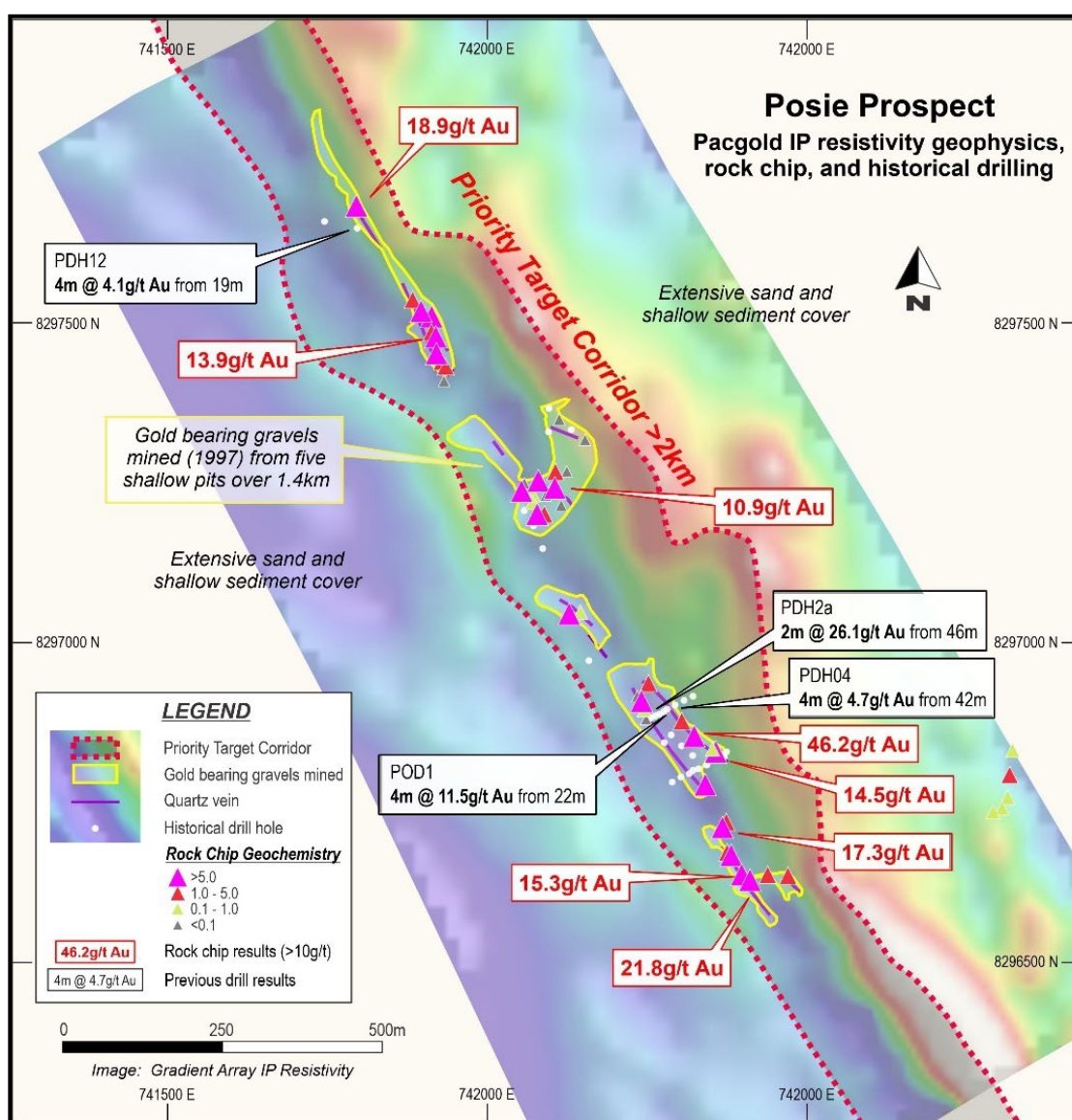


Figure 10: Posie prospect showing recent IP geophysics (resistivity) image and basement rock chip results



Figure 11: Posie prospect mapping and rock chip sampling (left) and quartz vein outcrop (right). Sample PG109131, 21.8g/t Au

TENEMENT LIST

The table below sets out the Company's interest in Exploration tenements at the date of this report.

Tenement	Permit Holder	Interest	Location	Grant date	Expiry date
EPM28287	Pacgold Limited	100%	Queensland	04/02/2022(A)	N/A
EPM28288	Pacgold Limited	100%	Queensland	04/02/2022(A)	N/A
EPM 14313	Pacgold Limited	100%	Queensland	13/07/2005	12/07/2024
EPM 15359	Pacgold Limited	100%	Queensland	24/05/2007	23/05/2025
EPM 15360	Pacgold Limited	100%	Queensland	23/08/2007	22/08/2025
EPM 16301	Pacgold Limited	100%	Queensland	14/10/2008	13/10/2026
EPM 26266	Pacgold Limited	100%	Queensland	08/05/2017	07/05/2027
ML 2901	Pacgold Limited	100%	Queensland	29/04/1982	30/04/2024
ML 2902	Pacgold Limited	100%	Queensland	29/04/1982	30/04/2024
ML 2907	Pacgold Limited	100%	Queensland	03/06/1982	30/06/2024
ML 2908	Pacgold Limited	100%	Queensland	03/06/1982	30/06/2024
ML 2957	Pacgold Limited	100%	Queensland	07/03/1985	31/03/2027
ML 2958	Pacgold Limited	100%	Queensland	10/04/1986	30/06/2024
ML 3010	Pacgold Limited	100%	Queensland	25/01/1990	30/06/2024
ML 3011	Pacgold Limited	100%	Queensland	01/10/1987	30/06/2024

MATERIAL BUSINESS RISKS

Future capital requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its Project, or future projects, are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash, including the capital raise completed in September 2023, should be adequate to fund its business development activities, exploration program and other Company objectives in the short term.

In order to successfully develop the Project and for production to commence, the Company will require further financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities, including resulting in the Tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

Title risks

Interests in exploration and mining tenements in Queensland are evidenced by the granting of licences, leases, permits or authorities.

Each of the Company's Tenements has been granted for a specific term and carries rental, annual expenditure and reporting commitments, as well as other conditions imposed under the relevant regulation applying in Queensland. The Company could face penalties, lose title to or its interest in the Tenements, or any other tenements that may be acquired by the Company in the future, if such conditions are not met or if insufficient funds are available to meet expenditure commitments.

The Company's Tenements allow it to carry out particular authorised activities to determine the existence, quality, and quantity of minerals on, in, or under land through various methods.

Exploration and development risks

Mineral exploration and development are high- risk undertakings. There can be no assurance that exploration and development will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration and development activities of the Company may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to the Project and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of the Project, a reduction in the cash reserves of the Company and possible relinquishment of part or all of the Project.

Operating risk

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Tenement interests. Unless and until the Company is able to realise value from its Project, it is likely to incur ongoing operating losses.

Resource estimation risk

At present the Project does not host a mineral resource or reserve estimate. Whilst the Company intends to undertake exploration activities with the aim of defining a resource, no assurances can be given that the exploration will result in the determination of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted. The calculation and interpretation of resource estimates are by their nature expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly through additional fieldwork or when new information or techniques become available. This may result in alterations to development and mining plans, which may in turn adversely affect the Company's operations.

Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

Environmental risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

Grant, tenure and forfeiture of licences

The ability of the Company to carry out successful exploration and mining activities will depend on the ability to maintain or obtain tenure to mining titles. The maintenance or issue of any such titles must be in accordance with the laws of the relevant jurisdiction and in particular, the relevant mining legislation. Conditions imposed by such legislation must also be complied with. No guarantee can be given that tenures will be maintained or granted, or if they are maintained or granted, that the Company will be in a position to comply with all conditions that are imposed or that they will not be planted by third parties.

Although the Company has investigated title to all of its Tenements, the Company cannot give any assurance that title to such Tenements will not be challenged or impugned. The Tenements may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects or native title claims.

Further, the Company's Tenements will be subject to applications for renewal (as the case may be). The renewal or grant of the term of each Tenement is usually at the discretion of the relevant government authority. If a Tenement is not renewed, the Company may suffer significant damage through loss of the opportunity to develop and carry out exploration on that Tenement.

Native title

Certain Tenements which the Company has an interest in or will in the future acquire such an interest in, currently or may relate to areas over which legitimate common law native title rights of Aboriginal Australians exist or is claimed to exist.

In respect of areas where native title exists or is claimed, the ability of the Company to gain access to its Tenements (through obtaining consent of any relevant landowner), or to be granted the necessary tenure to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Further to this, it is possible that an Indigenous Land Use Agreement (ILUA) may be registered against one or more of the Tenements in which the Company has an interest. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company. The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

In addition, determined native title holders may seek compensation under the Native Title Act for the impact of the grant of mining tenements affecting native title rights and interests after the commencement of the Racial Discrimination Act 1975 (Cth).

Heritage risk

EPM 26266 and ML 2901 overlap recorded cultural heritage site points. In addition to those identified sites, there remains a risk that other Aboriginal sites may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements.

Land access risk

Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights. Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities outside of the Tenements.

Gold price and demand volatility and exchange rate risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. The price of gold and base metals fluctuate and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand,

exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. Future serious price declines in the market values of gold, and other minerals could cause the development of, and eventually the commercial production from, the Company's Project and the Company's other properties to be rendered uneconomic.

Climate change

There are a number of climate-related factors that may affect the Company's business. Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access the Project and therefore the Company's ability to carry out services.

Changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year the Company:

- a) issued 3,900,000 options to Directors, employees and consultants. Of these, 2,650,000 were issued to KMP (1,200,000 to Tony Schreck, 600,000 to Shane Goodwin, 300,000 to each of Cathy Moises and Michael Pitt, and 250,000 to Suzanne Yeates). The remaining 1,250,000 were issued to non-KMP employees and contractors. All options are exercisable at \$0.75 each and expire on 30 April 2025. Fifty per cent of the options vested on 30 April 2023, with the remaining 50% vesting on 30 April 2024.
- b) On 11 September 2022, 200,000 performance rights were granted to non-KMP employees, with 50% of these vested on 30 April 2023 and 50% vesting on 30 April 2024. All performance rights expire on 30 April 2025.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company plans to continue to explore and develop its mining leases and exploration permits.

EVENTS AFTER REPORTING YEAR

Since the end of the financial year the Company issued 16,750,140 fully paid ordinary shares at \$0.19 (placement shares) to raise \$3.2M from institutional and sophisticated investors. Shareholder approval at the AGM will be sought to approve the issue of 8,375,070 attaching placement options that are exercisable at \$0.30 and expire on 30 September 2026. In addition, shareholder approval will be sought to approve the issue of 394,736 fully paid ordinary shares and 197,368 attaching placement options on the same terms as the placement shares to Directors and senior management.

No other matters or circumstances have arisen since the end of the financial year 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.

ENVIRONMENTAL REGULATION

The Company's operations are subject to environmental and other regulations. The Company engages appropriately experienced contractors and consultants to advise on and ensure compliance with environmental regulations in respect of its exploration activities. The Company monitors compliance with relevant legislation on a continuous basis and the Directors are not aware of any compliance breaches up to the date of this report.

INFORMATION ON DIRECTORS

Catherine Moises

Non-Executive Chair

<i>Experience and expertise</i>	Ms Cathy Moises has extensive knowledge and experience within the resource industry, having held senior roles for a number of the most prominent stockbroking firms within Australia including McIntosh (now Merrill Lynch), County Securities (now Citigroup), Evans and Partners, where she was a partner, and most recently worked as Head of Research for Patersons Securities (now Cannacord Genuity). Ms Moises holds a Bachelor of Science (Honours) with a major in Geology from Melbourne University, and a Diploma of Finance and Investment from the Securities Institute of Australia.
<i>Other current Directorships</i>	Non-Executive Director - Arafura Resources Limited (ASX:ARU) Non-Executive Director - Australian Potash Limited (ASX:APC) Non-Executive Director - WA Kaolin Limited (ASX:WAK) Non-Executive Director - Podium Minerals Limited (ASX:POD)
<i>Former listed Directorships in the last 3 years</i>	Non-Executive Director – Pearl Gull Iron Limited (ASX: PLG)(ceased 2022). Non-Executive Director – Eastern Metals Limited (ASX:EMS) (ceased 2022).
<i>Special responsibilities</i>	Chair
<i>Interests in shares and options</i>	656,746 ordinary shares 900,000 options

Anthony Schreck

Managing Director

<i>Experience and expertise</i>	Mr Schreck is a Geologist with 30 years' precious and base metal exploration, management, business development and discovery experience in remote deserts to jungles located in Australia, the South-Western Pacific islands and North America with successful mid-tiers/majors including North Flinders Mines, Normandy and Newmont. Mr Schreck has corporate and board experience from co-founding private start-up resource companies (Solomon Islands and Queensland) through to listing on the ASX and a merger with Metal Bank Limited (ASX:MBK). Mr Schreck was the former Managing Director of MBK. Mr Schreck has a Graduate Diploma in Economic Geology, a Bachelor of Applied Science-Geology and is a member of the Australian Institute of Geoscientists and a graduate of the Australian Institute of Company Directors.
<i>Other current Directorships</i>	None.
<i>Former listed Directorships in the last 3 years</i>	Managing Director of Metal Bank Limited (ASX: MBK)(ceased 2020).
<i>Special responsibilities</i>	Managing Director
<i>Interests in shares and options</i>	860,000 ordinary shares 2,100,000 options

Michael Pitt**Non-Executive Director**

<i>Experience and expertise</i>	Mr Pitt is currently Head of Development at New Century Resources Limited, playing an instrumental role in the study, refurbishment and restart of New Century's operation from care and maintenance to global top 10 zinc producer in less than three years. Mr Pitt has experience in financing private resource companies and public company capital raising and debt negotiations. He has held previous roles with BHP (ASX:BHP) in strategic planning and Clean TeQ (ASX:CLQ) in both project delivery and business development. Mr Pitt has an MBA, Bachelor of Chemical Engineering and Science and a Diploma of Project Management.
<i>Other current Directorships</i>	None.
<i>Former listed Directorships in the last 3 years</i>	None.
<i>Special responsibilities</i>	None.
<i>Interests in shares and options</i>	1,944,742 ordinary shares 900,000 options

Shane Goodwin**Non-Executive Director**

<i>Experience and expertise</i>	Mr Goodwin has 10 years' experience in Mining Corporate Affairs and External Relations for New Century Resources Limited (ASX:NCZ) (New Century), MMG Limited (ASX:MMG) and Barrick Gold Corporation (TSX:ABX). Mr Goodwin strives to improve relationships with traditional owners at Century Mine, and achieved an agreement to develop a previously unavailable ore body which had unresolved cultural heritage negotiations. Mr Goodwin received the Australian Mining Award for Community Interaction for partnership with Waanyi-Downer Joint Venture at Century Mine and is a board member of the Aboriginal Development Benefits Trust, providing economic development opportunities to traditional owners in Gulf of Carpentaria.
<i>Other current directorships</i>	None.
<i>Former listed directorships in the last 3 years</i>	None.
<i>Special responsibilities</i>	None.
<i>Interests in shares and options</i>	1,300,000 ordinary shares 1,200,000 options

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	Full meetings of Directors	
	A	B
C Moises	7	7
T Schreck	7	7
M Pitt	7	7
S Goodwin	7	7

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

REMUNERATION REPORT (AUDITED)

The Directors present the Pacgold Limited 2023 Remuneration Report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

- (a) Key management personnel (KMP) covered in this report
- (b) Remuneration policy and link to performance
- (c) Elements of remuneration
- (d) Link between remuneration and performance
- (e) Remuneration expenses for executive KMP
- (f) Contractual arrangements for executive KMP
- (g) Non-executive Director arrangements
- (h) Additional statutory information

(a) Key management personnel covered in this report

Non-Executive and Executive Directors

C Moises (Non-Executive Chairman)

T Schreck (Managing Director)

M Pitt (Non-Executive Director)

S Goodwin (Non-Executive Director)

Other key management personnel

Name	Position
Suzanne Yeates	Chief Financial Officer and Company Secretary (appointed Company Secretary from 20 September 2021)
Catherine Garde	General Counsel and Company Secretary (ceased 20 September 2021)

Changes since the end of the reporting year

No changes.

REMUNERATION REPORT (AUDITED) (CONTINUED)

(b) Remuneration policy and link to performance

The role of a remuneration committee is performed by the full Board of Directors. The board reviews and determines the remuneration policy and structure annually to ensure it remains aligned to business needs, and conforms with our remuneration principles. In particular, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood, and
- align with shareholder interests and are acceptable to shareholders.

Element	Purpose	Performance metrics	Potential value	Changes for FY 2022
Fixed remuneration (FR)	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Positioned at median market rate	No change.
LTI	Alignment to long-term shareholder value	Nil	Variable subject to share price.	No change.

Long term incentives are assessed periodically and are designed to promote long-term stability in shareholder returns.

(c) Elements of remuneration

(i) Fixed annual remuneration (FR)

Executives receive their fixed remuneration as cash. FR is reviewed annually and is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation. The board has the flexibility to take into account capability, experience, value to the organisation and performance of the individual. The Company has not engaged an external remuneration consultant during FY2023.

Superannuation is included in FR for executives.

(ii) Short term incentives

No short-term incentive plans were in place and no bonuses were paid for FY 2023.

(iii) Long-term incentives

Executive KMP participate, at the board's discretion, in the Long-term Incentive Program ("LTIP") comprising one off grants of options. Incentives are awarded at the discretion of the Board.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Options

During the financial year 2,650,000 options were issued to Key Management Personnel ('KMP') (1,200,000 to Tony Schreck, 600,000 to Shane Goodwin, 300,000 to each of Cathy Moises and Michael Pitt, and 250,000 to Suzanne Yeates). All options are exercisable at \$0.75 each and expire on 30 April 2025. 50% of the options vest on 30 April 2023, with the remaining 50% vesting on 30 April 2024. There are no performance conditions for the options to vest. The intrinsic value of the options when exercised is directly linked to the share price.

No options were granted to Key Management Personnel during FY 2022.

Refer to note 19 for further details on valuation of options.

Refer to the tables on page 34 of this report for details of options on issue affecting remuneration.

(d) Link between remuneration and performance

During the year, the Company has generated losses from its principal activity being exploration of the Alice River Gold Project. The Company aims to align its executive remuneration to its strategic and business objectives and the creation of shareholder wealth. However, as the Company is still growing, the company's financial performance is not necessarily consistent with the measures used in determining variable amounts of remuneration to be awarded to KMP's. As a consequence, there may not always be a direct correlation between the group's key performance measures, including the advancement of exploration at the Alice River Gold Project, and the variable remuneration awarded.

Given the nature of the Company's activities and the consequential operating results, no dividends have been paid. There have been no returns of capital in the current or previous financial periods.

(e) Remuneration expenses for KMP

The following table shows details of the remuneration expense recognised for the Company's key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards. No KMP received any non-monetary benefits during the current or previous financial year.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Name	Year	Fixed remuneration			Variable remuneration		Total	Performance related remuneration %
		Director fee	Contractor fees	Post-employment benefits	Options	Shares		
Executive Directors								
T Schreck ¹	2023	-	330,000	-	110,920	-	440,920	25%
	2022	-	262,000	-	-	-	262,000	-
Other key management personnel								
C Garde ²	2023	-	-	-	-	-	-	-
	2022	-	30,000	-	-	-	30,000	-
S Yeates ³	2023	-	84,000	-	31,769	-	115,769	27%
	2022	-	76,000	-	-	-	76,000	-
Non-Executive Directors								
C Moises	2023	36,000	-	3,780	27,730	-	67,510	41%
	2022	35,605	-	3,561	-	-	39,166	-
M Pitt	2023	36,000	-	3,780	27,730	-	67,510	41%
	2022	35,605	-	3,561	-	-	39,166	-
S Goodwin ⁴	2023	36,000	64,000	3,780	55,460	-	159,240	35%
	2022	35,605	-	3,561	-	-	39,166	-
Total KMP remuneration expensed	2023	108,000	478,000	11,340	253,609	-	850,949	30%
	2022	106,815	368,000	10,682	-	-	485,498	-

¹ Contractor services agreement commenced 1 January 2021. T Schreck is engaged through Goldfind Exploration Pty Ltd, a related party of T Schreck.

² Contractor services agreement commenced on 21 May 2021. C Garde is engaged through Catherine Garde trading as Garde Law, a related party of C Garde (ceased 20 September 2021)

³ Contractor services agreement commenced 1 March 2021. S Yeates is engaged through Outsourced Accounting Solutions Pty Ltd, a related party of S Yeates.

⁴ Contractor services agreement commenced 1 November 2022. S Goodwin is engaged through SLGC Pty Ltd, a related party of S Goodwin

REMUNERATION REPORT (AUDITED) (CONTINUED)

(f) Contractual arrangements with executive KMPs

Component	Managing Director description	Chief Financial Officer and Company Secretary description
Fixed remuneration	\$27,500 per month	\$7,000/month
Contract duration	Ongoing	Ongoing
Notice by the individual / company	3 months	1 month

The contracts do not provide for any early termination payments.

(g) Non-Executive Director arrangements

The fees for the Non-Executive Chair are \$36,000 per annum excluding superannuation. Other Non-Executive Directors receive \$36,000 per annum excluding superannuation. Fees are reviewed annually by the board taking into account comparable roles.

The maximum annual aggregate Non-Executive Directors' fee pool limit is \$500,000 and is set out in the Constitution.

All Non-Executive Directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration relevant to the office of Director.

(h) Additional statutory information

(i) Performance based remuneration granted and forfeited during the year

The table below shows for each KMP the value of options that were granted, exercised and forfeited during FY 2023. The number of options and percentages vested / forfeited for each grant are disclosed in section (iii) below.

	2023 LTI Options		2022 LTI Options	
	Value granted* \$	Value exercised** \$	Value granted* \$	Value exercised** \$
2023				
C Moises	39,000	-	-	-
T Schreck	156,000	-	-	-
M Pitt	39,000	-	-	-
S Goodwin	78,000	-	-	-
S Yeates	42,500	-	-	-
C Garde	-	-	-	-

* The value at grant date calculated in accordance with AASB 2 *Share-based Payment* of options granted during the year as part of remuneration

** The value at the exercise date of options that were granted as part of remuneration and were exercised during the year has been determined as the intrinsic value of the options at that date.

REMUNERATION REPORT (AUDITED) (CONTINUED)

(ii) Terms and conditions of the share-based payment arrangements

Options

The terms and conditions of each grant of options affecting remuneration in the current and future reporting periods are as follows:

Grant date	Number	Expiry date	Exercise price	Value per option at grant date	% vested
06/09/2022	250,000	30/04/2025	\$0.75	\$0.17	50%
21/11/2022	2,400,000	30/04/2025	\$0.75	\$0.13	50%

The number of options over ordinary shares in the Company provided as remuneration to key management personnel is shown in the table below. The options carry no dividend or voting rights. When exercised, each option is convertible into one ordinary share of Pacgold Limited.

(iii) Reconciliation of options and ordinary shares held by KMP

Shareholdings – Ordinary Shares

Name	Balance at the start of the year	Shares acquired	Shares disposed	Other	Balance at the end of the year
2023					
C Moises	656,746	-	-	-	656,746
T Schreck	860,000	-	-	-	860,000
M Pitt	1,944,742	-	-	-	1,944,742
S Goodwin	1,300,000	-	-	-	1,300,000
S Yeates	80,000	-	-	-	80,000

REMUNERATION REPORT (AUDITED) (CONTINUED)

Options

The table below shows a reconciliation of options held by each KMP from the beginning to the end of FY2023.

2023 Name & Grant dates	Balance at the start of the year		Granted as compensation	Vested		Other changes	Balance at the end of the year	
	Unvested	Vested		Number	%		Vested and exercisable	Unvested
C Moises	-	600,000	300,000	150,000	50%	-	750,000	150,000
T Schreck	-	900,000	1,200,000	600,000	50%	-	1,500,000	600,000
M Pitt	-	600,000	300,000	150,000	50%	-	750,000	150,000
S Goodwin	-	600,000	600,000	300,000	50%	-	900,000	300,000
S Yeates	-	-	250,000	125,000	50%	-	125,000	125,000

REMUNERATION REPORT (AUDITED) (CONTINUED)

(iv) *Other transactions with key management personnel*

During the year 2,400,000 options were issued to Directors (300,000 options to each of Cathy Moises and Michael Pitt; 600,000 options to Shane Goodwin; and 1,200,000 options to Tony Schreck). All options are exercisable at \$0.75 each and expire on 30 April 2025. 50% of the options vest on 30 April 2023, with the remaining 50% vesting on 30 April 2024.

(v) *Voting of shareholders at last year's annual general meeting*

Pacgold Limited received more than 75% of "yes" votes on its Remuneration Report for the 2022 financial year. The Company did not receive any other specific feedback at the AGM or throughout the period on its remuneration practices.

There have been no other transactions with key management personnel.

End of remuneration report (audited).

SHARES UNDER OPTION

Unissued ordinary shares

Unissued ordinary shares of Pacgold Limited under option at the date of this report are as follows (2022: 7,540,000):

Date options granted	Expiry date	Issue price of Shares	Number under option
25/05/2021	05/07/2025	\$0.36	2,050,000
25/05/2021	05/07/2027	\$0.42	2,050,000
05/07/2021	05/07/2024	\$0.31	1,440,000
21/11/2022 ¹	28/04/2025	\$0.945	1,000,000
21/11/2022 ¹	16/05/2025	\$0.945	1,000,000
6/09/2022	30/04/2025	\$0.75	500,000
21/11/2022	30/04/2025	\$0.75	3,400,000

Unissued ordinary shares of Pacgold Limited at the date of this report totalled 150,000. These performance rights vest on 30 April 2024 and expire on 30 April 2025.

No performance right or option holder have any right to participate in any other share issue of the Company or any other entity.

No performance rights or options have been granted since the end of the financial year.

INSURANCE OF OFFICERS AND INDEMNITIES

(a) *Insurance of officers*

Since the end of the financial year, Pacgold Limited paid a premium of \$63,613 to insure the Directors and Officers of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

(b) *Indemnity of auditors*

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

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 Company are important.

Details of the amounts paid or payable to the auditor (BDO Audit WA Pty Ltd) for audit and non-audit services provided during the year are set out in note 6 Remuneration of auditors.

The Board of Directors has considered the position and is 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 payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated	
	2023	2022
	\$	\$
Other assurance services		
BDO Qld Pty Ltd		
Taxation Services	6,500	18,341
Total remuneration for non-audit services	6,500	18,341

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 39.

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


C Moises
Chair

29 September 2023

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

As lead auditor of PacGold Limited for the year ended 30 June 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth
29 September 2023

CORPORATE GOVERNANCE STATEMENT

Pacgold Limited and the board are committed to achieving and demonstrating the highest standards of corporate governance. Pacgold Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2023 corporate governance statement is dated as at 30 June 2023 and reflects the corporate governance practices in place throughout the 2023 financial year. The 2023 corporate governance statement was approved by the board on 29 September 2023. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed at <https://pacgold.com.au/about-us/corporate-governance>.

PACGOLD LIMITED

ACN 636 421 782

Annual financial report – 30 June 2023

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These financial statements are for Pacgold Limited.

The financial statements are presented in the Australian currency.

Pacgold Limited is a Company limited by shares; incorporated and domiciled in Australia.

Statement of Profit or Loss and other comprehensive income for the year ended 30 June 2023

	Notes	2023	2022
			\$
Continuing operations			
Other income	2	47,615	83
Administrative and other expenses		(433,292)	(345,453)
Director and executive remuneration		(285,840)	(485,498)
Financing costs		(24,440)	(26,183)
Legal fees		(62,963)	(102,400)
Listing fees		-	(142,098)
Share based payments expense	19	(555,370)	-
Loss before income tax expense		(1,314,290)	(1,101,549)
Income tax benefit	4	-	-
Loss after income tax expense		(1,314,290)	(1,101,549)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(1,314,290)	(1,101,549)
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per share	7	(2.0)	(2.1)
Diluted earnings per share	7	(2.0)	(2.1)

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 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	2,514,758	11,013,173
Other receivables	9	<u>222,231</u>	<u>248,758</u>
Total current assets		<u>2,736,989</u>	<u>11,261,931</u>
Non-current assets			
Exploration and evaluation assets	10	13,603,701	5,759,687
Plant and equipment	11	61,075	79,643
Other assets	12	<u>702,553</u>	<u>702,553</u>
Total non-current assets		<u>14,367,329</u>	<u>6,541,883</u>
Total assets		<u>17,104,318</u>	<u>17,803,814</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	<u>554,671</u>	<u>580,618</u>
Total current liabilities		<u>554,671</u>	<u>580,618</u>
Non-current liabilities			
Provisions	14	<u>726,579</u>	<u>641,208</u>
Total non-current liabilities		<u>726,579</u>	<u>641,208</u>
Total liabilities		<u>1,281,250</u>	<u>1,221,826</u>
Net assets		<u>15,823,068</u>	<u>16,581,988</u>
EQUITY			
Contributed equity	15	16,890,103	16,890,103
Reserves	16	2,211,020	1,655,650
Accumulated losses		<u>(3,278,055)</u>	<u>(1,963,765)</u>
Total equity		<u>15,823,068</u>	<u>16,581,988</u>

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

Statement of changes in equity

For the year ended 30 June 2023

	Contributed equity \$	Accumulated losses \$	Share based payments reserve	Total \$
Balance at 1 July 2021	2,051,859	(862,216)	699,050	1,888,693
Loss for the year	-	(1,101,549)	-	(1,101,549)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(1,101,549)	-	(1,101,549)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	14,838,244	-	-	14,838,244
Share based payments	-	-	956,600	956,600
Balance as at 30 June 2022	16,890,103	(1,963,765)	1,655,650	16,581,988
Loss for the year	-	(1,314,290)	-	(1,314,290)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(1,314,290)	-	(1,314,290)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	-	-	-	-
Share based payments	-	-	555,370	555,370
Balance as at 30 June 2023	16,890,103	(3,278,055)	2,211,020	15,823,068

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

Statement of cash flows

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Payments to suppliers and employees (GST inclusive)		(1,574,301)	(1,415,952)
Goods and Services Tax refunds received		762,568	549,907
Interest received		47,615	83
Net cash outflow from operating activities	18	<u>(764,118)</u>	<u>(865,962)</u>
Cash flows from investing activities			
Payments for exploration assets		(7,731,572)	(4,220,201)
Payments for plant and equipment		(2,725)	(77,724)
Payments for security deposits		-	(39,644)
Net cash outflow from investing activities		<u>(7,734,297)</u>	<u>(4,337,569)</u>
Cash flows from financing activities			
Proceeds from share issue		-	12,100,118
Payment of share issue costs		-	(1,260,666)
Net cash inflow from financing activities		<u>-</u>	<u>10,839,452</u>
Net (decrease)/increase in cash and cash equivalents		(8,498,415)	5,635,921
Cash and cash equivalents at the beginning of the year		11,013,173	5,377,252
Cash and cash equivalents at the end of the year	8	<u>2,514,758</u>	<u>11,013,173</u>

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

Notes to the financial statements for the year ended 30 June 2023

Note 1 Summary of significant accounting policies

Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards and Interpretations as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs.

The financial statements were authorised for issue by the Directors on 29 September 2022. The Directors have the power to amend and reissue the financial statements.

Going Concern

The financial report has 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 report, the Company achieved a net loss of \$1,314,290 and net operating cash outflows of \$764,118 for the year ended 30 June 2023. As at 30 June 2023, the Company had cash of \$2,514,758 and a net current asset position of \$2,182,318.

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.

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

The Directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- the proven track record of capital raising, including the recent placement that raised \$3.2M in September 2023; and
- the Directors believe there is sufficient cash available for the company to continue operating until it can raise sufficient further capital to fund its ongoing activities.

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.

Notes to the financial statements for the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

a. Income tax

The income tax expense or benefit for the year is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior years, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Notes to the financial statements for the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

b. Income recognition

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

c. Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

d. Current and non-current classification

Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Notes to the financial statements for the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

e. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the balance sheet.

f. Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any provision for expected credit loss.

g. Exploration and evaluation assets

Exploration and evaluation 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 do 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.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

A provision is raised against exploration and evaluation assets where the Directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

h. Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Notes to the financial statements for the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

Plant and equipment 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

i. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

j. Provisions

Provision for rehabilitation is recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

k. Issued capital

Ordinary shares are classified as equity and are recognised when subscriptions for equity become non-refundable.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

l. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Pacgold Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Notes to the financial statements for the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

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.

m. Share-based payments

Equity-settled share-based compensation benefits are provided to key management personnel and contractors. Equity-settled transactions are awards of shares or options that are provided in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is determined using the Black Scholes method that takes into account the exercise price, the term of the performance right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the performance right.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Notes to the financial statements for the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

n. Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

o. New and Amended Accounting Policies Adopted by the Company

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There has been no material impact on the financial statements by their adoption.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

p. Critical accounting estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company'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.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Company intends to commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

Notes to the financial statements for the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mineral interest. Factors that could impact the future commercial production at the project include the level of reserves and resources, future technology changes which could impact the cost of production, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Provision for restoration and rehabilitation

A provision for rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring affected areas.

The provision for future rehabilitation costs is the best estimate of the present value (including an appropriate discount rate relevant to the time value of money plus any risk premium associated with the liability) of the expenditure required to settle the restoration obligation at the reporting date. Future rehabilitation costs are reviewed annually and any changes in the estimate are reflected in the present value of the rehabilitation provision.

The initial estimate of the rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

Share based payment transactions

The Company measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions, including share price volatility, interest rates and vesting periods would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact the profit or loss and equity.

Notes to the financial statements for the year ended 30 June 2023

Note 2 Other income

	2023 \$	2022 \$
Other income		
Interest received from unrelated parties	47,615	83
Total other income	47,615	83

Note 3 Loss for the year

Loss before income tax includes the following specific expenses:

	2023 \$	2022 \$
Finance costs		
Provisions: Unwinding of discount (Note 14)	24,440	26,183
Share-based compensation expense (Note 18)	555,370	-
Depreciation expense	21,292	8,889

Notes to the financial statements for the year ended 30 June 2023

Note 4 Income tax expense

This note provides an analysis of the Company's income tax expense, shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

	2023 \$	2022 \$
(a) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) before income tax expense	<u>(1,314,290)</u>	<u>(1,101,549)</u>
Tax at the Australian tax rate of 30% (2022: 30%)	(394,287)	(330,465)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Share based payments	166,611	-
- Other	7,332	7,855
Adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognised	<u>220,344</u>	<u>322,610</u>
Income tax expense / (benefit)	<u>-</u>	<u>-</u>
(b) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	<u>3,304,743</u>	<u>2,497,250</u>
Potential tax benefit @ 30% (2022: 30%)	<u>991,423</u>	<u>749,175</u>

Notes to the financial statements for the year ended 30 June 2023

Note 4 Income tax expense (continued)

	2023 \$	2022 \$
(c) Deferred tax assets		
The balance comprises temporary differences attributable to:		
Accrued expenses	10,823	8,203
Business capital costs	280,466	337,328
Tax losses	4,578,685	1,947,270
Total deferred tax assets	4,869,974	2,292,801
Set-off of deferred tax liabilities pursuant to set-off provisions	(3,878,551)	(1,543,626)
Deferred tax assets not recognised	(991,423)	(749,175)
Net deferred tax assets	-	-
(d) Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Exploration and evaluation assets	3,878,551	1,543,626
Total deferred tax liabilities	3,878,551	1,543,626
Set-off of deferred tax liabilities pursuant to set-off provisions	(3,878,551)	(1,543,626)
Net deferred tax liabilities	-	-

Unused losses which have not been recognised as an asset, will only be obtained if:

- (i) the Company derives future assessable income of a nature and of an amount sufficient to enable the losses to be realised;
- (ii) the Company continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the Company in realising the losses.

Notes to the financial statements for the year ended 30 June 2023

Note 5 Key Management Personnel Compensation

The totals of remuneration paid to KMP of the Company during the year are as follows:

	2023	2022
	\$	\$
Short-term employee benefits	586,000	474,816
Post-employment benefits	11,340	10,682
Share-based compensation	253,609	-
Total KMP compensation	850,949	485,498

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Directors as well as all salary, paid leave benefits and fringe benefits paid to Executive Directors and employees.

Post-employment benefits

These amounts are the current-year's superannuation contributions made during the year.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, performance rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the Remuneration Report and Note 18.

Note 6 Auditor's Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor for:		
- Auditing or reviewing the financial report	40,550	51,842
<i>Remuneration for non-audit services</i>		
- Tax compliance services	6,500	-
	47,050	51,842

Notes to the financial statements for the year ended 30 June 2023

Note 7 Earnings per share

	2023 Cents	2022 Cents
(a) Basic earnings per share		
Total basic earnings per share attributable to the ordinary equity holders of the Company	<u>(2.0)</u>	<u>(2.1)</u>
(b) Diluted earnings per share		
Total diluted earnings per share attributable to the ordinary equity holders of the Company	<u>(2.0)</u>	<u>(2.1)</u>
(c) Reconciliations of earnings used in calculating earnings per share		
	2023 \$	2022 \$
<i>Basic earnings per share</i>		
Profit / (loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	<u>(1,314,290)</u>	<u>(1,101,549)</u>
<i>Diluted earnings per share</i>		
Profit / (loss) attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	<u>(1,314,290)</u>	<u>(1,101,549)</u>
(d) Weighted average number of shares used as the denominator		
	2023 Number	2022 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	<u>66,850,565</u>	<u>51,795,080</u>

(e) Information concerning the classification of securities

Options

Options on issue during the year are not included in the calculation of diluted earnings per share because they are antidilutive for the year ended 30 June 2023. These options could potentially dilute basic earnings per share in the future. Details relating to options are set out in note 19.

Notes to the financial statements for the year ended 30 June 2023

Note 8 Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank and on hand	2,514,758	11,013,173
	<u>2,514,758</u>	<u>11,013,173</u>

Note 9 Other receivables

	2023	2022
	\$	\$
Prepayments	176,748	175,146
Other receivables	<u>45,483</u>	<u>73,612</u>
Total current other receivables	<u>222,231</u>	<u>248,758</u>

For other receivables, the Company applies the simplified approach permitted by AASB 9, which requires expected lifetime credit losses to be recognised from initial recognition of the receivables. Management has determined that assessment of expected credit loss associated with other receivables is immaterial.

Note 10 Exploration and evaluation assets

	2023	2022
	\$	\$
Exploration and evaluation assets – at cost	<u>13,603,701</u>	<u>5,759,687</u>
The capitalised exploration and evaluation assets carried forward above have been determined as follows:		
Balance at the beginning of the year	5,759,687	1,527,538
Expenditure incurred during the year	7,783,083	4,286,920
Rehabilitation asset	<u>60,931</u>	<u>(54,771)</u>
Balance at the end of the year	<u>13,603,701</u>	<u>5,759,687</u>

The Directors have assessed that for the exploration and evaluation assets recognised at 30 June 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 a need for an impairment as noted in Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources*.

Notes to the financial statements for the year ended 30 June 2023

Note 11 Plant and equipment

	Plant and equipment \$
Year ended 30 June 2022	
Opening net book amount	10,808
Additions	77,724
Disposals	-
Depreciation charge	(8,889)
Closing net book amount	<u>79,643</u>
At 30 June 2022	
Cost	88,983
Accumulated depreciation	(9,340)
Net book amount	<u>79,643</u>
Year ended 30 June 2023	
Opening net book amount	79,643
Additions	2,724
Disposals	-
Depreciation charge	(21,292)
Closing net book amount	<u>61,075</u>
At 30 June 2023	
Cost	91,707
Accumulated depreciation	(30,632)
Net book amount	<u>61,075</u>

Notes to the financial statements for the year ended 30 June 2023

Note 12 Other assets

	2023 \$	2022 \$
Security deposits	702,553	702,553
	<u>702,553</u>	<u>702,553</u>

Note 13 Trade and other payables

	2023 \$	2022 \$
Unsecured liabilities:		
Trade payables	481,853	491,630
Sundry payables and accrued expenses	72,818	88,988
	<u>554,671</u>	<u>580,618</u>

Note 14 Provisions

	2023 \$	2022 \$
Provision for rehabilitation	726,579	641,208
Reconciliation of carrying amount:		
Opening balance	641,208	669,796
Additions (refer to note 10)	60,931	(54,771)
Unwinding of discount (refer to note 3)	24,440	26,183
	<u>726,579</u>	<u>641,208</u>

Rehabilitation provision

The rehabilitation provision relates to the Alice River MLs (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.

Notes to the financial statements for the year 30 June 2023

Note 15 Contributed equity

	30 June 2023 Shares	30 June 2022 Shares	30 June 2023 \$	30 June 2022 \$
(a) Share capital				
Fully paid ordinary shares	66,850,565	66,850,565	16,890,103	16,890,103

(b) Ordinary share capital

Date	Details	Note	Number of Shares	Issue Price	\$
1 July 2021	Balance		25,366,250		2,051,859
5 July 2021	IPO shares	(c)	24,000,000	\$0.25	6,000,000
28 April 2022	Placement shares	(d)	12,341,562	\$0.63	7,775,184
16 May 2022	Entitlement Offer	(e)	5,142,753	\$0.63	3,239,934
	Share issue costs	(f)	-		(2,176,874)
30 June 2022	Balance		66,850,565		16,890,103
30 June 2023	Balance		66,850,565		16,890,103

(c) IPO shares

On 5 July 2021, was admitted to the official list of the Australian Stock Exchange. As part of the initial public offering the Company issued 24,000,000 fully paid ordinary shares at \$0.25 per share.

(d) Issue to sophisticated and institutional investors

The issue of a total of 12,341,562 fully paid ordinary shares to sophisticated investors at an issue price of \$0.63 cash.

(e) Entitlement Offer

The issue of a total of 5,142,753 fully paid ordinary shares to existing shareholders at an issue price of \$0.63 cash, under a 5 for 48 underwritten non-renounceable pro-rata Entitlement Offer.

(f) Share issue costs

Share issue costs consists of cash costs of \$1,220,274 and the fair value of options issued to the Lead Managers of the Company during the prior financial year, as set out below, being \$956,600.

(i) Lead Manager Options – Initial Public Offering

The options, 1,440,000 in total, were granted to the Lead Manager on 5 July 2021. The options are exercisable at \$0.31 each and expire on 5 July 2024. The options have no voting or dividend rights and are not transferable.

Notes to the financial statements for the year 30 June 2023

Note 15 Contributed equity (continued)

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 \$201,600.

Number of options	1,440,000
Exercise price	\$0.31
Grant date	05/07/2021
Expiry date	05/07/2024
Volatility	95%
Dividend yield	0%
Risk-free interest rate	2.2%
Weighted average fair value at grant date	\$0.14

(ii) Lead Manager Options – April 2022 Placement to Institutional and Sophisticated Investors

The options, 1,000,000 in total, were awarded to the Lead Manager of the April 2022 placement, as part of their remuneration, on 28 April 2022. The options are exercisable at \$0.945 each and expire on 28 April 2025.

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 \$410,000.

Number of options	1,000,000
Exercise price	\$0.945
Grant date	28/04/2022
Expiry date	28/04/2025
Volatility	102%
Dividend yield	0%
Risk-free interest rate	2.5%
Weighted average fair value at grant date	\$0.41

(i) Lead Manager Options – May 2022 Entitlement Offer

The options, 1,000,000 in total, were awarded to the Lead Manager of the May 2022 Entitlement Offer, as part of their remuneration, on 16 May 2022. The options are exercisable at \$0.945 each and expire on 16 May 2025.

The options have no voting or dividend rights and are not transferable.

Notes to the financial statements for the year ended 30 June 2023

Note 15 Contributed equity

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 \$345,000.

Number of options	1,000,000
Exercise price	\$0.945
Grant date	16/05/2022
Expiry date	16/05/2025
Volatility	102%
Dividend yield	0%
Risk-free interest rate	2.5%
Weighted average fair value at grant date	\$0.345

(g) 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.

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.

Notes to the financial statements for the year ended 30 June 2023

Note 16 Reserves

	2023 \$	2022 \$
Share-based payment reserve	2,211,020	1,655,650
Movements:		
Opening balance	1,655,650	699,050
Share based payments	555,370	956,600
Closing balance	2,211,020	1,655,650

The share-based payment reserve records items recognised as expenses on valuation of director, employee and contractor options (including non-KMP).

Note 17 Operating segments

The Company has identified its operating segments 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 Company is managed primarily on an operational basis. Operating segments are determined on the basis of financial information reported to the Board.

Management currently identifies the Company as having only one operating segment, being Gold Exploration in Australia. All significant operating decisions are based upon analysis of the Company as one segment. The financial results from the segment are equivalent to the financial statements of the Company as a whole.

Note 18 Cash flow information

(a) Reconciliation of profit / (loss) after income tax to net cash inflow from operating activities

	2023 \$	2022 \$
Profit / (loss) for the year	(1,314,290)	(1,101,549)
Borrowing costs	24,440	26,183
Depreciation	21,292	8,889
Share based payments	555,370	-
Share issue costs expensed	-	142,098
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	28,639	(3,975)
Increase in trade creditors and other payables	(79,569)	62,392
Net cash inflow (outflow) from operating activities	(764,118)	(865,962)

Notes to the financial statements for the year ended 30 June 2023

Note 18 Cash flow information (continued)

(b) Non-cash financing and investing activities

There were no non-cash financing and investing activities during FY 2023.

(c) Changes in liabilities arising from financing activities

The Company does not have any debt on its balance sheet and therefore no net debt reconciliation has been provided.

Note 19 Share-based payments

Options

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

	Number	Weighted Average Exercise Price
Options outstanding as at 1 July 2021	4,100,000¹	\$0.39
Granted – Share issue costs (refer note 14)	3,440,000	\$0.68
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2022	7,540,000	\$0.52
Options exercisable as at 30 June 2022	5,540,000	\$0.37
Granted	3,900,000	\$0.75
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2023	11,440,000	\$0.60
Options exercisable as at 30 June 2023	9,490,000	\$0.57

¹ Options were granted on 25 May 2021 with no vesting conditions. The options were formally issued on 2 July 2021.

3,900,000 options issued during the period. 2,650,000 of these were issued to KMP (1,200,000 to Tony Schreck, 600,000 to Shane Goodwin, 300,000 to each of Cathy Moises and Michael Pitt, and 250,000 to Suzanne Yeates). The remaining 1,250,000 were issued to non-KMP employees and contractors. All options are exercisable at \$0.75 each and expire on 30 April 2025. 50% of the options vested on 30 April 2023, with the remaining 50% vesting on 30 April 2024.

The weighted average remaining contractual life of options outstanding at year end was 2.1 years.

Refer to note 15 for details regarding the fair value of the options granted during the prior year.

Notes to the financial statements for the year ended 30 June 2023

Note 19 Share-based payments (continued)

Performance Rights

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

	Number on issue	Number Vested
Performance rights outstanding as at 1 July 2022	-	-
Granted	300,000	-
Vested		150,000
Exercised	(150,000)	(150,000)
Performance rights outstanding as at 30 June 2023	150,000	-

300,000 performance rights were granted to non-KMP employees on 11 September 2022. The fair value of these performance rights was \$174,000. For the performance rights have non-market based vesting conditions, and accordingly the value has calculated based on the share price at the date the performance rights were granted. The share-based payment expense is being recognised on the basis that all performance rights will vest.

- (a) The fair value of the 2,400,000 options issued to the directors has been calculated using a Black Scholes option pricing model by applying the inputs below. The fair value of these options at grant date was \$312,000.

Number of options	2,400,000
Grant date	21/11/2022
Expiry date	30/04/2025
Volatility*	87.77%
Underlying share price	\$0.37
Dividend yield	0%
Risk-free interest rate	3.19%
Fair value at grant date	\$0.13

- (b) The fair value of the 500,000 options issued (250,000 to Suzanne Yeates and 250,000 to non-KMP contractor) has been calculated using a Black Scholes option pricing model by applying the inputs below. The fair value of these options at grant date was \$85,000.

Number of options	500,000
Grant date	6/9/2022
Expiry date	30/04/2025
Volatility*	87.59%
Underlying share price	\$0.42
Dividend yield	0%
Risk-free interest rate	3.25%
Fair value at grant date	\$0.17

Notes to the financial statements for the year ended 30 June 2023

Note 19 Share-based payments (continued)

- (c) The fair value of the 1,000,000 options issued to a non-KMP employee has been calculated using a Black Scholes option pricing model by applying the inputs below. The fair value of these options at grant date was \$190,000.

Number of options	1,000,000
Grant date	27/9/2022
Expiry date	30/04/2025
Volatility*	87.77%
Underlying share price	\$0.46
Dividend yield	0%
Risk-free interest rate	3.25%
Fair value at grant date	\$0.19

* Volatility has been determined by looking at the historical volatility over the same period as the expected life of the option, long term average level of volatility, the length of time an entity's shares have been publicly traded, and the appropriate interval for price observations. The company does not have a reasonable history of share transactions by which to gauge the company's volatility. Due to this fact an average volatility of comparable companies share transactions over the same period of time have been used to calculate an appropriate volatility.

Notes to the financial statements for the year ended 30 June 2023

Note 20 Events after the reporting date

Since the end of the financial year the Company issued 16,750,140 fully paid ordinary shares at \$0.19 (placement shares) to raise \$3.2M from institutional and sophisticated investors. Shareholder approval at the AGM will be sought to approve the issue of 8,375,070 attaching placement options that are exercisable at \$0.30 and expire on 30 September 2026. In addition, shareholder approval will be sought to approve the issue of 394,736 fully paid ordinary shares and 197,368 attaching placement options on the same terms as the placement shares to Directors and senior management.

No other matters or circumstances have arisen since the end of the financial year 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.

Note 21 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.

For details of disclosures relating to key management personnel, refer to Note 5.

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 year 2,400,000 options were issued to Directors (300,000 options to each of Cathy Moises and Michael Pitt; 600,000 options to Shane Goodwin; and 1,200,000 options to Tony Schreck). All options are exercisable at \$0.75 each and expire on 30 April 2025. 50% of the options vested on 30 April 2023, with the remaining 50% vesting on 30 April 2024.

Notes to the financial statements for the year ended 30 June 2023

Note 22 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.

Mr Patrick Walta, a related party and promoter of the Company, is the sole director of RoyaltyOne.

Notes to the financial statements for the year ended 30 June 2023

Note 23 Commitments

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 2022 the company has met all of its minimum expenditure commitments on its tenements.

Contractual commitments

Significant expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	Consolidated	
	2023	2022
	\$	\$
Minimum payment under Drilling Contract payable:		
Within one year	-	-
Between 1-5 years	-	-
	<u>-</u>	<u>-</u>

Note 24 Financial risk management

The Company's financial instruments consist mainly of deposits with banks, security deposits and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial instruments* as detailed in the accounting policies to these financial statements, are as follows:

	2023	2022
	\$	\$
Financial assets		
Cash and cash equivalents	2,514,758	11,013,173
Trade and other receivables	222,231	248,758
Other assets – security deposits	702,553	702,553
Total financial assets	<u>3,439,542</u>	<u>11,964,484</u>
Financial liabilities		
Trade and other payables	554,671	580,618
Total financial liabilities	<u>554,671</u>	<u>580,618</u>

The Board has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Notes to the financial statements for the year ended 30 June 2023

Note 24 Financial risk management (continued)

Credit risk

Credit risk is managed on a Company basis. Credit risk arises primarily from cash and cash equivalents and deposits with banks and financial institutions. For bank and financial institutions, only independently rated parties with a minimum rating of 'AA' are accepted. The Company currently banks with Westpac Banking Corporation.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows. No finance facilities were available to the Company at the end of the reporting period.

All financial assets and financial liabilities mature within one year, with the exception of security deposits.

Market risk

Market risk is the risk that the change in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

The Company is not exposed to market risks other than interest rate risk.

Cash flow and fair value interest rate risk

As the Company has interest-bearing cash assets, the Company's income and operating cash flows are exposed to changes in market interest rates. The Company manages its exposure to changes in interest rates by using fixed term deposits.

At 30 June 2023, if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables held constant, post-tax profit / (loss) for the year would have been \$25,148 (2022: \$110,142) lower/higher, as a result of higher/lower interest income from cash and cash equivalents (based on the year end cash balance which is not representative of the position throughout the year).

Fair Value

The carrying value of all financial assets and financial liabilities approximate their fair value, due to their short-term nature.

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 41 to 72 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Executive Chairman and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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



C Moises
Chair

Brisbane, 29 September 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Pacgold Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pacgold Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 Company, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2023 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 Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of Exploration and Evaluation Expenditure

Key audit matter	How the matter was addressed in our audit
At 30 June 2023 the Company held a significant carrying value of capitalised exploration and evaluation expenditure as disclosed in Note 1(g) and 10. As the carrying value of these exploration and evaluation assets represents a significant asset of the Company, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining whether there are any indications of impairment of exploration expenditure in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.	Our procedures included, but were not limited to: • Obtaining a schedule of the exploration and evaluation expenditure held by the Company and assessing whether the rights to tenure of the Alice River Gold Project remained current at balance date; • Considering the status of the ongoing exploration programs in the Alice River Gold Project by holding discussions with management, and reviewing the Company's exploration budgets, ASX announcements and director's minutes; • Considering whether the Alice River Gold Project has reached a stage where a reasonable assessment of the economically recoverable reserves exist; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 1(g) and 10.

Other information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2023, 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 Company 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 Company 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:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 29 to 36 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Pacgold Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO
J Prue

Jarrad Prue

Director

Perth,

29 September 2023

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 20 September 2023.

A Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Class of equity security
	Ordinary shares
1 - 1,000	86
1,001 – 5,000	267
5,001 – 10,000	161
10,001 – 100,000	439
100,001 and over	89
	1,042

There were 215 holders of less than a marketable parcel of ordinary shares.

B Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary shares	
	Number held	% of issued shares
Citicorp Nominees Pty Limited	5,536,202	8.26
Equity Trustees Limited <Lowell Resources Fund A/C>	4,592,093	6.85
BNP Paribas Noms Pty Ltd <DRP>	3,030,782	4.52
Patrick Walta <FJB & Associates A/C>	2,222,135	3.32
Mr Michael Robert Pitt and Mrs Rachel Elizabeth Pitt <RGR Family Superfund A/C>	1,913,492	2.86
Altor Capital Management Pty Ltd <Altor Alpha Fund A/C>	1,710,286	2.55
JP Morgan Nominees Australia Pty Limited	1,571,323	2.35
John Carr	1,469,375	2.19
DXB Holdings Pty Ltd	1,300,000	1.94
Shane Goodwin	1,300,000	1.94
Kingslane Pty Ltd <Cranston Super Fund A/C>	1,300,000	1.94
Kufara Endeavours Pty Ltd <Harris Family A/C>	1,300,000	1.94
Justin Walta	1,300,000	1.94
Huon Pine Pty Ltd <Huon Pine Investment A/C>	1,003,857	1.50
Super Spinifex Pty Ltd <The Steve White S/Fund A/C>	883,334	1.32
Anthony William Schreck	860,000	1.28
Cleland Projects Pty Ltd <CT A/C>	831,688	1.24
Scythe Investments Pty Ltd <Hacker Family No2 A/C>	826,111	1.23
Altor Capital Management Pty Ltd <Altor Alpha Fund A/C>	690,105	1.03
Tooradin Park Superannuation Ltd <Tooradin Park S/Fund A/C>	656,746	0.98
Top 20 Holders of Ordinary fully paid shares	34,297,529	51.18

Unquoted equity securities

	Number on issue	Number of holders
Share options	11,440,000	10
Performance rights	150,000	2

There are no holders of more than 20% of unquoted share options on issue.

Holders of more than 20% of unquoted performance rights on issue.

	Number held	% of total on issue
Timothy Hatley	50,000	33.33%
Callum Spink	100,000	66.67%

C Substantial holders

Substantial holders in the company are set out below:

	Number held	Percentage
Cremorne Capital Limited as the RE for Lowell Resources Fund	4,592,093	6.85%

D Voting rights

The voting rights attaching to each class of equity securities are set out below:

- (a) Ordinary shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- (b) Share options: No voting rights

END OF SHAREHOLDER INFORMATION