PACGOLD QUARTERLY ACTIVITY REPORT

For the three-month period ending 30th June 2022

Alice River Gold Project

- Step-out drilling underway on the high-grade F1a Zone (Central Target), with three drill rigs on site (one RC and two diamond rigs)[1]
- Six diamond holes completed (ave hole depth 400m); all have intersected quartz veining and alteration (results pending) below previous high-grade gold intersections
- Significant advance in the structural model for the gold system and identification of additional priority gold targets along the F1a Zone
- Screen fire assay test work shows excellent correlation and repeatability to fire assay analysis, highlighting negligible 'nugget effects' on gold distribution

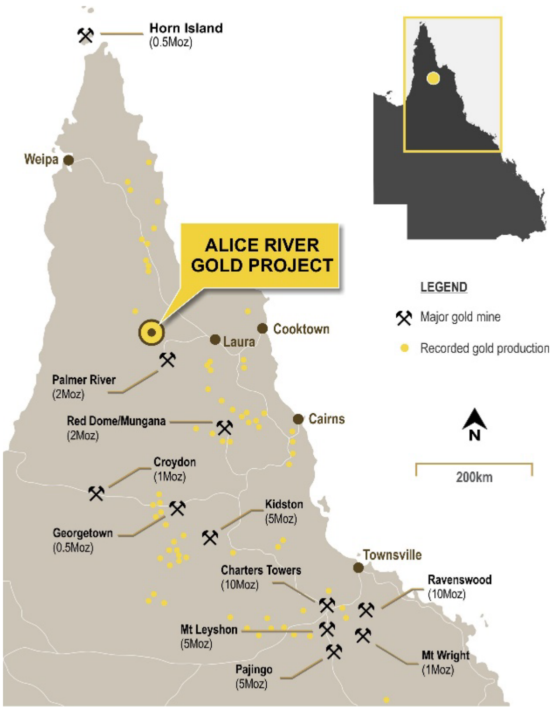

Figure 1: Location of Alice River Gold Project

Corporate

- Strongly supported \$11.0M[2] Capital Raise (before costs) completed by Taylor Collison and Euroz-Hartleys
- Strong cash position (\$11.0M at the start of July) to fund an expanded drilling programme on the F1a high-grade zone at the Alice River Gold Project

[1] Second diamond drill rig arrived in mid-July 2022
[2] PGO ASX Release 14 April, 20 April and 12 May 2022

Gold exploration company, Pacgold Limited (**'PGO'**, **'Pacgold'** or the **'Company'**) is pleased to provide the Company's Quarterly Activity Report for the three-month period ending 30th June 2022.

Alice River Gold Project Overview

Pacgold is primarily focused on progressing its key asset, the Alice River Gold Project (the **'Project'**) in North Queensland. The Project is centred on an overlooked historical goldfield, with Pacgold's initial drill programme in 2021 intersecting high-grade gold as part of the discovery of the F1a Zone (Central Target). The Project comprises a portfolio of eight mining leases and five exploration permits in a highly prospective gold terrain.

The Company's focus is on three priority targets covering 7km of the gold bearing shear zone (see Figure 2):

- **Central Target**: Targets along strike from open pit mine and down-plunge extensions to high-grade gold mineralisation;
- **Southern Target**: Broad untested gold surface geochemical anomalies 1.8km x 500m in area; and
- **Northern Target**: 2.5km-long extension to the Alice River Shear Zone under shallow cover, confirmed with new IP geophysics.

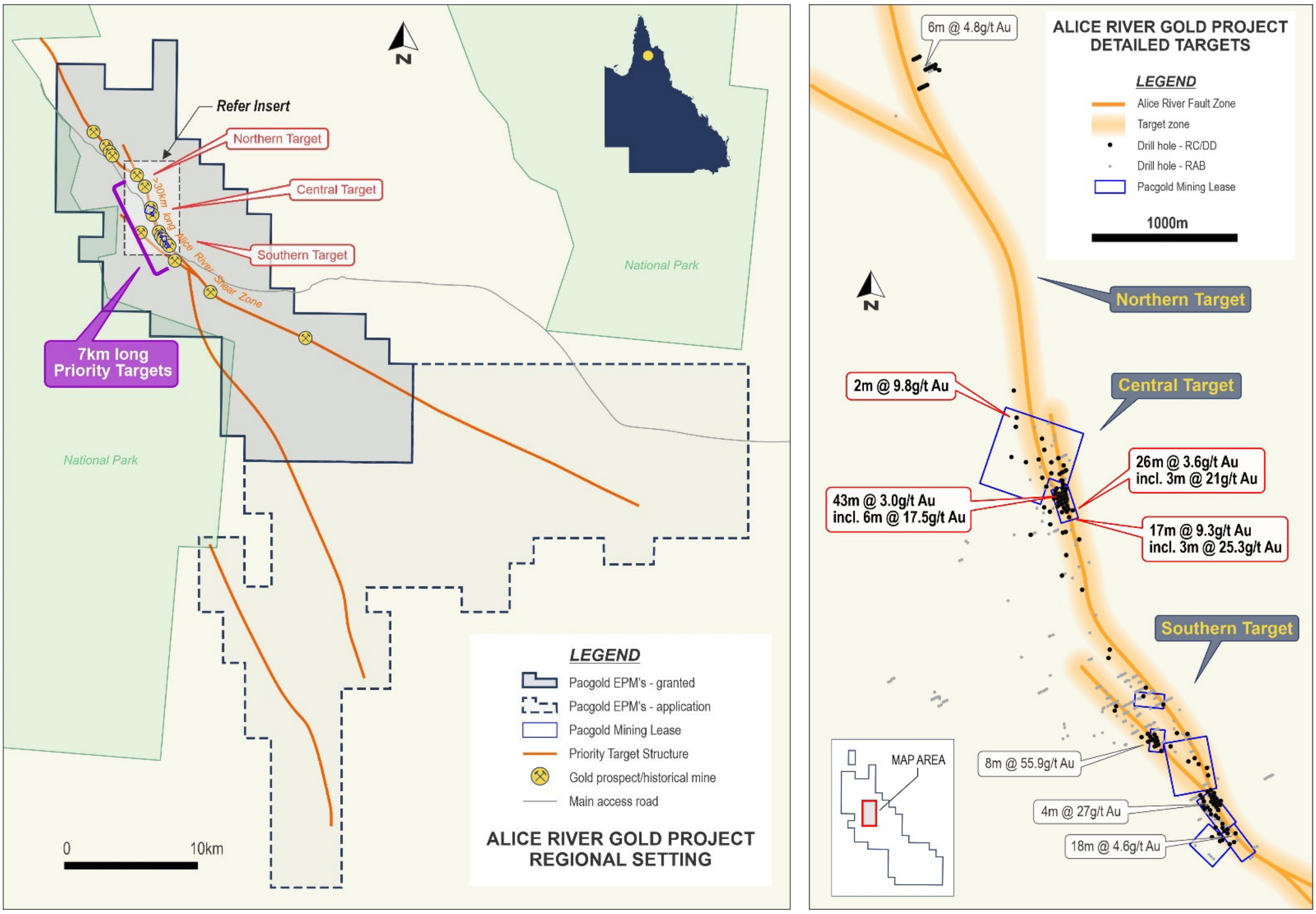

Figure 2: Regional target setting and tenure (left). Priority targets showing drill results highlights and granted Mining Leases (right).

Activity during the Quarter includes:

- Drilling recommenced during May with two rigs; one reverse circulation ('RC') and one diamond ('DD'). A second diamond rig arrived on site in mid-July. Drilling is focussed on the F1a Zone (Central Target).
- Cultural Heritage clearances were completed over planned exploration areas within the Project EPMs.
- A detailed geological and structural review completed on the F1a zone provided a revised framework for the structural setting of the high-grade gold mineralisation and, importantly, identified additional high priority targets.
- Rock chip sampling was completed along the northern end of the F1a zone to investigate a new target generated from the structural review.

Central Target – F1a Zone Drilling

Pacgold's success to date at Alice River has been underpinned by the application of modern IP geophysics combined with a revised geological interpretation and new exploration model for the project. The central F1a zone represents just one target within a much larger under-explored structural corridor containing historical mineralised prospects over a potential strike length of 30km and largely overlain by shallow sand cover.

During the quarter, one RC and one diamond core rig (Figure 3) recommenced drilling, focused on the high-grade F1a target zone. Six holes have been completed (average hole depth 400m) and a further nine RC pre-collars have been installed and are awaiting diamond tails to complete.

A second diamond core rig has commenced drilling (arrived on site in mid-July) to accelerate the programme on the F1a zone. A total of 2,538m of RC drilling and 1,408m of diamond drilling was completed during the Quarter. Assay results remain pending and will be reported in accordance with the Company's continuous disclosure obligations.

The step-out drilling has intersected significant zones of quartz veining and alteration associated with the F1a and hanging wall target zones in all holes, and the system visually extends to a depth of over 400m below surface. Refer to Figure 4 long section showing drilling to date.

Figure 3: RC rig drilling top left and diamond rig drilling bottom right in photo targeting F1a high-grade zone

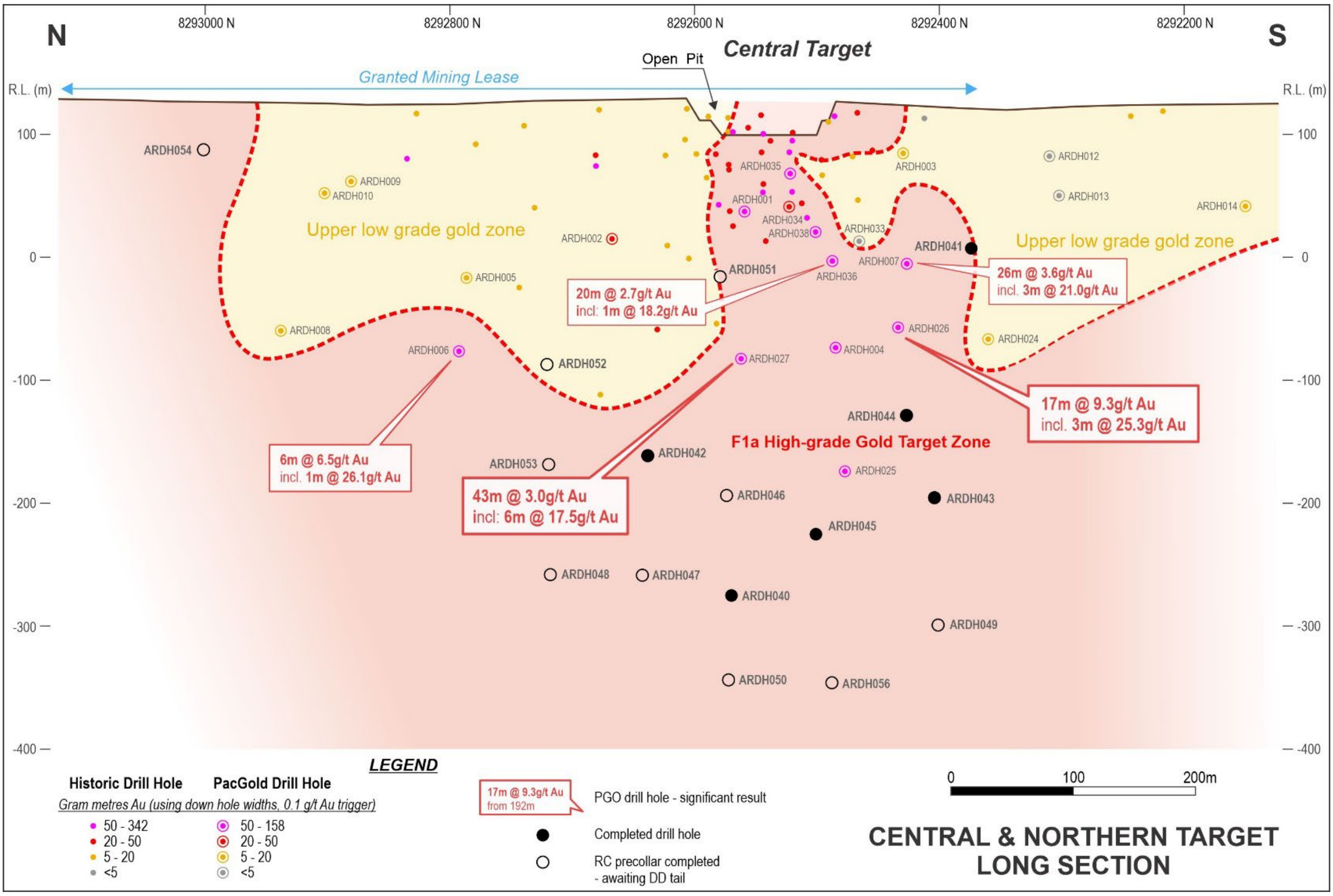

Figure 4: Long section through the F1a zone (Central Target). Location of long section is shown in Figure 5.

Structural Model and Geology Update

Gold mineralisation within the Project is hosted by the >30km long, NW-trending, Alice River Shear Zone ('ARSZ') encompassing the historical Alice River goldfield. IP geophysics completed by Pacgold along 7km of the ARSZ clearly defines this important structure as a resistivity low corridor which corresponds to zones of intense alteration and veining.

During the quarter, significant advances were made on Pacgold's understanding of the structural controls and geological setting of the high-grade gold mineralisation, through detailed structural interpretation of drill core combined with alteration and mineralisation modelling. This has provided an excellent platform for the current drilling programme, targeting the extensions of the high-grade gold system.

The wide-spaced drilling of the F1a zone in 2021 provided strong indications that the gold grades within the system are increasing with depth. The structural modelling and updated geological interpretation support a continuation of the drilling programme at depth vertically below the open pit, along with an expansion of the drilling to test structural targets on the F1a zone to the north and south. Two of the highest-grade intersections, **6m @ 17.5g/t Au**[3] (ARDH027) and **17m @ 9.3g/t Au**[4] (ARDH026), are both open at depth approximately 200m below surface and highlight outstanding potential for the system to continue at depth. Refer to Figure 4 and Figure 5.

The geological/technical review established several key features of the F1a zone, summarised as follows:

- Gold mineralisation is hosted by several phases of overprinting quartz veining and hydrothermal breccia within structural zones in two major orientations.
- The main F1a vein zone is hosted in a N - NNW trending dilatant structure along the eastern margin of the ARSZ and forms the eastern boundary of the IP resistivity low corridor. The F1a zone accommodates early-stage lower grade Au mineralisation hosted in dark grey, sulphidic chalcedonic silica, either as matrix in hydrothermal breccia or veining. This early vein phase is often overprinted by creamy white, green to orange-pink chalcedonic quartz veins, which are sulphide poor and display moderate levels of gold mineralisation.
- The higher-grade gold mineralisation on the Central Target is localised in hanging wall splay structures in the western section of the F1a zone. These splays are host to dilatant sheeted and stockwork quartz veins that are WNW to NNW trending with moderate to steep SW through vertical to NW dips and are formed as a result of pull-apart and dilation. These veins overprint the early-stage veins described above in the vicinity of the historical AQ open pit, and are characterised as sub-epithermal, white comb-crystalline and drusy quartz veins with weakly developed crustiform textures. The hanging wall dilatant zones are interpreted to have channelled and focussed the later mineralised hydrothermal fluid, which has resulted in the emplacement of the highest-grade gold. Bonanza-style gold mineralisation is interpreted to be focussed at the structural intersection of the hanging wall splay veins and the N – NNW structure on the eastern margin of the F1a zone.
- A second N - NNW trending structure (termed the F1b zone) has been interpreted to be located to the west of the hanging wall vein splays and forms a bounding structure broadly parallel to the F1a zone, coincident with an interpreted structural zone observed in the IP resistivity data (see Figure 5).

[3] ASX PGO release 14 Feb 2022
[4] ASX PGO release 12 Jan 2022

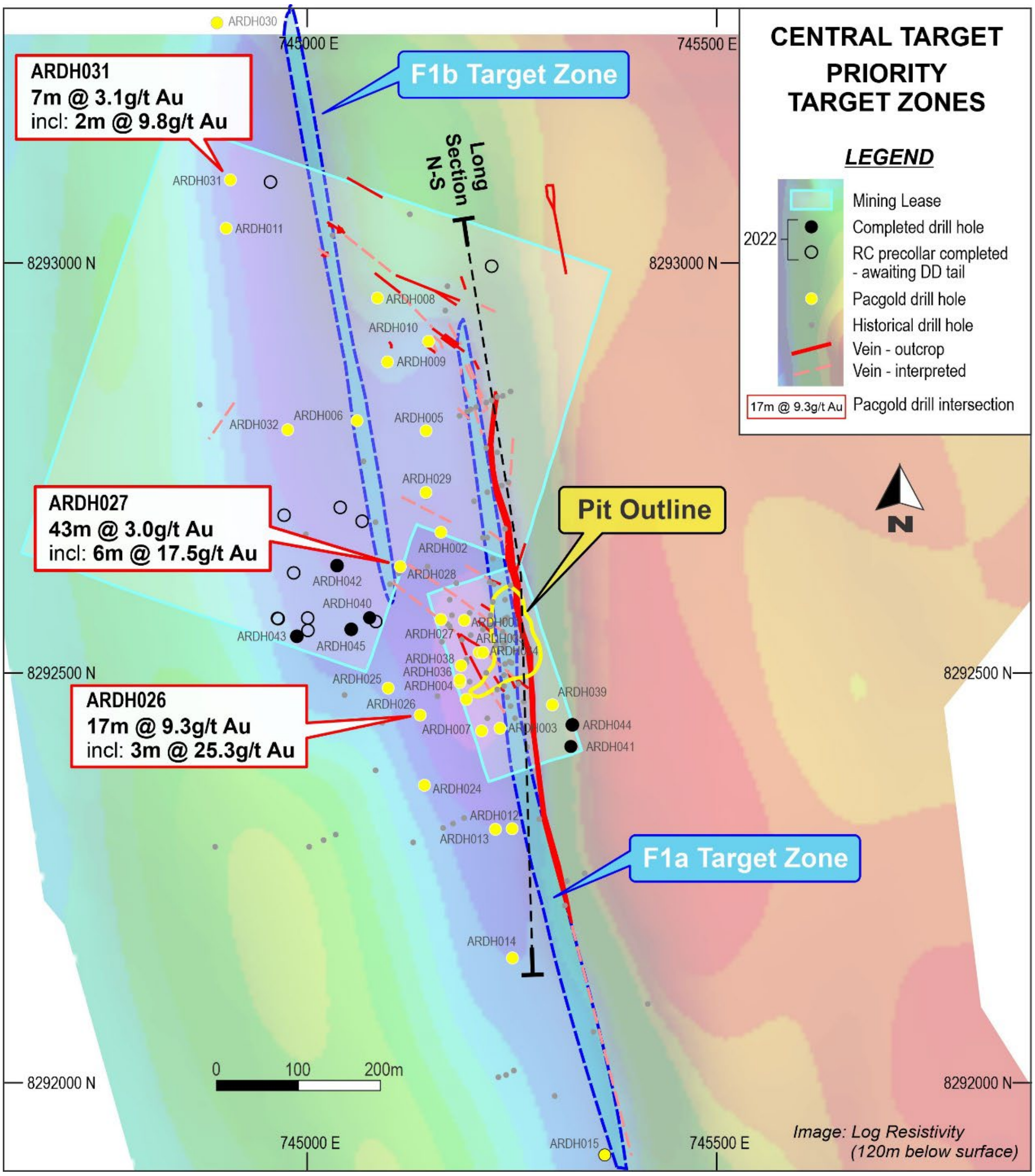

Figure 2: Plan of Central Target displaying 2021 and 2022 drillholes (to date) along with interpreted target zones on IP resistivity

Central Target – Screen Fire Assay Test Work

Pacgold conducted a programme of screen fire gold assays on 128 samples of varying grade and from varying quartz vein types from the 2021 drilling programme. The objective of the programme was to compare the screen fire assay results to the standard fire assay method used for all gold assaying in 2021, to assist in understanding the possible level and effects of any 'nuggety' or coarse gold associated with the gold mineralisation.

The results from the screen fire assay compared with the standard fire assay show no significant variation in gold grades between the two methods. The screen fire assay highlights that while the highest gold grade samples contain coarse gold, they do not appear to be nuggety (or highly variable). This comparative analysis was completed to determine appropriate gold analysis methods to utilise in future resource modelling, as well as to understand the internal domains and level of gold variability in the drilling to date.

Southern Target – Update

Pacgold completed a first-pass shallow RC drilling programme on the Southern Target in 2021, representing the first drill programme in more than 30 years on this prospect. The programme comprised 10 holes which intersected very encouraging initial gold and multi-element results[5] to be viewed alongside historical drilling intersecting high-grade gold including **8m @ 55.9g/t Au**[6].

The Southern Target represents the largest area containing widespread gold mineralisation intersected in shallow drilling (historical and PGO) to date on the Project. The gold mineralisation intersected in this programme also confirms that the mineralisation in the Alice River shear zone is closely associated with IP resistivity lows and, importantly, the mineralisation is defined over 2km of strike (over the Southern Target) and up to 400m wide. Deeper drilling is planned (Q3, 2022) for the Southern target using PGO's improved understanding of the mineralisation model from the F1a zone (Central Target).

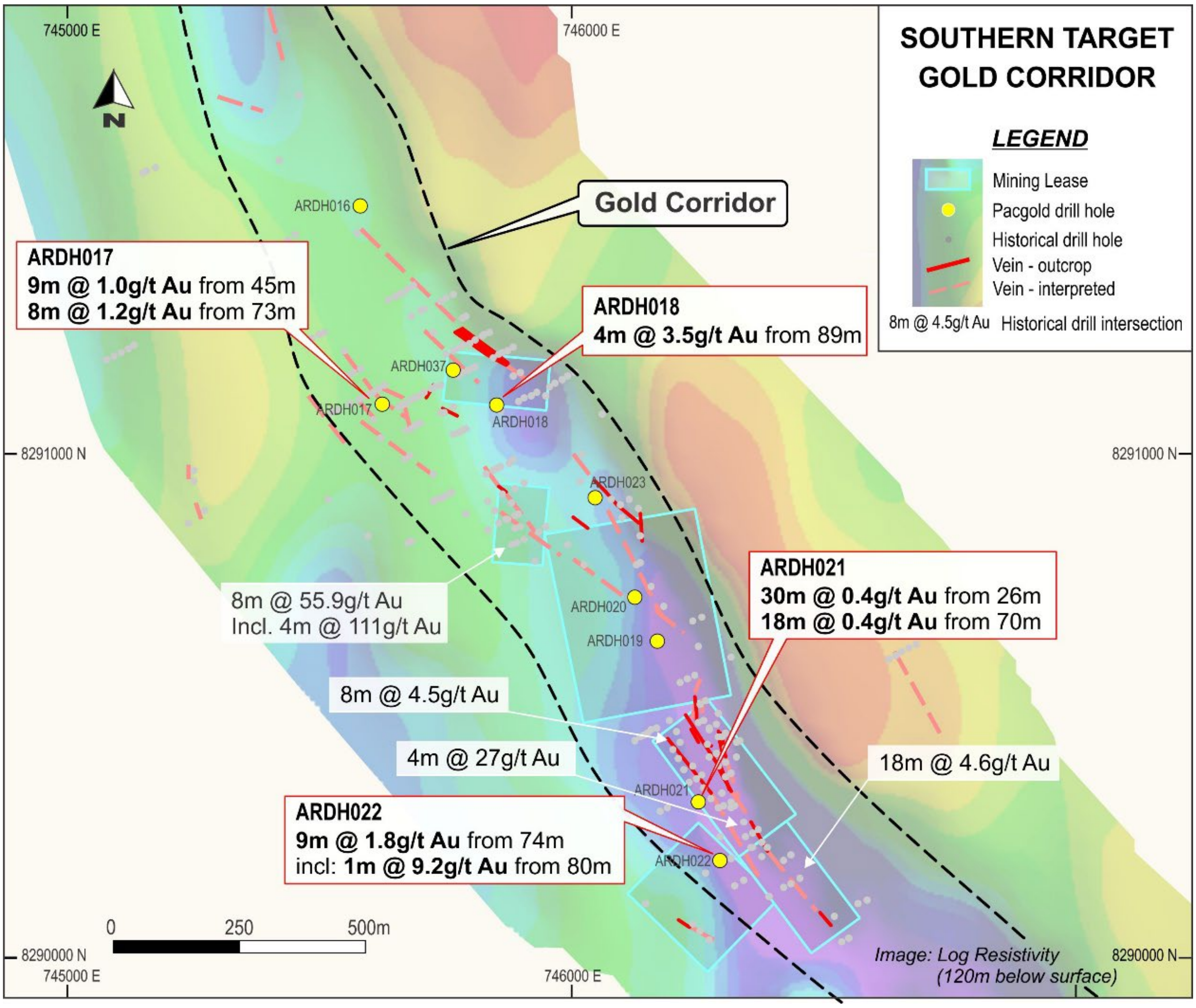

Figure 3: Plan of Southern Target displaying 2021 drillholes (to date) and historical drill holes on IP resistivity

[5] ASX PGO release 12 Jan 2022
[6] ASX PGO release 06 Jul 2021

Northern Target - Update

First pass scout drilling by Pacgold intersected high-grade gold mineralisation associated with the F1b zone with previously reported results including **2m @ 9.8g/t Au** from 198m (ARDH031). The F1b zone is located 150m west of the F1a zone and is clearly defined as a resistivity low in the IP geophysics and extending greater than 2.5km to the north as shown in Figure 7.

Historical shallow scout drilling was completed by Cyprus Gold Australia Corporation in the late 1980's, including 6m @ 4.8g/t Au from 22m (ARAT282, CR21646) approximately 2km north of Pacgold's drillhole ARDH031. This historical drilling is located approximately 200m east of the F1b zone (forming part of the Alice River shear zone as defined by Pacgold's IP geophysics) and has not been followed up. Additional IP geophysics (infill) and drilling is planned for Q3-Q4 2022.

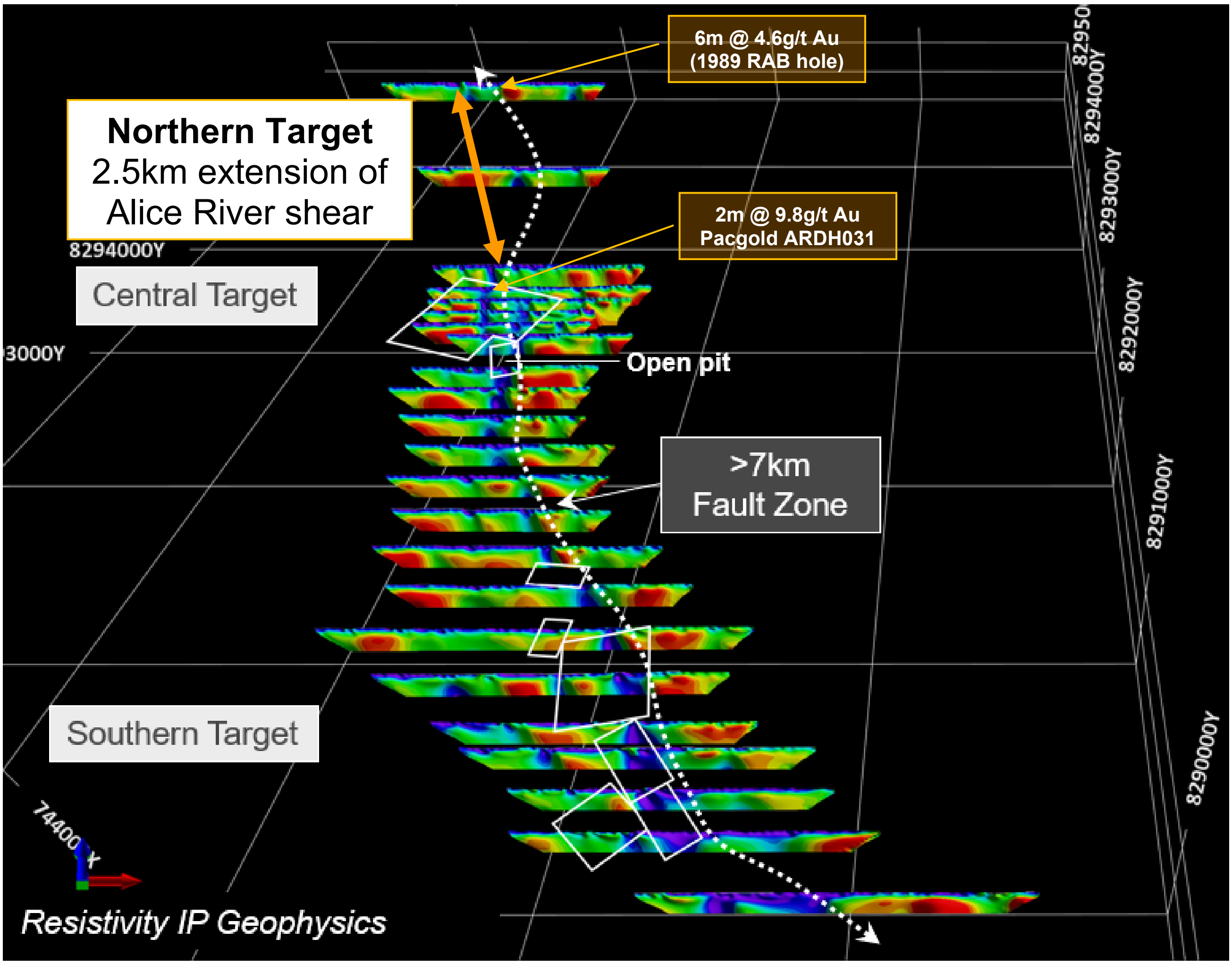

Figure 4: Oblique view looking north of the resistivity IP 2D inversion model sections over the Southern, Central, and Northern Targets. Blue and purple reflect the resistivity low corridor representing the highly prospective structural target zones.

Next Steps

Pacgold has recommenced the step-out drilling on the high-grade F1a zone on the Central Target and this programme will continue to test the lateral and depth extent of the gold mineralisation with the three drilling rigs on site over the next 3 months, before commencing further drilling along strike.

Tenement Status

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

Payments to Related Parties

A total of $108,000 was paid to directors and their associates for salaries, director fees and superannuation during the quarter ended 30 June 2022.

Corporate

A capital raise of $11.0M (before costs) at an issue price of $0.63 per new share was completed through a Placement of $7.8M and a 5 for 48 fully underwritten, pro rata, non-renounceable, Entitlement Offer of $3.2M with funds used to advance the Alice River Gold Project.

- Placement - Strongly supported $7.8M placement to new and existing sophisticated and institutional investors completed (PGO ASX release 14 April 2022).
- Entitlement Offer - Underwritten $3.2M Entitlement Offer to existing shareholders completed with strong uptake (PGO ASX release 12 May 2022). The Entitlement Offer was fully underwritten by Taylor Collison Limited and Euroz-Hartleys Limited.

Approved by the Board of Pacgold Limited.

For more information:

Tony Schreck

Managing Director

tschreck@pacgold.com.au

+61 (0) 419 683 196

Victoria Humphries

Media & Investor Relations

victoria@nwrcommunications.com.au

+61 (0) 431 151 676

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PACGOLD LIMITED

ABN	Quarter ended ("current quarter")
30 636 421 782	**30 JUNE 2022**

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(363)	(1,416)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material):	-	-
	GST refunds	165	550
1.9	**Net cash from / (used in) operating activities**	**(198)**	**(866)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(53)	(78)
	(d) exploration & evaluation (if capitalised)	(1,092)	(4,220)
	(e) investments	-	-
	(f) other non-current assets	(40)	(40)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(1,185)**	**(4,338)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	11,015	12,100
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(714)	(1,261)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**10,301**	**10,839**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,094	5,377
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(198)	(866)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,185)	(4,338)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	10,301	10,839

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**11,012**	**11,012**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	11,012	2,094
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**11,012**	**2,094**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	108
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments to related parties includes $78,250 of consulting fees paid to Goldfind Exploration Pty Ltd, an entity associated with director Anthony Schreck. The balance is non-executive director fees and superannuation.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

Not applicable

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	198
8.2	Capitalised exploration & evaluation (Item 2.1(d))	1,092
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	1,290
8.4	Cash and cash equivalents at quarter end (Item 4.6)	11,012
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	11,012
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	8.5

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 21 July 2022

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.