

Pacgold enters into Profit Share Agreement on Wadnaminga Project

High grade mines produced ~20koz @ 37.88g/t Au in early 1900's and untested by modern exploration

HIGHLIGHTS

- **PROFIT SHARE WADNAMINGA PROJECT** - Agreement reached with Grainger Gold Pty Ltd to a 50-50 share of all profits derived from the mining and or re-treatment of historical tailings and heap leach material currently located on the site of the New Milo and Great Eastern mining centres, located 80km SW of White Dam.
- **HISTORICAL PRODUCTION** – Small scale mining at the New Milo, Virginia, Lively Jack and Great Eastern mines produced a recorded 19,962oz of Au at an average grade of 37.88g/t¹. Mines were developed to 146m below surface with significant areas left undeveloped.
- **SURFACE STOCKPILES** - Approximately 20,000 tonnes of material is stockpiled at surface in the form of historical tailings and heap leach pads. This material will be resampled and drilled if necessary before undergoing LeachWELL tests to ascertain the remnant recoverable gold available for leaching at White Dam.
- **NO MODERN EXPLORATION** – No systematic drilling on the asset has been carried out, undeveloped lode is defined along approximately 700m of strike, and walk-up drill targets of oxidised material outcropping at surface provide excellent short-term target.

Pacgold Limited (ASX: PGO) ('Pacgold' or 'the Company') is pleased to announce it has reached a profit share agreement with Grainger Gold Pty Ltd over its Wadnaminga Project 80km southwest of the Company's White Dam mine site.

The Wadnaminga Project was mined extensively during the late 1800's and early 1900's and produced a recorded 19,962oz of gold from four main locations including the New Milo, Great Eastern, Golden Point and Virginia mines. Ore was predominantly sourced from narrow, very high-grade (>35g/t Au) steeply dipping veins. The mines are located within three granted Mining leases with initial work programmes to commence in mid-March this year. The short-term focus will be to ascertain the grade and potential gold recoveries achievable on heap leach dumps and processed tailings stockpiled at surface, before starting a first pass RC drill programme on the extents of the known unmined extensions of the New Milo and Great Eastern mining centres.

Pacgold's Managing Director, Matthew Boyes, commented:

"Pacgold continues to expand its footprint in the Broken Hill region and add potential short-term sources of ore to be leached at the White Dam facility. The deposits at the Wadnaminga site have never been systematically explored and the old timers were focused on the ounce grade dirt, leaving behind any material with sub-bonanza grade. This represents a real opportunity for Pacgold to quickly delineate a resource and fast track to mining. Existing surface stockpiles and heap leach pads will also be sampled and if prove to be economic will be transported to White Dam for crushing and retreatment."

¹ Historical Review, Virginia, New Milo, Great Eastern Line of Lode, W.P. Fradd Mineral Resources Department of Mines and Energy South Australia

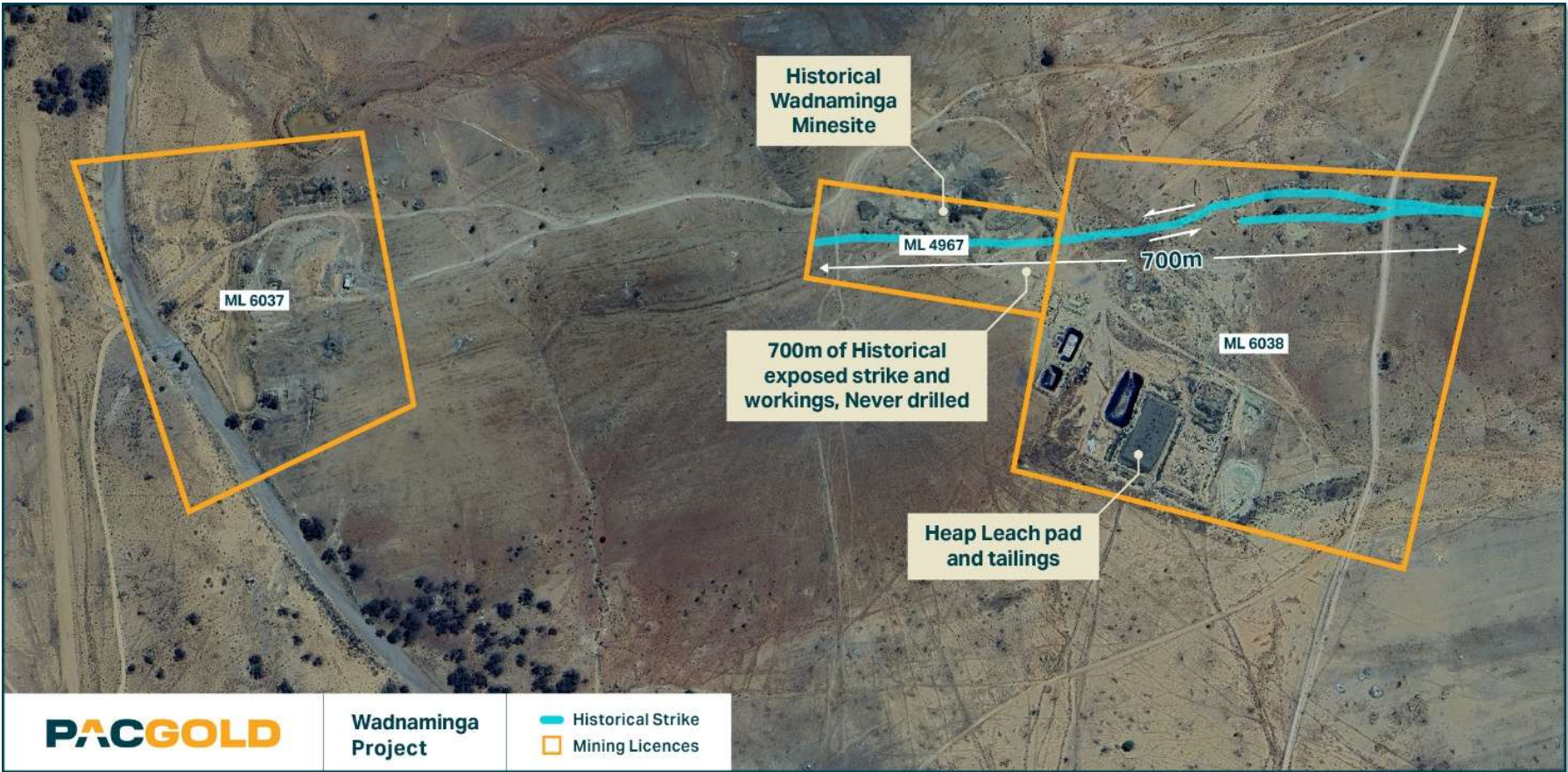


Figure 1: Wadnaminga Project area showing existing tailings and Heap Leach pads with lode location and 3 mining leases for 28.6 Ha

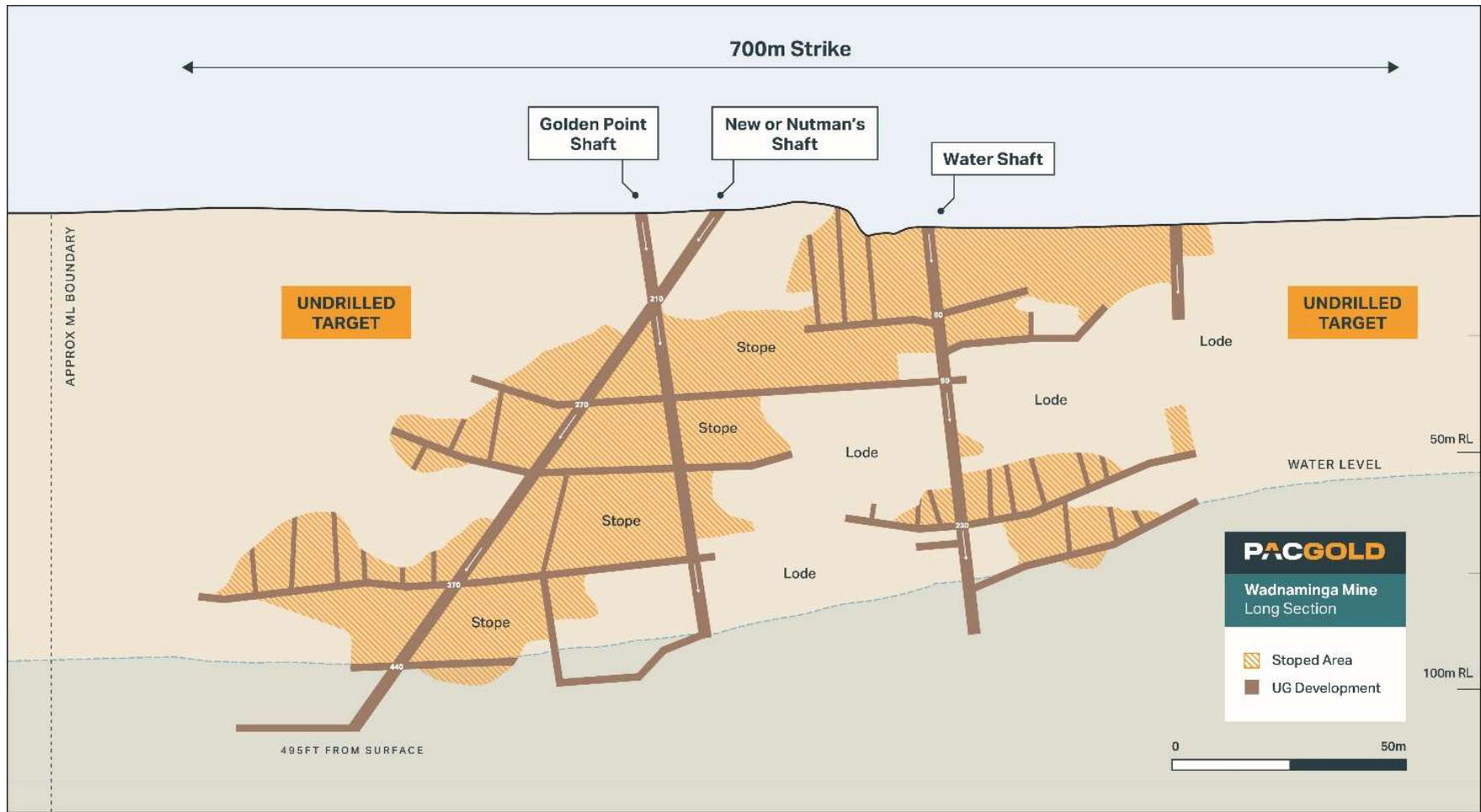


Figure 2: Long Section of historically mined New Milo mine at the Wadnaminga Project



Figure 3: Power House, Ore Bins and Twenty Head Battery circa 1934

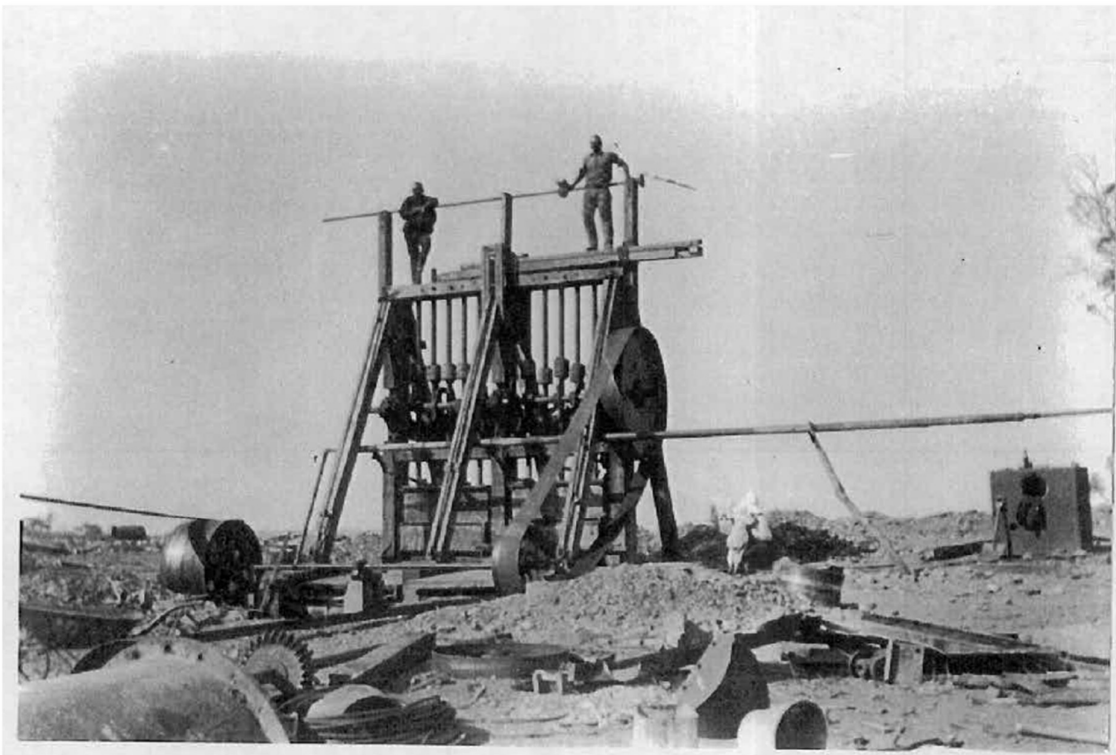


Figure 4: Ten Head Battery at Great Eastern Syndicate Mine Circa 1915



Figure 5: Location map showing Wadnaminga mine and White Dam mine site

Next Steps

The existing heap leach pad and tailings dumps will be drilled and sampled to measure the remaining gold resource available for immediate re-treatment in conjunction with exploration drilling of the known mineralised extension where ore has previously been delineated. The key opportunity exists in discovering potential thicker, lower-grade zones than those historically mined and mineralisation outcropping or proximal to the surface. Field work will commence in March this year with an exploration permit application to be submitted as soon as practicable to commence drilling and evaluation works.

Terms of Agreement**(a) Grainger Gold's obligations**

During the Term, Grainger Gold agrees to:

- (i) maintain the Mining Leases in full force and keep the Mining Leases in good standing and free from any liability to forfeiture (including meeting the minimum expenditure requirements applicable to the Mining Leases or applying for an exemption from any expenditure commitments), provided that PGO shall manage all expenditure associated with the development and processing of the Mining Area and shall maintain accurate records of all such costs and expenditure on an open book basis, which records shall be made available to Grainger Gold upon reasonable request;
- (ii) pay all rents, rates and taxes and other outgoings payable in respect of the Mining Leases;
- (iii) allow PGO, its employees, agents and contractors at all times to enter and access the Mining Area together with any vehicles, machinery or equipment for the conduct of the mining activities on the Mining Area; and
- (iv) not transfer the Mining Leases or any part of the Mining Leases to a third party without the consent of PGO.

(b) PGO's obligations

During the Term:

- (i) PGO will be responsible for obtaining, and complying with, any Mine Approvals / POW required to be obtained from Department for Energy and Mining (DEM) in connection with the mining operations conducted on behalf of Grainger Gold and any mining proposal, excess tonnage, closure plan and rehabilitation obligations.
- (ii) In undertaking the mining activities on the Mining Area, PGO must:
 - (A) comply with the terms of any law, regulation or approval applicable to the Mining Leases (including the tenement conditions) and act in accordance with good mining practices;
 - (B) use reasonable endeavours to minimise interference with the activities conducted or proposed to be conducted by Grainger Gold on the Mining Area; and
 - (C) provide information to Grainger Gold as required for it to meet the conditions applicable to the Mining Leases and for reporting requirements.
- (iii) PGO shall be responsible for all costs associated with the mining operations conducted on behalf of Grainger Gold on the Mining Area, including all processing costs, treatment costs and financing costs associated with such mining operations.
- (iv) PGO, on behalf of Grainger Gold, will be responsible for the sale of all gold mined, extracted or recovered from the Mining Area and the distribution of proceeds in accordance with the Agreement.

(c) Profit Share

During the Term:

- (i) For each quarter in which gold is mined, extracted or recovered and sold from the Mining Area, PGO will pay to Grainger Gold 50% of the net profit after tax received from the sale of that gold as consideration under this Agreement (Profit Share).
- (ii) Within 10 days after the end of each quarter, PGO must:
 - (A) calculate the Profit Share payable for that quarter (if any) and PGO must pay such amount to Grainger Gold; and
 - (B) PGO must provide Grainger Gold with a statement in respect of that quarter comprising the Profit Share calculation and the total Profit Share payable for that quarter, as well as providing a breakdown of all costs and expenses incurred for that quarter.

This announcement is approved by the Pacgold Limited Board of Directors.

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About Pacgold Limited:

Pacgold is an ASX-listed mineral exploration company (ASX: PGO) with highly prospective projects situated in North Queensland and South Australia.

The core of Pacgold's exploration efforts is centered in Queensland. The flagship, 100% owned [Alice River Gold Project](#) covers 377km² and is situated within a large, intrusion-related gold system that shows geological similarities to major international deposits.

Complementing this is the [St George Gold-Antimony Project](#), where the company can earn up to a 100% interest in a 905km² tenement package located within an important and developing antimony province.

To accelerate its transition to a producer, Pacgold has acquired the [White Dam Gold Operation](#) in South Australia. This significant acquisition includes established open-pit mines, a heap leach facility, and a fully operational gold extraction plant. This turnkey operation provides Pacgold with a clear pathway to generating near-term revenue and cash flow, funding future growth and exploration.



Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on, and fairly represents, information compiled or reviewed by Mr Geoff Lowe, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Lowe is the Company's Exploration Manager and holds shares and options in the Company. Mr Lowe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lowe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.