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ZULEIKA GOLD

ZULEIKA GOLD LIMITED

ABN 43 141 703 399

FINANCIAL REPORT

for the half-year ended 31 December 2022

CORPORATE DIRECTORY

Board of Directors

Hui Guo	Executive Chair (appointed 18 July 2022 and simultaneously stepped aside as Managing Director)
Jonathan Lea	Managing Director (Managing Director – appointed 18 July 2022)
Graeme Purcell	Non-Executive Director
Michael Higginson	Non-Executive Director (resigned 18 July 2022)

Company Secretary

Michael Higginson

Principal & Registered Office

Level 1
8 Kings Park Road
West Perth WA 6005

Postal Address

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8 Kings Park Road
West Perth WA 6005

Contact Details

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www.zuleikagold.com

Share Registry

Advanced Share Registry Services Limited
110 Stirling Highway
Nedlands, Western Australia, 6009
+61 8 9389 8033 (Telephone)
+61 8 9262 3723 (Facsimile)
www.advancedshare.com.au

Auditors

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco, Western Australia 6008

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DIRECTORS' REPORT

The Directors of Zuleika Gold Limited (**Zuleika Gold, Consolidated Entity** or the **Company**) (ASX: **ZAG**) submit their Interim Financial Statements for the financial half-year ended 31 December 2022.

Directors

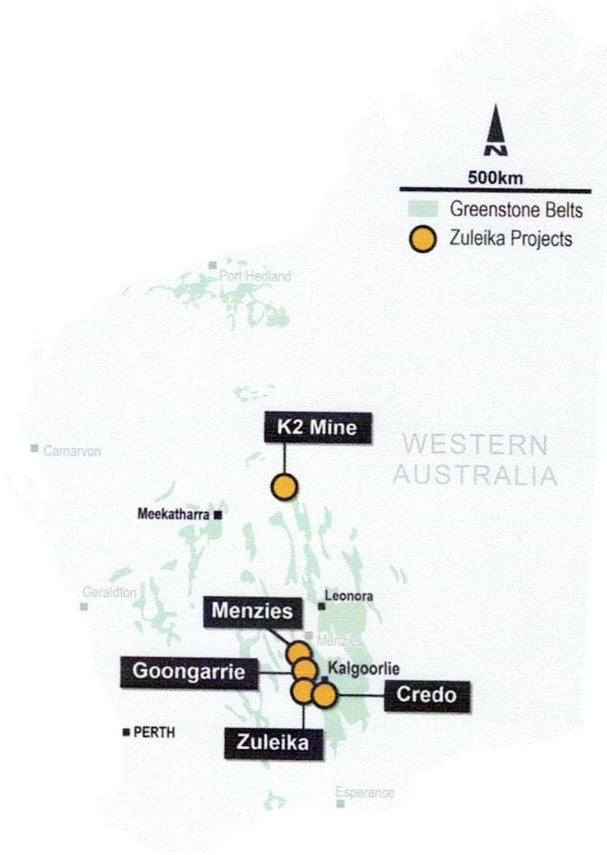
The names of the Directors of the Company in office during the half-year and to the date of this Report are:

Hui Guo	(Executive Chair – appointed 18 July 2022 and simultaneously stepped aside as Managing Director)
Jonathan Lea	(Managing Director – appointed 18 July 2022)
Graeme Purcell	(Non-Executive Director)
Michael Higginson	(Non-Executive Director – resigned 18 July 2022)

Review of Operations

Project Interests

The Company has the following project interests as at 31 December 2022:



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DIRECTORS' REPORT

Review of Operations (continued)

Exploration and Evaluation

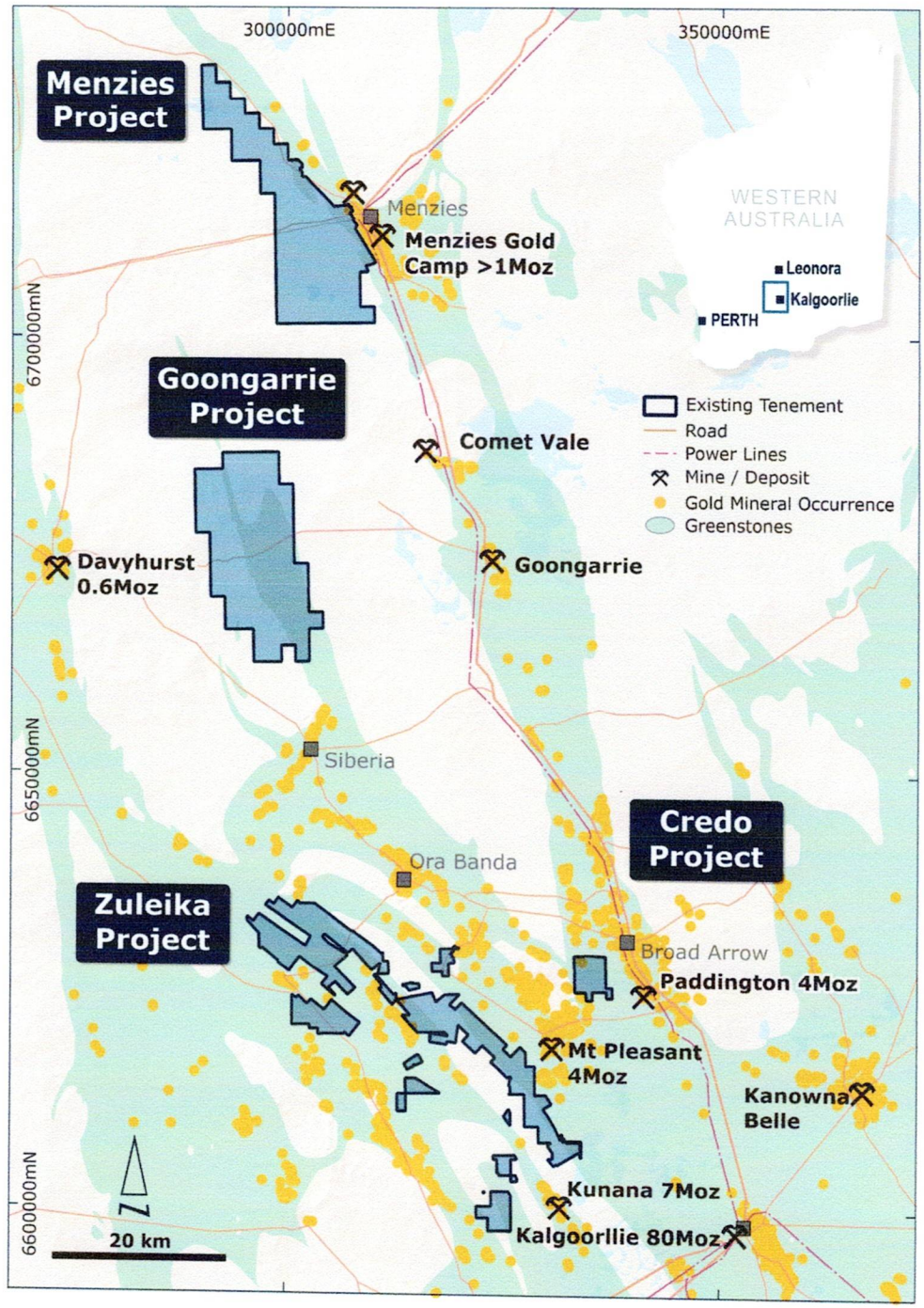


Figure 1 - Zuleika Gold's tenement portfolio in Western Australia. Inset Kalgoorlie / Menzies Projects

Zuleika Gold Ltd is a Western Australian focused gold explorer with a large and highly prospective tenement holding in the Kalgoorlie to Menzies region of the Eastern Goldfields. Zuleika Gold has four exploration projects and a 4.1% ownership of the K2 deposit (near the Plutonic operation north of Meekatharra).

Zuleika Gold's presence in the gold-rich Kalgoorlie region gives the Company scope to undertake exploration on relatively under-explored ground in this world class gold region. The approximately 67 km^2 tenement holding has been accumulated in recent years in a process that focussed on ground proximal to the major gold bearing structures and favourable lithologies between Kalgoorlie and Menzies.

DIRECTORS' REPORT

Review of Operations (continued)

Exploration and Evaluation (continued)

The areas being explored are:

1. Zuleika Project – large landholding immediately northwest of Kalgoorlie in an area richly endowed with gold mineralisation (near Kundana) and well structurally prepared, yet ineffectually explored owing to recent transported cover. Geological interpretation and highly sensitive soil geochemistry followed by drilling are the main tools to identify new prospects. Targets have been defined and drilled and tested using a combination of soil sampling and geological interpretation. Assaying of the soil sampling has utilised the Ultrafine™ assay technique developed by the CSIRO to better detect subtle anomalies under transported cover, providing scope to identify new anomalies in area that have been incompletely explored previously. A number of targets have been defined that will be drill tested in 2023.
2. Credo Project – north of Kalgoorlie and close to the Paddington operation. Several drill phases resulted in a JORC compliant Mineral Resource estimate at Credo being released in June 2020 of an Inferred Mineral Resource of 87kt @ 4.41g/t for 12.3koz of contained gold. Potential exists to increase the size of this resource. Options to monetise the gold resource are being investigated with potential for toll treatment at nearby processing plants.
3. Goongarrie Project – large landholding covering a major greenstone belt (20km long) with a favourable structural setting around 90km north of Kalgoorlie. The project was substantially increased in size in the second half of 2022 by the signing of a joint venture agreement over a new contiguous tenement. New and existing soil geochemistry results support the potential for gold and nickel mineralisation and no drilling has been recorded on the tenements. Further geochemical soil sampling was completed recently with the aim of drilling defined targets in 2023.
4. Menzies Project – large tenement holding immediately west of the major gold producing centre at Menzies considered to have significant potential to host high grade Menzies style lode mineralisation and possibly granite hosted stockworks. Further geochemical soil sampling commenced in 2022 over areas containing favourable greenstone lithologies with the aim of drilling defined targets in 2023.

Zuleika Gold owns 4.1% of the K2 Project that is located 35km north of the Plutonic Mine in Western Australia. Originally Zuleika had the right to earn 50% of the project through a binding agreement but following the vendor repudiating the farm-in process legal action resulted in the Supreme Court of WA finding in Zuleika's favour in late 2022 and confirming the 4.1% stake. The K2 Mine has a 1.4km developed decline to the ore blocks and contains Resources of 107,000 ounces at 8.9 g/t Au which includes 67,000 ounces at 10.9 g/t. Further legal action is planned to determine the quantum of costs and subsequently the damages payable by the vendors to Zuleika Gold for breach of contract.

Zuleika Gold aims to identify and prove up mineral resources through the diligent application of shareholder funds with an focus of becoming a gold producer in the medium term. Zuleika Gold is adequately funded and focused on successful and efficient gold exploration.

Financial Result

The loss after tax for the half-year ended 31 December 2022 was $477,339 (2021: loss of $1,964,870).

Events Subsequent to Reporting Date

On 16 January 2023, the Company announced that the Supreme Court of Western Australia had determined that the special costs orders sought by Zuleika Gold against Vango Mining Limited and Dampier (Plutonic) Pty Ltd should be made in favour of Zuleika Gold.

On 30 January 2023, the Company announced that a 3km long gold in soil anomaly had been defined at the Company's Zuleika North prospect.

No other material subsequent events have occurred from balance date to the date of this report.

Auditor's independence declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6.

This Report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors.



Annie Guo

Executive Chair

Dated this 16th day of March 2023

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HALL CHADWICK

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of Zuleika Gold Limited for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated 16th day of March 2023
Perth, Western Australia

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2022

	Note	31 Dec 2022 $	31 Dec 2021 $
Continuing operations			
Revenue	4	13,635	4,828
Other income			-
Administration expenses		(415,099)	(353,069)
Exploration and evaluation expenses	10	(9,481)	(982,231)
Share-based payments expense	19	(66,394)	(634,398)
(Loss) from continuing operations before income tax		**(477,339)**	(1,964,870)
Income tax (expense) / benefit		-	-
(Loss) from continuing operations		**(477,339)**	(1,964,870)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be subsequently reclassified to profit or loss		-	-
Total comprehensive (loss) for the period		**(477,339)**	(1,964,870)
(Loss) attributable to owners of the Company		**(477,339)**	(1,964,870)
Total comprehensive (loss) attributable to owners of the Company		**(477,339)**	(1,964,870)
(Loss) per share:			
From continuing operations			
Basic (cents per share)	5	**(0.09)**	(0.48)
Diluted (cents per share)	5	**(0.09)**	(0.48)

The accompanying condensed notes form part of the consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	Note	31 Dec 2022 $	30 Jun 2022 $
Current assets			
Cash and cash equivalents	6	2,169,974	3,737,129
Other receivables	7	78,211	177,153
Other assets	8	29,874	10,307
Total current assets		**2,278,059**	3,924,589
Non-current assets			
Property, plant and equipment	9	21,836	2,014
Intangible assets	11	5,737	7,520
Exploration and evaluation expenditure	10	6,716,038	5,610,934
Total non-current assets		**6,743,611**	5,620,468
TOTAL ASSETS		**9,021,670**	9,545,057
Current liabilities			
Trade and other payables	12	493,738	627,835
Lease liability	13	14,122	
Total current liabilities		**507,860**	627,835
Non-Current liabilities			
Lease liability	13	7,533	-
Total non-current liabilities		**7,533**	-
TOTAL LIABILITIES		**515,393**	627,835
NET ASSETS		**8,506,277**	8,917,222
Equity			
Issued capital	14	38,110,799	38,078,799
Reserves	15	5,798,969	5,764,575
Accumulated losses		(35,403,491)	(34,926,152)
TOTAL EQUITY		**8,506,277**	8,917,222

The accompanying condensed notes form part of the consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2022

Company For the six months ended 31 December 2022	Attributable to equity holders				
	Ordinary Shares $	Accumulated Losses $	Option Reserve $	Other Reserve $	Total Equity $
Balance at 1 July 2022	38,078,799	(34,926,152)	4,459,891	1,304,684	**8,917,222**
Transactions with shareholders in their capacity as shareholders					
Shares issued	32,000	-	-	-	**32,000**
Options issued	-	-	32,504	-	**32,504**
Performance Rights – (amortisation)	-	-	-	1,890	**1,890**
Comprehensive loss					
(Loss) for the period	-	(477,339)	-	-	(477,339)
Total comprehensive (loss) for the half-year	-	(477,339)	-	-	(477,339)
Balance as at 31 December 2022	**38,110,799**	**(35,403,491)**	**4,492,395**	**1,306,574**	**8,506,277**

Company For the six months ended 31 December 2021	Attributable to equity holders				
	Ordinary Shares $	Accumulated Losses $	Option Reserve $	Other Reserve $	Total Equity $
Balance at 1 July 2021	34,746,551	(31,554,613)	4,458,445	250,129	7,900,512
Transactions with shareholders in their capacity as shareholders					
Performance Rights	-	-	-	632,952	632,952
Options to be issued to director	-	-	1,446	-	1,446
Comprehensive loss					
(Loss) for the period	-	(1,964,870)	-	-	(1,964,870)
Total comprehensive (loss) for the half-year	-	(1,964,870)	-	-	(1,964,870)
Balance as at 31 December 2021	34,746,551	(33,519,483)	4,459,891	883,081	6,570,040

The accompanying condensed notes form part of the consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2022

	Note	31 Dec 2022 $	31 Dec 2021 $
Cash flows from operating activities			
Interest received		6,678	7,489
Payments to suppliers and employees		(393,283)	(741,175)
Interest paid		(1,112)	(2,253)
Net cash (used in) operating activities		**(387,717)**	(735,939)
Cash flows from investing activities			
Payments for exploration and evaluation		(1,172,823)	(1,848,542)
Net cash (used in) investing activities		**(1,172,823)**	(1,848,542)
Cash flows from financing activities			
Repayment of lease liability		(6,615)	(33,561)
Net cash (used in) / provided by financing activities		**(6,615)**	(33,561)
Net (decrease) / increase in cash and cash equivalents		(1,567,155)	(2,618,042)
Cash and cash equivalents at the beginning of the half-year		3,737,129	4,892,691
Cash and cash equivalents at the end of the half-year	6	**2,169,974**	2,274,649

The accompanying condensed notes form part of the financial statements.

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2022

1. Basis of preparation of interim financial report

Zuleika Gold Limited (**Zuleika Gold, Consolidate Entity** or **Company**) is a public company limited by shares incorporated in Australia whose shares are quoted on the Australian Securities Exchange.

These financial statements comprise the Company and a dormant subsidiary. The half-year financial statements were authorised for issue by the Board of Directors on 15 March 2023.

This interim financial report for the half-year period ended 31 December 2022 has been prepared in accordance with accounting standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the financial year ended 30 June 2022 and considered together with any public announcements made by Zuleika Gold during the half-year ended 31 December 2022 and to the date of the directors' report in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of any new or amended standards became applicable for the current reporting period.

2. Summary of Significant Accounting Policies

(a) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest is recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities directly related to each area of interest. Consultant's fees related to the overall exploration programmes are allocated across the tenements on a pro-rata basis. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The assessment of impairment indicators as per AASB 6 is undertaken at least annually. Where there are impairment indicators, the recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.
Where a decision is made to

(i) abandon the entire area of interest; or
(ii) allow the entire area of interest to expire without renewal; or
(iii) it is reasonably likely that the area of interest will expiry in the near future; or
(iv) a decision is made to no longer undertaken exploration work,

then the exploration and evaluation assets will be written off.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

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2. Summary of Significant Accounting Policies (continued)

(b) New and revised accounting standards adopted by the Consolidated Entity

All the new standards and interpretations effective from 1 July 2022 were adopted. The adoption of the new or amended standards and interpretations did not result in any significant changes to the Consolidated Entity's accounting policies. The Consolidated Entity has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(c) Going concern

The going concern concept relates to the assessment of the Company's ability to continue its operations (and pay its debts when they fall due) for the next 12 months from the date when the directors sign the half-year report.

The Company has incurred a net loss of $477,339 and net operating and investing cash outflows of $1,560,540 for the half-year ended 31 December 2022. The Company's management have prepared a cash flow forecast for the period to March 2024 for its operations including the minimum commitments for its current tenement holdings. The forecast includes an assumption about future capital raising and operating and exploration costs.

The Directors assessed whether it is reasonable to assume that the Company will be able to continue its normal operations based on the following factors and judgements, the Company:

- has access to cash reserves of $2,169,974 as at 31 December 2022 ($3,737,129 as at 30 June 2022);
- has the ability to adjust its operating and exploration expenditure to conserve cash; and
- anticipates the recovery of a portion of previous legal costs incurred after being successful in its litigation against Vango Mining Limited.

The Directors also anticipate the support of its major shareholders and believe that the Company's ability to raise an appropriate level of funding to execute its plans and continue its activities is reasonable.

The half-year report has been prepared on a going concern basis taking into account the factors outline in the assessment above.

Should the Company be unable to secure additional funding, it results in a material uncertainty that may cast a significant doubt about the Company' s ability to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business at amounts stated in the half-year report.

The half-year report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

The Company's auditors have referred to this section when completing their report on the Company's half-year report.

(d) Estimates and judgements

The preparation of these 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:

Capitalised exploration and evaluation expenditure

The Company has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the areas of interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

The future recoverability of capitalised exploration and evaluation_expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation expenditure through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and exploration, production estimates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Share-based payments

The Company measures the cost of equity settled transactions with employees and suppliers by reference to the fair value of the equity instruments at the date at which they are granted if the fair value is not present in the agreement. The fair value is determined using a recognised pricing model.

Deferred taxation

Deferred tax assets are only recognised for deductible temporary differences when management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

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3. Segment Information

The Company operates predominantly in the mineral exploration industry in Australia. For management purposes, the Company is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

4. Loss from continuing operations

	31 Dec 2022 $	31 Dec 2021 $
Loss from continuing operations before income tax has been determined after:		
(a) Revenue		
Interest revenue	13,635	4,828
	13,635	4,828
(b) Expenses		
Depreciation and amortisation	10,232	37,233

5. Loss per share

	31 Dec 2022 Cents per share	31 Dec 2021 Cents per share
From continuing		
Basic (cents per share)	(0.09)	(0.48)
Diluted (cents per share)	(0.09)	(0.48)

a. Reconciliation of earnings used in calculating loss per share

Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	**(477,339)**	(1,964,870)

b. Weighted average number of shares used as the denominator

	2022 No. of shares	2021 No. of shares
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**521,628,708**	410,093,373

The shares under option at the end of the period are not considered dilutive as the average market price of ordinary shares during the period did not exceed the exercise price of the options and the Company has made a loss.

6. Current assets: Cash and cash equivalents

	31 Dec 2022 $	30 Jun 2022 $
Cash at bank and on hand (i)	339,974	1,537,129
Bank short term deposits (ii)	1,830,000	2,200,000
	2,169,974	3,737,129

(i) Cash at bank and on hand earns interest at floating rates based on daily bank deposits.
(ii) Available at short notice.

7. Current assets: Other receivables

	31 Dec 2022 $	30 Jun 2022 $
Exploration expenditure re-charged to Vango Mining Ltd	151,962	151,962
Provision for non-recovery	(151,962)	(151,962)
Interest receivable	9,894	2,936
Sundry receivables	68,317	174,217
	78,211	177,153

No receivables are considered past due other than those provided for and there are no expected credit losses.

8. Other assets

	31 Dec 2022 $	30 Jun 2022 $
Prepayments	29,874	10,307
	29,874	**10,307**

9. Non-current assets: Property, plant & equipment

	31 Dec 2022 $	30 Jun 2022 $
Right of use assets		
At cost	186,769	158,499
Less: Accumulated depreciation	(166,209)	(158,499)
	20,560	**-**
Plant & Equipment		
At cost	33,967	33,967
Less: Accumulated depreciation	(32,691)	(31,953)
	1,276	**2,014**
Reconciliation/movement for the year		
Carrying amount at beginning of year	2,014	4,364
Additions	28,270	68,530
Depreciation charge	(8,448)	(70,880)
Carrying amount at end of the period	**21,836**	**2,014**

10. Non-current assets: Capitalised mineral exploration and evaluation expenditure

	31 Dec 2022 $	30 Jun 2022 $
Tenement acquisition costs carried forward in respect of mining areas of interest		
Opening balance	5,610,934	4,352,843
Tenement acquisition costs [3]	-	18,365
Add: Amount capitalised during the period [1]	1,114,585	2,223,455
Less: write off of exploration assets [2]	(9,481)	(983,729)
Closing net book amount	**6,716,038**	5,610,934

[1] Exploration and evaluation costs capitalised during the year.

[2] During the prior period the Company re-assessed its areas of interest and determined that the disappointing results of the exploration programmes undertaken on the Ruby Plains Project warranted a decision regarding the retention (or otherwise) of the project. The amount recorded in the balance sheet as an asset has been written off as at 30 June 2022 with a small amount written off in the current period. The Company also wrote off amounts relating to the evaluation of new projects.

[3] On 2 February 2022, the Company issued 500,000 fully paid ordinary shares to acquire the gold rights for ML29/417 and ML29/418. The fair value of the consideration is $18,365.

11. Intangible assets

	31 Dec 2022 $	30 Jun 2022 $
Website – at cost	10,611	10,611
Less: Accumulated depreciation	(4,874)	(3,091)
	5,737	**7,520**

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12. Current liabilities: Trade and other payables

	31 Dec 2022 $	30 Jun 2022 $
Trade payables (i)	290,847	392,758
Other payables and accruals	202,891	235,077
	493,738	**627,835**

(i) Trade payables of $8,400 were past due over 30 days as at 31 December 2022 (30 June 2022: $10,353)

13. Lease liability

	31 Dec 2022 $	30 Jun 2022 $
Current		
Lease liability	14,122	-
Non-current		
Lease liability	7,533	-
	21,655	**-**
Reconciliation/movement for the year		
Opening balance	-	-
Amounts borrowed (new lease)	28,270	68,530
Less: amount repaid	(6,615)	(68,530)
Closing balance at end of period	**21,655**	**-**

Interest cost incurred for the period is $1,112 (2022: 3,099)

The Company entered into a new lease on 18 July 2022. The key inputs to the calculation are as follows:

Time Period: 24 months from 18 July 2022
Rate: Implicit interest rate of 6.15%
Fair Value of leases: $28,270

14. Issued capital

Equity (number of shares on issue and the amount paid (or value attributed) for the shares)
523,050,625 fully paid ordinary shares (30 June 2022: 521,550,625)

The following changes to the shares on issue and the attributed value during the periods:

	31 Dec 2022 Number	30 Jun 2022 Number	31 Dec 2022 $	30 Jun 2022 $
Balance at the beginning of the year	521,550,625	410,093,373	38,078,799	34,746,551
Conversion of options to shares [1]	-	3,000,000	-	60,000
Issue of share for acquisition of gold rights [2]	-	500,000	-	18,365
Issue of shares to extinguish debt [3]	-	732,000	-	21,960
Issue of shares in a placement [4]	-	100,000,000	-	3,000,000
Issue of shares to director [5]	-	1,153,846	-	36,923
Issue of shares to director [6]	-	3,750,000	-	120,000
Issue of shares to extinguish debt [7]	-	2,321,406	-	75,000
Issue of share to directors [8]	1,000,000	-	22,000	-
Issue of shares to extinguish debt [9]	500,000	-	10,000	-
Sub-total	**523,050,625**	521,550,625	**38,110,799**	38,078,799

1. On 25 January 2022 the Company issued 3,000,000 fully paid ordinary shares on the conversion of options at an issue price of $0.02 per share.

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14. Issued capital (continued)

2. On 2 February 2022 the Company issued 500,000 fully paid ordinary shares at a fair value of $18,365 in consideration for the acquisition of gold rights on two mining tenements, ML29/417 & ML29/418.

3. On 23 and 24 March 2022 the Company issued 732,000 fully paid ordinary shares to extinguish creditors at a fair value of $21,960.

4. Following the receipt of shareholder approval on 18 March 2022, on 25 March 2022 the Company issued 100,000,000 fully paid ordinary shares at an issue price of $0.03 per share to raise $3,000,000.

5. Following the receipt of shareholder approval on 18 March 2022, on 25 March 2022 the Company issued 1,153,846 fully paid ordinary shares pursuant at a fair value of $36,923 to Mr Graeme Purcell pursuant to his consulting agreement as an annual bonus.

6. Following the receipt of shareholder approval on 18 March 2022, on 25 March 2022 the Company issued 3,750,000 fully paid ordinary shares at a fair value of $120,000 to Ms Hui Guo and Mr Graeme Purcell to provide executive directors with an incentive.

7. On 20 April 2022 the Company issued 2,321,406 fully paid ordinary shares to extinguish creditors at a fair value of $75,000.

8. On 13 December 2022 after receiving shareholder approval on 23 November 2022, the Company issued 1,000,000 fully paid shares to Mr Jonathan Lea as part of his employment contract.

9. On 13 December 2022 after board approval, the Company issued 500,000 shares to extinguish creditors at a fair value of $10,000.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

15. Reserves

	31 Dec 2022 $	30 June 2022 $
Option reserves (a)	4,492,395	4,459,891
Other reserves (b)	1,306,574	1,304,684
	5,798,969	5,764,575

The following changes to the options on issue and the attributed value during the periods:

	31 Dec 2022 Number	30 June 2022 Number	31 Dec 2022 $	30 June2022 $
Balance at the beginning of the year	122,400,000	143,500,000	4,459,891	4,458,445
Options issues to directors 1	-	1,000,000	-	1,446
Expiry and exercise of options	-	(22,100,000)	-	-
Options issues to directors 2	2,000,000	-	24,483	-
Options issues to consultants 3	500,000	-	5,347	-
Options issues as remuneration to employee 4	250,000	-	2,674	-
Expiry of options	(10,000,000)	-	-	-
Sub-total	137,250,000	122,400,000	4,492,395	4,459,891
Balance at the end of the period / year	**137,250,000**	122,400,000	**4,492,395**	4,459,891

1. On 8 March 2021 the Company engaged Mr Graeme Purcell under a consulting agreement. The agreement included the issue of 1 million options at an exercise price of $0.10 per option with an expiry date 3 years from the date of issue. The Company received shareholder approval on 19 November 2021 and the updated final valuation of the options using a Black Scholes Option Pricing model using the following inputs:
   (a) Grant Date - 19 November 2021
   (b) Expiry date – 3 years after the date of issue
   (c) Market price of securities - $0.020
   (d) Exercise price of securities - $0.10
   (e) Risk free rate - 0.10%
   (f) Volatility - 79.28%

   A provisional expense amount of $1,682 was recognised in the 2021 financial year with the remaining balance expensed in the current period.

15. Reserves (continued)

2. The Company has issued 2,000,000 options on 13 December 2022 to Jonathan Lea after receiving shareholder approval on 23 November 2022. The options will have an exercise price of $0.06 and expire 3 years after issue. The fair value of each option is $0.0122 and the total cost for the period was $24,483. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:
   (a) Grant Date - 23 November 2022
   (b) Expiry date - 30 November 2025
   (c) Market price of securities - $0.022
   (d) Exercise price of securities - $0.06
   (e) Risk free rate - 3.27%
   (f) Volatility - 120.04%

3. On 13 December 2022 the Company issued 500,000 options to consultants for IT services with an exercise price of $0.06 expiry on 30 November 2025. The fair value of each option is $0.0107 and the total cost for the period was $5,347. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:
   (a) Grant Date – 13 December 2022
   (b) Expiry date - 30 November 2025
   (c) Market price of securities - $0.02
   (d) Exercise price of securities - $0.06
   (e) Risk free rate – 3.12%
   (f) Volatility – 120.45%

4. On 13 December 2022 the Company issued 250,000 options to an employee with an exercise price of $0.06 expiry on 30 November 2025. The fair value of each option is $0.0107 and the total cost for the period was $5,347. The Company valued the options using a Black Scholes Option Pricing model with the following inputs:
   (a) Grant date – 13 December 2022
   (b) Expiry date – 30 November 2025
   (c) Market price of securities - $0.02
   (d) Exercise price of securities - $0.06
   (e) Risk free rate – 3.12%
   (f) Volatility – 120.45%

(a) Performance rights

	31 Dec 2022 Number	30 June 2022 Number	**31 Dec 2022 $**	30 June 2022 $
Balance at the beginning of the year	28,000,000	32,000,000	1,304,684	250,129
Rights granted during the prior year [1]	-	-	1,890	3,750
Rights granted during the current year [2]	-	-	-	1,057,041
Rights forfeited during the year [3]		(4,000,000)	-	(6,236)
Balance as at period end	**28,000,000**	28,000,000	**1,306,574**	1,304,684

1. On 19 December 2019 the Company obtained shareholder approval to issue 8,000,000 Performance Rights to two Directors based on the following hurdles.

Class of Rights	Hurdle	Number	Fair value	Probability
Class A	48 Months – Defined JORC Resource of 25,000 ounces above 1 gmpt	2,000,000	$0.015 per Right	100%
Class B	48 Months – Defined JORC Resource of 55,000 ounces above 1 gmpt	2,000,000	$0.015 per Right	-%
Class C	48 Months – Defined JORC Resource of 75,000 ounces above 1 gmpt	2,000,000	$0.015 per Right	-%
Class D	48 Months – Defined JORC Resource of 100,000 ounces above 1 gmpt	2,000,000	$0.015 per Right	-%

The Company continues to monitor the performance of the hurdles during the period and no adjustment in probability was deemed necessary.

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15. Reserves (continued)

2. On 11 December 2020, the Company obtained shareholder approval to issue 24,000,000 Performance Rights (8,000,000 per class and 12,000,000 per Director) to two Directors in order to provide a performance linked incentive component in their remuneration package. The Performance Rights will vest and convert into shares upon satisfaction of the milestones listed below:

The fair value of the Performance Rights was determined using a Monte Carlo simulation model with each hurdle valued as follows:

	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights
VWAP Milestone ($) *	0.06	0.08	0.10
Methodology Simulation iterations	Monte Carlo 50,000	Monte Carlo 50,000	Monte Carlo 50,000
Grant date	11 Dec 20	11 Dec 20	11 Dec 20
Assumed expiry date	11 Dec 23	11 Dec 23	11 Dec 23
Share price at grant date ($)	0.06	0.06	0.06
Exercise price ($)	Nil	Nil	Nil
Risk-free rate (%)	0.1001	0.1001	0.1001
Volatility (%)	84.96	84.96	84.96
Fair value per security ($)	**0.0577**	**0.0539**	**0.0502**
Fair value ($)	**461,958**	**431,136**	**401,604**

* The volume weighted average price for the Company's Shares as traded on ASX over 20 consecutive trading days must exceed the milestone.

The fair value of the Performance Rights is being expensed over the assumed vesting period.

3. On 10 February 2022, the Company announced the passing of Mr Malcom Carson, executive Chairman of the Company. As a result, 4,000,000 Performance Rights granted during the 30 June 2020 financial year were forfeited and the $6,236 expensed in the prior period has been reversed.

16. Commitments and contingencies

Contingencies

At balance date there was one change to the contingent liabilities that was disclosed in the 30 June 2022 annual report. This change being that the Company announced on 1 November 2022 that it had been successful in its litigation against Vango Mining Limited (**Vango**) (ASX: VAN) and its wholly owned subsidiary Dampier (Plutonic) Pty Ltd.

The WA Supreme Court Trial judgement was delivered on 31 October 2022 which included:

(i) that Zuleika Gold was entitled to a 4.1% stake in M52/183;

(ii) ordered Vango to promptly transfer the 4.1% stake to Zuleika;

(iii) that Vango breached the terms of and wrongfully repudiated the Binding Term Sheet (**BTS**); and

(iv) ordered that the issue of legal costs of the trial would be determined after submissions from the parties and to be paid by Vango to Zuleika Gold.

The next stage of the litigation is to quantify the damages which may be payable by Vango on account of their determined breaches of the BTS.

The Company was served with a formal notice that Vango and its wholly owned subsidiary Dampier (Plutonic) Pty Ltd had lodged an appeal in the Supreme Court of Western Australia against the decision of Justice Smith.

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17. Related party transactions

During the period the Company incurred office rent of $5,200 for the month of July before the lease ceased. At 31 December 2022, there were no amounts outstanding to Ms Guo for office rent.

A $700,000 loan agreement, to assist with funding litigation against Vango, between the Company and Auracle Group Pty Ltd (a related party of Ms Guo) remains in place. The loan agreement was approved by shareholders on 11 December 2020 and no drawdown of funds has ever occurred.

18. Subsequent events

On 16 January 2023, the Company announced that the Supreme Court of Western Australia had determined that the special costs orders sought by Zuleika Gold against Vango Mining Limited and Dampier (Plutonic) Pty Ltd should be made in favour of Zuleika Gold.

On 30 January 2023, the Company announced that a 3km long gold in soil anomaly had been defined at the Company's Zuleika North prospect.

No other material subsequent events have occurred from balance date to the date of this report.

19. Share-based payments

(a) Employees and contractor's equity instruments

During the period, the Company issued the following securities:

(i) On 13 December 2002, after receiving shareholder approval on 23 November 2022, the Company issued 1,000,000 shares to Mr Jonathan Lea as part of his employment contract.

(ii) On 13 December 2022 after board approval, the Company issued 500,000 shares and 500,000 options to an IT consultant for services rendered.

(iii) On 13 December 2022, after receiving shareholder approval on 23 November 2022, the Company issued 2,000,000 options to Mr Jonathan Lea as part of an incentive.

(iv) On 13 December 2022 after board approval, the Company issued 250,000 options to an employee as part of an incentive.

(b) Expense

The total expense recognised for the period for historical rights was $1,890. The total expense for shares and options issued during the period is $66,394.

Reconciliation of expense in the statement of profit or loss

	Dec 2022 Number	Dec 2022 $
Options issued to a Director	2,000,000	24,483
Options issued to staff	250,000	2,674
Options issued to contractors	500,000	5,347
Sub-total		32,504
Expense of performance rights A Guo 2019		1,890
Sub-total		1,890
Shares issued to a Director	1,000,000	22,000
Shares issued to a contractor	500,000	10,000
Sub-total		32,000
Share based payments expense in the profit or loss		66,394

DIRECTORS' DECLARATION

The Directors declare that:

(a) The financial statements and notes, as set out on pages 7 to 19, are in accordance with the Corporations Act 2001, including:

i. complying with Accounting Standard AASB 134 – Interim Financial Reporting and the Corporations Regulations 2001; and

ii. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

(b) In the Directors' opinion there are reasonable grounds to believe that Zuleika Gold Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Annie Guo

Managing Director

Dated this 16th day of March 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ZULEIKA GOLD LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Zuleika Gold Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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

a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2c in the financial report, which indicates that the Consolidated Entity incurred a net loss of $477,339 during the half year ended 31 December 2022. As stated in Note 2c, these events or conditions, along with other matters as set forth in Note 2c, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

HALL CHADWICK

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated 16th day of March 2023
Perth, Western Australia

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