

ASX Announcement

28 OCTOBER 2022

ASX:MKG



QUARTERLY ACTIVITIES REPORT

For the period ending 30 September 2022

HIGHLIGHTS

NAPIÉ PROJECT

KOMBORO PROSPECT

- ❖ High-grade gold discovery at Komboro along 9km-long intermittent artisanal workings
- ❖ Significant results include:
 - NARC741: **9m at 3.26g/t Au from 67m**; including **3m at 7.29g/t Au** from 67m; and **1m at 30.47g/t Au** from 86m
 - NARC743: **1m at 8.45g/t Au** from 74m
 - NARC753: **5m at 1.64g/t Au** from 56m
- ❖ **6 of 7 targets drilled returned significant gold values highlighting untapped potential of the northern part of the permit**

CORPORATE

\$3.1M PLACEMENT

- ❖ Placement corner stoned by Dundee Goodman Merchant Partners to maintain their 9.9% holding in Mako
- ❖ \$4.00M cash balance, after recent \$3.00M capital raise, to fund exploration activities at Napié including auger drilling over 47km² of prospective ground and RC follow up drilling

CONSOLIDATED OWNERSHIP OF NAPIÉ GOLD PROJECT TO 90%

- ❖ Mako Gold has completed the acquisition of an additional 39% interest in the flagship Napié Gold Project in Côte d'Ivoire, increasing Mako's total ownership to 90%
- ❖ Established West African gold producer, Perseus Mining Limited (ASX & TSX:PRU), is now a strategic shareholder with a 2.94% equity holding in Mako

Mako Gold Limited ("Mako" or "the Company"; ASX:MKG) is pleased to present its Quarterly Activities Report for the period ending 30 September 2022. Activities are reported for exploration at the Company's flagship Napié Project ("Napié") and the Korhogo Project ("Korhogo") in Côte d'Ivoire (Figure 1). Minimal work has been undertaken during the quarter due to an exceptionally wet rainy season. The rains have almost subsided and field work is expected to resume early in the next quarter.



Mako Gold Ltd

ASX: MKG

Office address Level 6, 144 Edward Street Brisbane, Queensland, 4000

T +61 7 3076 0727 E info@makogold.com.au W makogold.com.au

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Figure 1: Napié and Korhogo projects – Côte d'Ivoire

NAPIÉ PROJECT – DISTRICT SCALE UPSIDE

Positive drill results received during the quarter at the **Komoro Prospect** supports **Mako's** broad strategy to define a multi-million-ounce resource at **Napié**, which the Company believes has **district scale potential**.

Komoro Prospect

Seven targets were drilled with **6 of the 7 targets intersecting significant mineralisation** (Figure 2).

Drill results include **9m at 3.26g/t Au**, including **3m at 7.29g/t Au** and, separately **1m at 30.47g/t Au** in NARC741, as well as **1m at 8.41g/t Au** in NARC743 from the previously undrilled K1 Target.

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Drilling at the K2 Target, located on a separate structure 3km to the east, intersected **5m at 1.64g/t Au** in NARC753 (Figure 2).

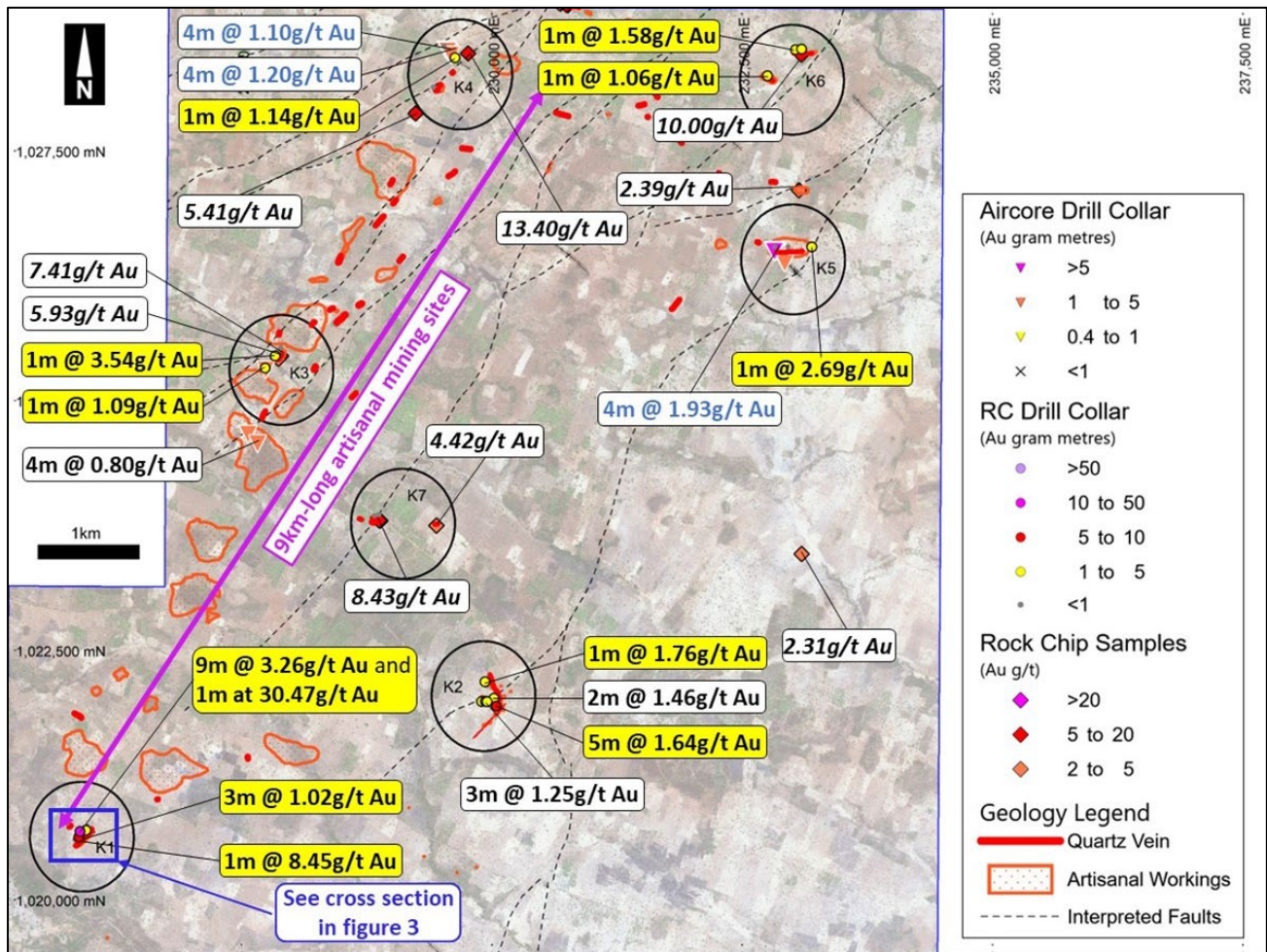


Figure 2: Komboro Prospect: Drill targets K1 to K7 – Select new (yellow) and previous (white) RC results and previous AC results (blue) and rock chips (white italics)

Targets were identified from Mako’s Aircore (AC) drilling which included **4m at 1.93g/t Au**, **4m at 1.20g/t Au**, and **4m at 1.10g/t Au**, and from geological mapping and rock chip sampling. The majority of the holes were drilled on **artisanal mining sites with large quartz veins** which can be **intermittently traced over 9km**, as well as on other smaller artisanal sites, which were identified during recent geological mapping.

The highly encouraging results from K1 and K2, located along separate structures which are splays off the Napié shear, points to the enormous prospectivity in the north of Napié. The highest priority for follow-up drilling is Target K1 where drill holes are planned along strike of positive results and also above and below NARC741 as shown in Figure 3. Testing of these areas has only just begun and further drilling is planned at Komboro based on results of planned auger survey.

Mako believes that Komboro has the potential to add to the Napié resource inventory as drilling progresses. Komboro displays the same characteristics as Tchaga and Gogbala in the early days of drilling.

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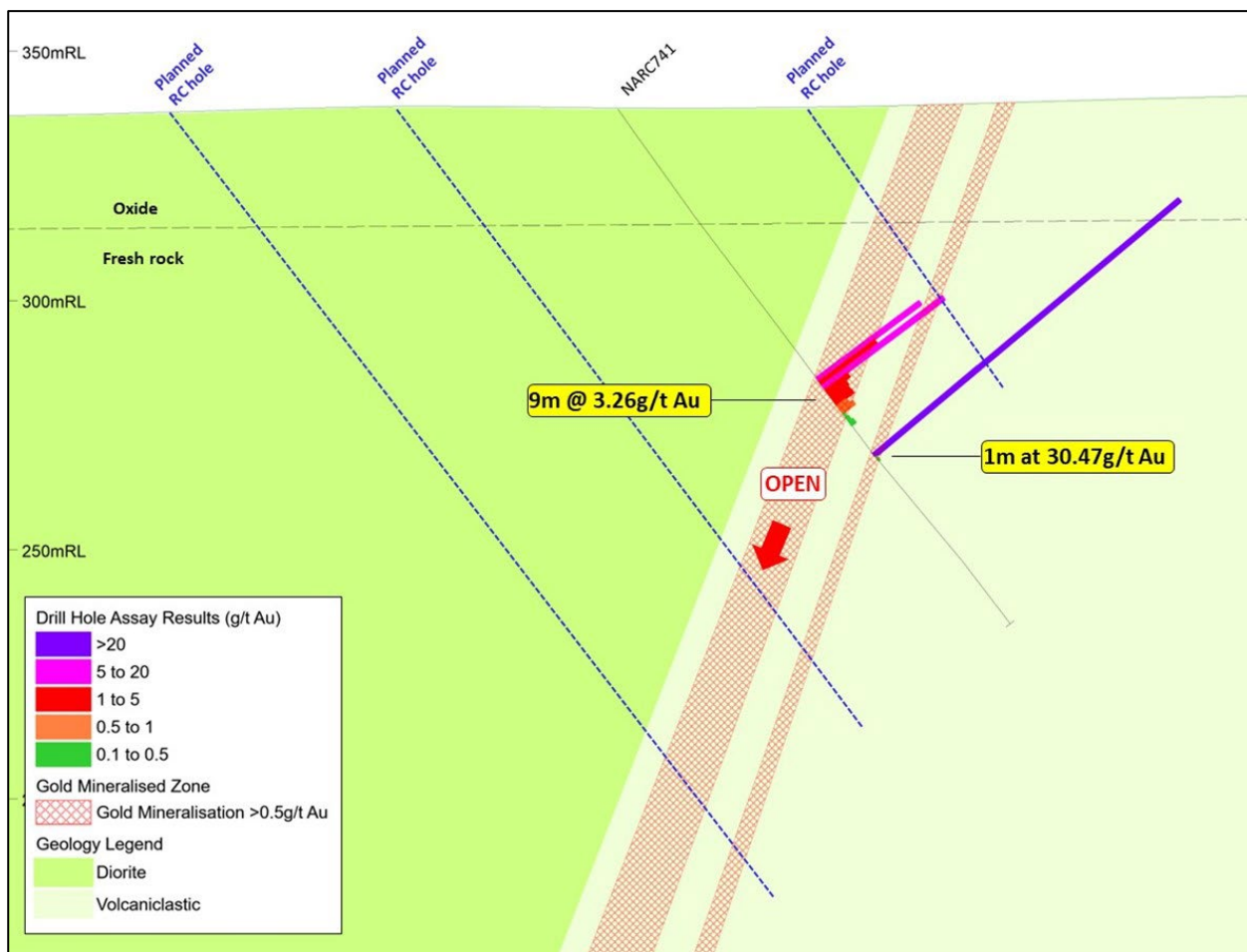


Figure 3: Target K1 cross section with new drill results and planned holes

NEXT STEPS FOR NEAR-TERM RESOURCE GROWTH POTENTIAL

Making a new discovery at the Komboro Prospect validates Mako’s belief in the district-scale potential and the **goal to identify a multi-million-ounce deposit on the Napié Project.**

Throughout the Napié Permit more than 30km of prospective structure and coincident soil anomalies remain relatively untested. The Company believes that the most cost-efficient path towards resource growth is to vector in on the large gold soil anomalies and prospective structures with auger drilling to generate drill targets with a similar “footprint” to Tchaga and Gogbala. Auger will define these targets cost effectively for later follow-up with RC and/or DD drilling. Figure 4 shows the high-priority areas in red where auger drilling is planned.

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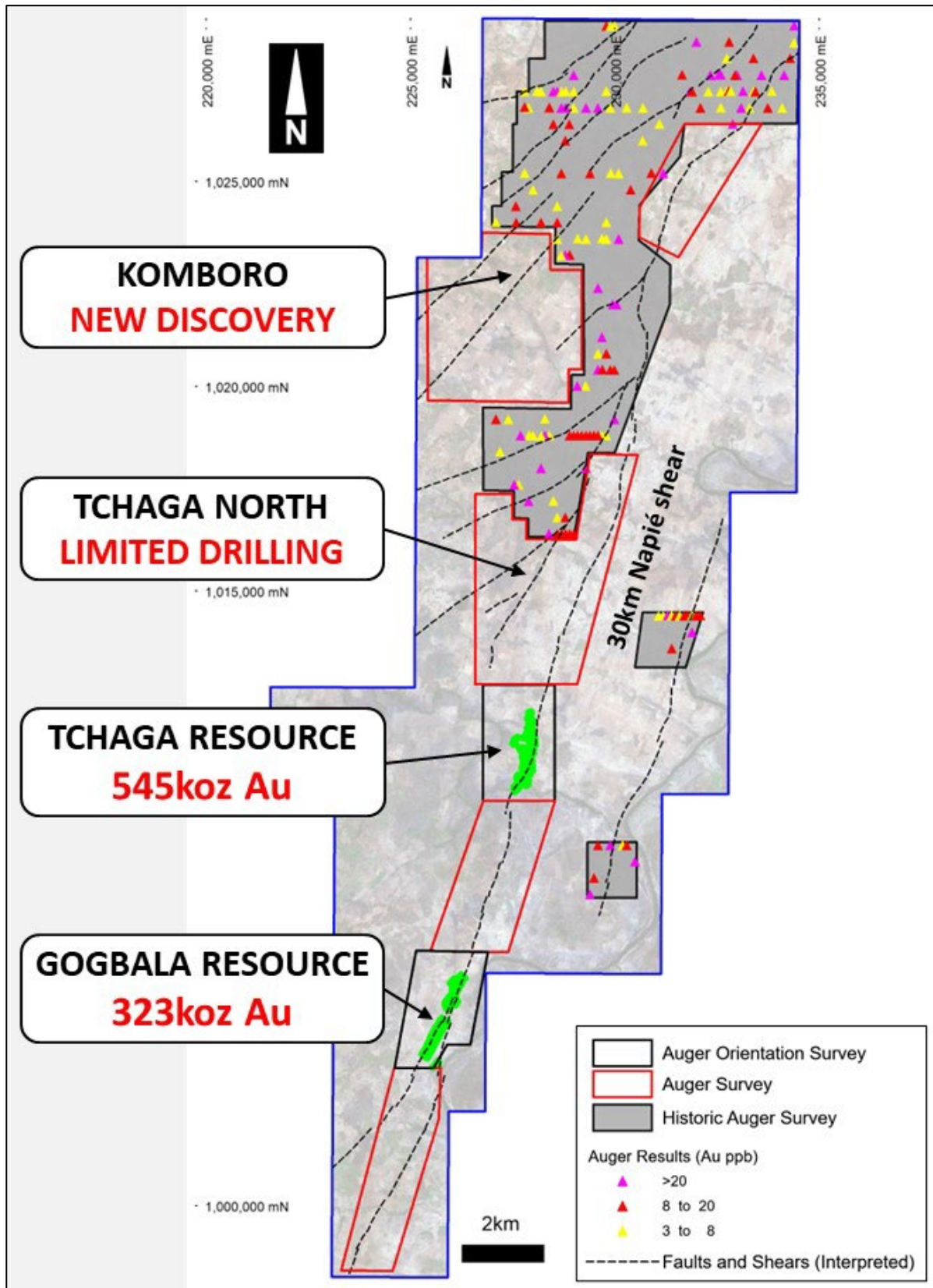


Figure 4: Napié Project – Four prospects with a pathway to resource growth along the 30km shear – Goal is to outline new areas with similar footprint to Tchaga/Gogbala for resource drilling

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CAPITAL RAISE

Subsequent to the quarter, Mako Gold raised **\$3.1 million** (before costs) through a Placement at 4.1c per share.

The Placement was **supported by new and existing institutional investors, including Mako Gold's Directors** who subscribed for shares worth a total of c.\$100,000 subject to shareholder approval at the upcoming Annual General Meeting.

The Placement introduced a number of new, high quality international investors to the Mako share register. The significant interest received provides strong validation of the Company's flagship Napié Project and Tier-1 management and exploration team that has demonstrated a track record of success in West Africa.

Prominent North American resource fund, **Dundee Goodman Merchant Partners, cornerstoned** the Placement with a binding commitment to subscribe for c.7.5M shares and will maintain their holding of 9.9% in Mako's pro-forma issued capital following completion of the Placement.

Together with existing cash reserves, the Placement ensures Mako is funded to continue exploration activities under the next stage of its strategic plan. This includes exploration and drilling campaigns at the Company's flagship Napié Gold Project that hosts a Maiden JORC 2012 Mineral Resource Estimate of 22.5Mt at 1.2g/t for 868koz Au at the Tchaga and Gogbala Prospects.

MAKO CONSOLIDATES OWNERSHIP OF NAPIÉ GOLD PROJECT TO 90%

Subsequent to the quarter, Mako completed the initial component of the Sale and Purchase Agreement (**Agreement**) to exchange Perseus Mining Limited's (**ASX & TSX: PRU**) (**Perseus**) 39% interest in the Napié Gold Project (**Napié or the Project**) (**the Transaction**) occurred. A summary of the Transaction terms is set out below:

- **Initial Equity Consideration:** 13,800,000 shares equivalent to 2.94% of Mako's issued capital (**Initial Consideration Shares**). The Initial Consideration Shares have a deemed issue price of \$0.101 per share (**Issue Price**) and are subject to a 12-month escrow. Completed.
- **Milestone 1 Resource Definition:** A\$2,400,000 payment payable in cash or scrip at Mako's election upon delineation of a 1Moz JORC Measured and Indicated Resource (representing a minimum of 25 million tonnes at a minimum grade of 1.25 grams per tonne gold) at Napié. Shares to be issued at the higher of the Issue Price (being 23,762,376 Shares) or the 30-day VWAP of Mako's shares immediately prior to Milestone 1 being achieved.
- **Milestone 2 Commercial Production:** A\$2,400,000 payment payable in cash or scrip at Perseus' election upon the first sale of gold doré or ore extracted from Napié. Shares to be issued (being 23,762,376 Shares) at the higher of the Issue Price or the 30-day VWAP of Mako's shares immediately prior to Milestone 2 being achieved.

The Agreement is now fully executed following satisfaction of the following conditions:

- (a) Mako shareholder approval received at the Extraordinary General Meeting held 20 August 2021;
- (b) Perseus successfully applied to the Ivorian Minister of Mines for an exceptional renewal of the Permit, and the exceptional renewal of the Permit was granted by way of a ministerial decree on 1 March 2022.
- (c) Occidental Gold SARL (**Occidental**), a subsidiary of Perseus, obtained a decree from the Ivorian minister responsible for mines transferring the Permit to Mako Côte d'Ivoire, a subsidiary of the Company.

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NAPIÉ OWNERSHIP BACKGROUND

Prior to the Agreement, Mako was earning up to a 75% interest in Napié under a farm-in and joint venture (**JV**) agreement with Occidental (**Occidental JV Agreement**)¹.

Occidental was the registered holder of the Napié Permit and had an existing Joint Venture arrangement with African American Investment Fund SA (**AAIF**) (**AAIF JV Agreement**). Under the AAIF JV Agreement, Occidental held a 90% participating interest in the Napié Permit and AAIF held the remaining 10% Participating Interest, free carried until the completion of a feasibility study (**FS**) which demonstrates that it is commercially feasible to develop a mining project. As part of the Transaction, Occidental's interest in the AAIF JV Agreement was assigned to Mako.

Since IPO in 2018, Mako has unlocked significant value from its flagship Napié Project, completing its first stage earn-in equity of 51% early in July 2019 achieving an exploration spend of US\$1.5M over a 3-year period.

Under the original farm in agreement, post completion of a FS by Mako, the Napié ownership structure would have comprised 75% Mako, 15% Perseus and 10% AAIF. The Transaction resolves the fragmented ownership structure of Napié and **increases Mako's ownership from 51% to 90%**.

COVID-19

Mako has maintained strict protocols regarding the COVID-19 pandemic and is pleased to report that **there has been no incidence of COVID-19 at any Company site**.

CASH BALANCE OF \$4.00M

The Company currently has a cash balance of \$4.00 million which includes the proceeds of the capital raise completed on 21 October 2022. This provides the Company with sufficient funds to resume its exploration activities in the next quarter, now that the wet season is ending.

CORPORATE

- 469.212M shares on issue at the date of this report
- 4M unlisted August 2023 \$0.12 options on issue
- 10.2M unlisted November 2023 \$0.155 ESOP options on issue
- Market capitalisation of \$18.67M (at \$0.041/share) as at 25 October 2022
- Cash reserves of \$1.49M at the end of the quarter – before the \$3M share placement in October

A total of \$1,104,000 was incurred on exploration in the quarter on the Napié project.

Payments totalling \$109,702 were made to related parties of the Company during the quarter ended 30 September 2022, as shown in the Appendix 5B. These payments related to executive director salaries and non-executive directors' fees (\$102,625) and payments of \$7,077, at normal commercial rates, to a firm of lawyers of which a Director is a partner, for legal services during the quarter.

¹ For details of the agreement please refer to Section 9.1 of Mako Gold's Prospectus and section 4.6 of Mako Gold's Supplementary Prospectus, lodged on the ASX on 13 April 2018.

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The top 10 shareholders as at 24 October 2022:

Ordinary Shares

Rank	Name	24 October 22	%IC
1	Citicorp Nominees Pty Limited	60,943,367	12.99%
2	Sparta Ag	40,000,000	8.52%
3	Perseus Mining Limited	13,800,000	2.94%
4	Equity Trustees Limited	12,456,416	2.65%
5	Mr Terrance Frederick Burling	11,887,916	2.53%
6	Delphi Unternehmensberatung Aktiengesellschaft	11,228,261	2.39%
7	HSBC Custody Nominees (Australia) Limited	10,147,870	2.16%
8	Mr David Harper	8,139,026	1.73%
9	Mr Peter Francis Rene Ledwidge & Mrs Ann Louise Ledwidge	7,533,433	1.61%
10	Huon Pine Pty Ltd	7,022,072	1.50%
	Total	183,158,361	39.04%
	Balance of register	286,053,973	60.96%
	Grand total	469,212,334	100.00%

Share trading in the quarter

Name	Code	Price			Volume			
		High	Low	Close	Total Volume	Daily Average Volume	Total Value	Daily Average Value
Mako Gold Limited	MKG.ASX	0.079	0.044	0.05	16,663,367	256,359	1,098,156	16,895

TENEMENT SCHEDULE

Location	Permit Name	Permit Number	Legal Holder	Mako Interest	Status
Côte d'Ivoire	Napié	PR281	Occidental Gold SARL	90% ownership/ AAIF 10% ownership	Granted Exceptional renewal granted to Occidental Gold and transfer from Occidental Gold to Mako CI granted
Côte d'Ivoire	Ouangolodougou	PR 867	Mako Côte d'Ivoire SARLU	100% ownership	Granted
Côte d'Ivoire	Korhogo Nord	PR862	Mako Côte d'Ivoire SARLU	100% ownership	Granted

Napié: On 7th September 2017 Mako Gold Limited signed a Farm-In and Joint Venture Agreement with Occidental Gold SARL. The agreement gives Mako the right to earn 51% of the Napié Permit by pending US\$1.5M on the property within three years and the right to earn 75% by sole funding the property to completion of a Feasibility Study. Mako completed the expenditure requirement to earn the initial 51% in 2019. On 29 June 2021 Mako announced that it has signed a binding agreement with Perseus Mining Limited to acquire their 39% interest in Napié. After completion of the agreement Mako now has 90% ownership of the permit. The transfer of the Napié permit from Occidental Gold SARL to Mako Côte d'Ivoire SARLU was lodged with the Ministry of Mines in July 2021 and was granted to Mako Côte d'Ivoire SARLU in September 2022. The exceptional renewal of the Napié permit for a further two years was granted to Occidental Gold SARL on 1 March 2022.

Korhogo Nord: The decree for the granting of the permit application was received on 25 September 2020. The size of the permit is 185km². Mako Côte d'Ivoire SARLU, a 100%-owned Côte d'Ivoire subsidiary of Mako Gold Limited, holds 100% interest in the Korhogo Nord permit.

Ouangolodougou: The decree for the granting of the permit application was received on 19 January 2021. The size of the permit is 111km². Mako Côte d'Ivoire SARLU, a 100%-owned Côte d'Ivoire subsidiary of Mako Gold Limited, holds 100% interest in the Korhogo Nord permit.

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ASX ANNOUNCEMENTS

Announcements made since the end of the previous quarter and prior announcements, including 2012 JORC reporting tables where applicable, which relate to results included in this Quarterly Activities Report, can be found in the following announcements lodged with the ASX:

- 21 October 2022 – Mako Completes 90% Consolidation of Napié Gold Project
- 14 October 2021 – \$3.1M Equity Raise to Fund Napié Project Growth Strategy
- 11 July 2022 – High-Grade gold Discovery at Napié Komboro Prospect
- 14 June 2022 – Mako Delivers 868koz Maiden Resource at Napié Prospect

Approved by the Board of Mako Gold

Peter Ledwidge
Managing Director

For further information please contact:

Mr Peter Ledwidge

Managing Director

Ph: +61 417 197 842

Email: pledwidge@makogold.com.au

Paul Marshall

Company Secretary/CFO

Ph: +61 433 019 836

Email: pmarshall@makogold.com.au

Further information on Mako Gold can be found on our website www.makogold.com.au

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mrs Ann Ledwidge B.Sc.(Hon.) Geol., MBA, who is a Member of The Australian Institute of Geoscientists (AIG). Mrs Ledwidge is a full-time employee and a shareholder of the Company. Mrs Ledwidge has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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'. Mrs Ledwidge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Compliance Information

The information in this report that relates to Mineral Resources is extracted from the announcement "Mako Delivers 868koz Maiden Resource to Provide Strong Growth Platform at Napié" released to the Australian Securities Exchange on 14 June 2022 and available to view on www.makogold.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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About Mako Gold

Mako Gold Limited (**ASX:MKG**) is an Australian based exploration Company focused on advancing its flagship Napié Gold Project (224km²) in Côte d'Ivoire located in the West African Birimian Greenstone Belts which hosts more than 70 +1Moz gold deposits. Senior management has a proven track record of high-grade gold discoveries in West Africa and aim to deliver significant high-grade gold discoveries.

On 14 June 2022, a maiden Mineral Resource Estimate was reported in accordance with JORC (2012) at Tchaga and Gogbala on Mako's 90% owned Napié Project².

Deposit	Category	Tonnes (Mt)	Grade (g/t Au)	Au (koz)
Tchaga	Inferred	14.6	1.16	545
Gogbala	Inferred	7.8	1.29	323
Global Resource	Total	22.5	1.20	868

Resources reported at a cut-off grade of 0.6g/t gold. Differences may occur in totals due to rounding.

In addition, Mako Gold has 100% ownership of the Korhogo Gold Project comprising two permits (296km²) covering 17km of faulted greenstone/ granite contact (high-grade gold targets) located within 30km of Barrick's operating Tongon Gold Mine (4.9Moz Au) in a highly prospective greenstone belt that also hosts Montage Gold's 4.5Moz Kone gold deposit, both located in Côte d'Ivoire, as well as Endeavour's 2.7Moz Wahgnion gold mine across the border in Burkina Faso.

² Refer to ASX release dated 21 October 2022