

ASX ANNOUNCEMENT

29 JUNE 2021

ASX:MKG



Updated Announcement re Consolidation of Interest in Napié Project

Please find attached an updated version of the announcement lodged earlier this morning titled *Mako Consolidates Ownership of Napié Gold Project from 51% to 90%*. The updated version incorporates (non-material) revisions after input from Perseus Mining Limited the other party to the agreement.

This announcement has been approved by the Board

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MAKO CONSOLIDATES OWNERSHIP OF NAPIÉ GOLD PROJECT FROM 51% TO 90%

HIGHLIGHTS

- ❖ Mako Gold has entered into a binding agreement with established West African gold producer, Perseus Mining Limited, to acquire their 39% interest in Mako's flagship Napié Gold Project in Côte d'Ivoire
- ❖ Perseus Mining to emerge as a strategic shareholder of Mako at completion with a 5.1% equity holding and Mako to own 90% of the Napié Gold Project
- ❖ Perseus's shares in Mako to remain under escrow for a period of 12 months
- ❖ This transaction validates Mako's systematic exploration and growth strategy that aims to extend existing high-grade mineralisation, test multiple high priority regional prospects and to support a future maiden Mineral Resource Estimate
- ❖ In addition, this transaction is a strong endorsement of Mako's 100% owned Korhogo Project (located c.30km of Barrick's Tongon Mine) and Mako's exploration/ management team

Mako's Managing Director, Peter Ledwidge commented:

"We are pleased to welcome proven West African gold developer and producer Perseus as a cornerstone shareholder in Mako. They have proved to be a supportive JV partner at Napié and we look forward to their ongoing support as a shareholder of Mako."

"The consolidation of the Napié Gold Project to 90% ownership is a major milestone for Mako, simplifying the existing JV and providing our shareholders with a clearer path to the commercialisation of this asset. This transaction removes uncertainty around the future JV milestones and project equity/funding."

"This transaction is a testament to the Mako team for their exploration success at Napié and strategy to unlock further value. The transaction also provides Perseus with upside on future exploration success by Mako on the Korhogo Project and any other exploration project in which Mako becomes involved".

TRANSACTION DETAILS

Mako Gold Limited (**ASX: MKG**) (**Mako or the Company**) is pleased to advise that it has executed a 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**) located in north-central Côte d'Ivoire within the Daloa greenstone belt for an initial equity consideration and two deferred milestone payments (**the Transaction**).

- **Initial Equity Consideration:** 13,800,000 shares equivalent to 5.1% 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.
- **Milestone 1 Resource Definition:** A A\$2,400,000 payment payable in cash or scrip at Mako's election upon delineation of a 1Moz Measured and Indicated Resource (representing a minimum of 25 million tonnes at a minimum grade of 1.25 grams per tonne gold or similar outcome which demonstrates potential economic viability) under the JORC Code 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 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 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 2 being achieved.

Completion of the Transaction is subject to and conditional upon (amongst other matters):

- (a) Perseus obtaining a decree from the Ivorian Minister of Mines transferring the Permit (Transfer Decree);
- (b) Mako shareholder approval;
- (c) if the Transfer Decree is not obtained prior to 17 September 2021, Perseus applying to the Ivorian Minister of Mines for an exceptional renewal of the Permit, and the exceptional renewal of the Permit being granted by way of a ministerial decree.

For the Transaction, Discovery Capital Partners acted as corporate advisor and HopgoodGanim acted as legal advisor to Mako.

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 Gold SARL (**Occidental**) an Ivorian subsidiary of Perseus (**Occidental JV Agreement**)¹.

Occidental is the registered holder of the Napié Permit and has an existing Joint Venture arrangement with African American Investment Fund SA (**AAIF**) (**AAIF JV Agreement**). Under the AAIF JV Agreement, Occidental holds a 90% interest in the Napié Permit and AAIF holds the remaining 10% interest, free carried until the

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.

completion of a feasibility study (**FS**) which demonstrates that it is commercially feasible to develop a mining project.

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 involving exploration spend of US\$1.5M over a 3-year period.

Under the Occidental JV 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 current fragmented ownership structure of Napié and **increases Mako's ownership from 51% to 90%**. The change in ownership is summarised in Table 1.



| NAPIÉ PROJECT OWNERSHIP | CURRENT | COMPLETION OF FEASIBILITY STUDY & EARN-IN | POST TRANSACTION WITH PERSEUS |
|---|---------|---|-------------------------------|
|  | 51% | 75% | 90% |
|  | 39% | 15% | - |
| African American Investment Fund (AAIF) | 10% | 10% | 10% |

Table 1: Napié Gold Project Current & Pro-forma Ownership Summary

This announcement has been approved by the Board of Mako Gold Limited

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ABOUT PERSEUS MINING

Perseus Mining (**ASX & TSX: PRU**) is a multi-mine, multi-jurisdictional explorer, developer, and producer of gold with a solid track record of successfully operating in West Africa. Perseus currently has three producing gold mines, one in Ghana and two in Côte d'Ivoire, including the recently commissioned Yaouré Gold Mine which achieved commercial production in March 2021. Perseus is on track to produce more than 500,000 ounces of gold per year with three mines in operation, generating a cash margin of more than US\$400 per ounce from financial year 2022.

ABOUT MAKO GOLD

Mako Gold Limited (**ASX: MKG**) is an Australian based exploration Company focused on advancing its flagship Napié 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.

In addition, Mako Gold has 100% ownership of the Korhogo 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 3.2Moz 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 (Figure 1).

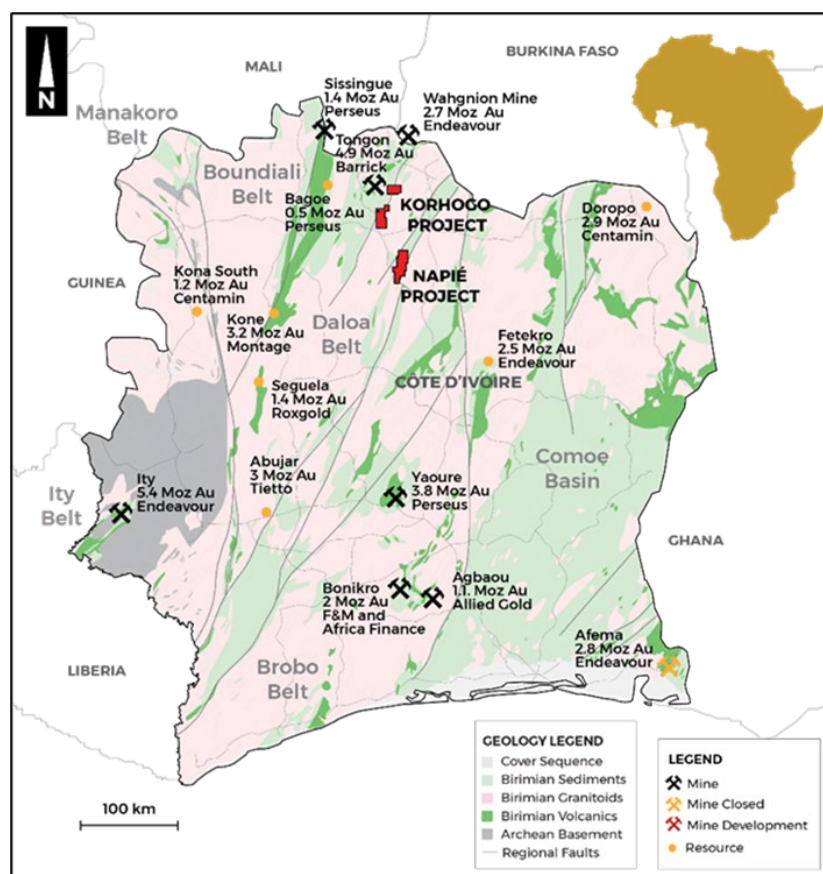


Figure 1: Côte d'Ivoire - Mako projects on simplified geology with mines and deposits

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