

QUARTERLY ACTIVITIES REPORT

For the period ending 30 June 2020

HIGHLIGHTS

- ❖ 10,000 m, 90-hole reversed circulation and diamond drill program commenced on Napié Project
- ❖ Assays received for first five holes include 14m at 5.46g/t Au including 5m at 11.28g/t Au, and 9m at 4.08g/t Au within same hole, NARC124
- ❖ Drill program is scheduled to continue through to December 2020
- ❖ Capital raising of \$3.25M (before costs) completed subsequent to the end of the quarter
- ❖ Definitive Sale Agreement for Niou Project in Burkina Faso to Nordgold for US\$700,000 signed
- ❖ COVID-19 safety protocols established

Mako Gold Limited (“Mako” or “the Company”; ASX:MKG) is pleased to present its Quarterly Activities Report for the period ending 30 June 2020. Activities are reported for exploration on its flagship Napié Project in Côte d’Ivoire (Figure 1).

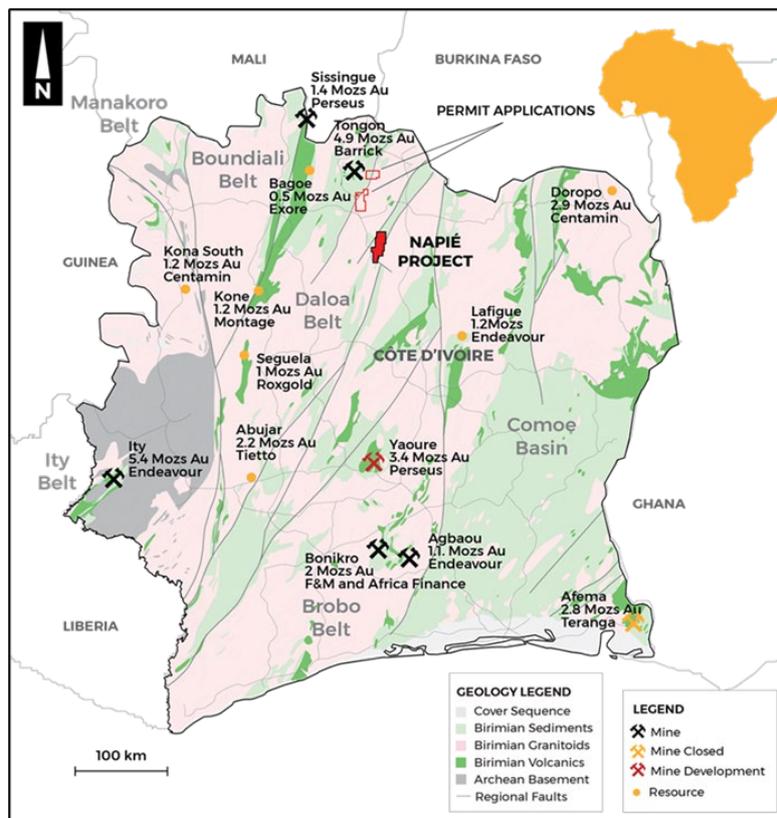


Figure 1: Napié Project and Mako permit applications - Côte d’Ivoire

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Early wide and high-grade gold results from 10,000m RCC and DD drill program

During the reporting period the Company commenced at 10,000 metre, circa 90-hole reverse circulation (RC) and diamond drilling (DD) program on the Napié Project. The majority of the drilling will occur at the Tchaga Prospect located along a 23km long +40ppb gold soil/auger (yellow/green) anomaly coincident with a +30km-long shear zone (black dashed lines), thought to be a major control for gold mineralisation as shown on Figure 2.

The Tchaga Prospect is only one of four prospects identified from drilling by Mako thus far (Figure 2). The short-term goal is to outline a JORC-compliant resource on Tchaga and thereafter continue drilling on the other prospects with the aim of adding to a potential resource.

Subsequent to the reporting period Mako received results for the first 5 holes of RC drilling on Tchaga Prospect in the central portion of the 30km long permit (Figure 3).

Significant drill intersections received from the first five holes of the 90-hole program include:

❖ **NARC124**

- ◆ **14m at 5.46g/t Au from surface; including 5m at 11.28g/t Au from surface**
- ◆ **3m at 2.35g/t Au from 17m**
- ◆ **7m at 1.45g/t Au from 56m**
- ◆ **9m at 4.08g/t Au from 80m; including 2m at 9.47g/t Au from 83m**
- ◆ **8m at 1.59g/t Au from 93m**

❖ **NARC121**

- ◆ **5m at 1.06 g/t Au from 7m**
- ◆ **4m at 1.33g/t Au from 69m**

The drill program follows up on positive results received on the Tchaga Prospect to date by the Company.

Previous select drill results received include:

- ❖ **36m at 3.09g/t Au from 43m - hole NARC107**
- ❖ **28m at 4.86g/t Au from 83m - hole NARC057**
- ❖ **25m at 3.43g/t Au from 53m - hole NARC017**
- ❖ **18m at 3.25g/t Au from 39m - hole NARC080**
- ❖ **23m at 2.46g/t Au from 15m - hole NARC084**
- ❖ **17m at 2.43g/t Au from 86m - hole NARC055**
- ❖ **30m at 1.16g/t Au from 117m - hole NARC101**
- ❖ **7.7m at 11.65g/t Au from 169m - hole NARC058DD**

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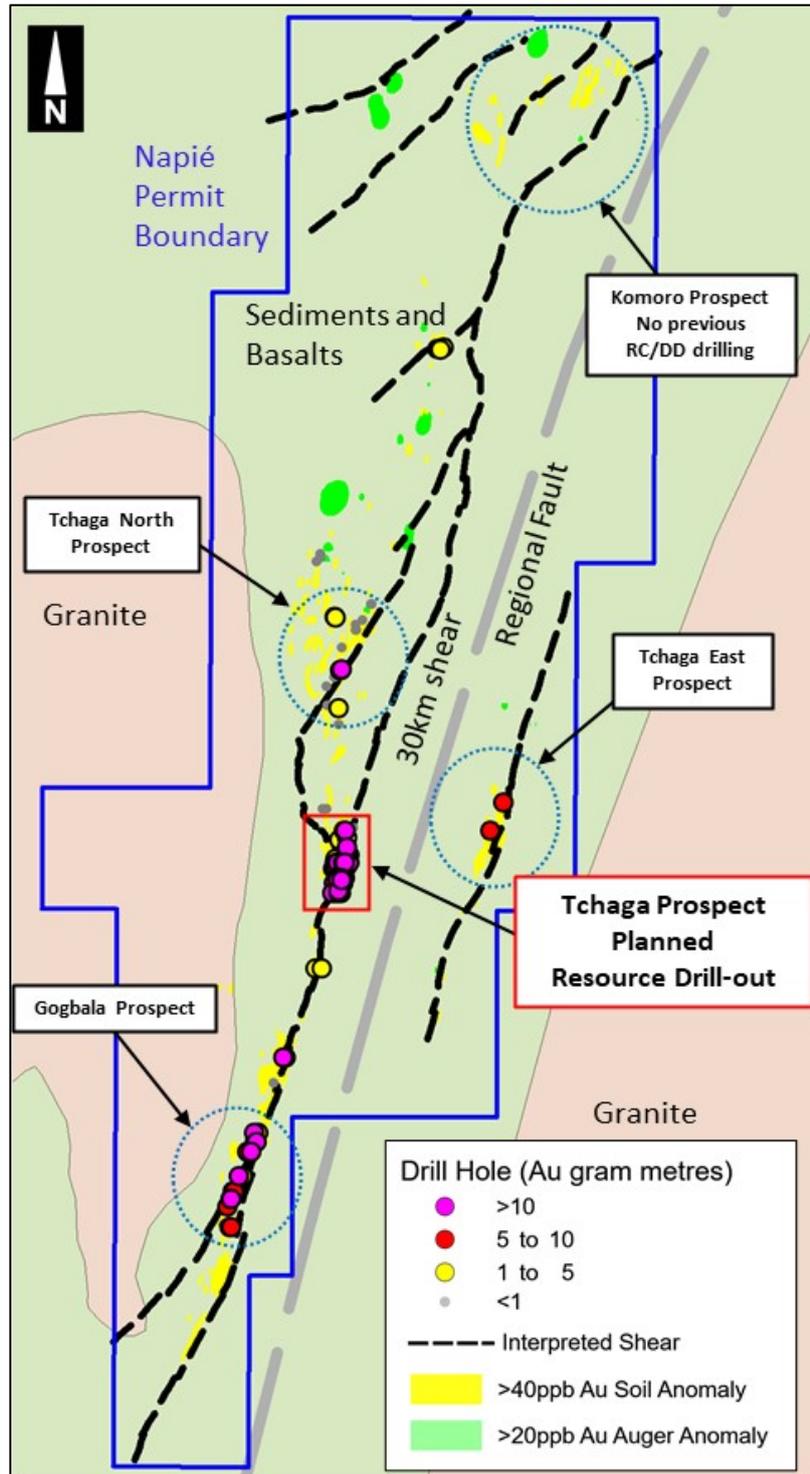


Figure 2: Napié Project with Tchaga Prospect in red rectangle

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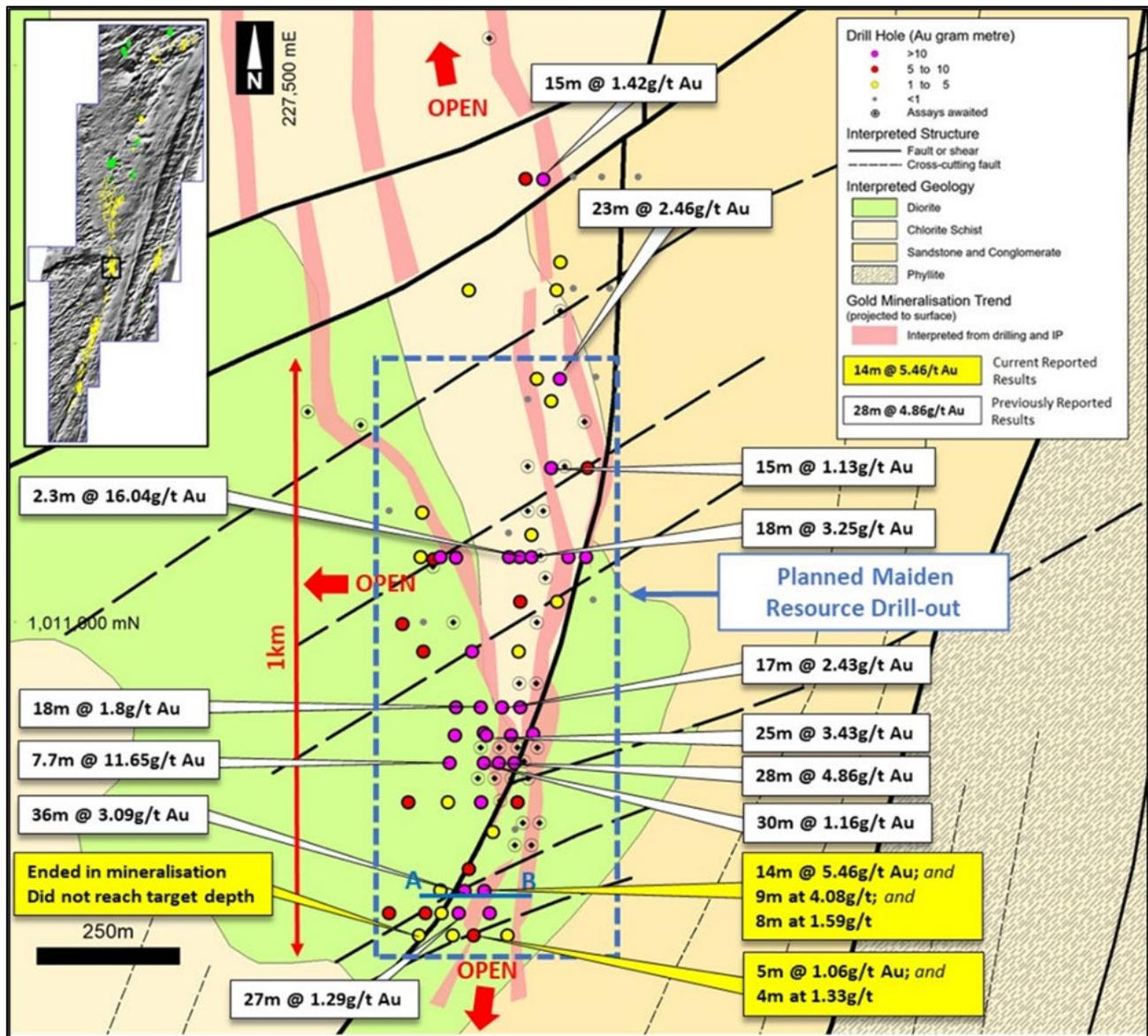


Figure 3: Tchaga Prospect - Select gold intercepts from current and previous drilling - Inset map: Napié permit showing Tchaga (black square) along soil (yellow) and auger (green) anomalies on magnetics

Hole NARC124 returned two main zones of high-grade gold mineralisation, including 14m at 5.46g/t and 9m at 4.08g/t Au. These intervals are contained within broader mineralised envelopes shown on Figure 4 as pink shading. The two mineralised zones encountered on this section are geologically similar to mineralisation encountered on sections 330 metres to the north, which increases our confidence in the continuity of mineralisation along strike.

IP (Induced Polarisation) geophysics indicate the presence of a cross fault shown on Figure 3 and Figure 4 in this area, that is believed to offset the mineralised zones. To confirm the interpretation, three DD holes are currently being drilled, shown in blue dashed lines on Figure 4. The core from DD holes should identify faults and intersect mineralisation and will enable better targeting of subsequent drill holes in the ongoing program.

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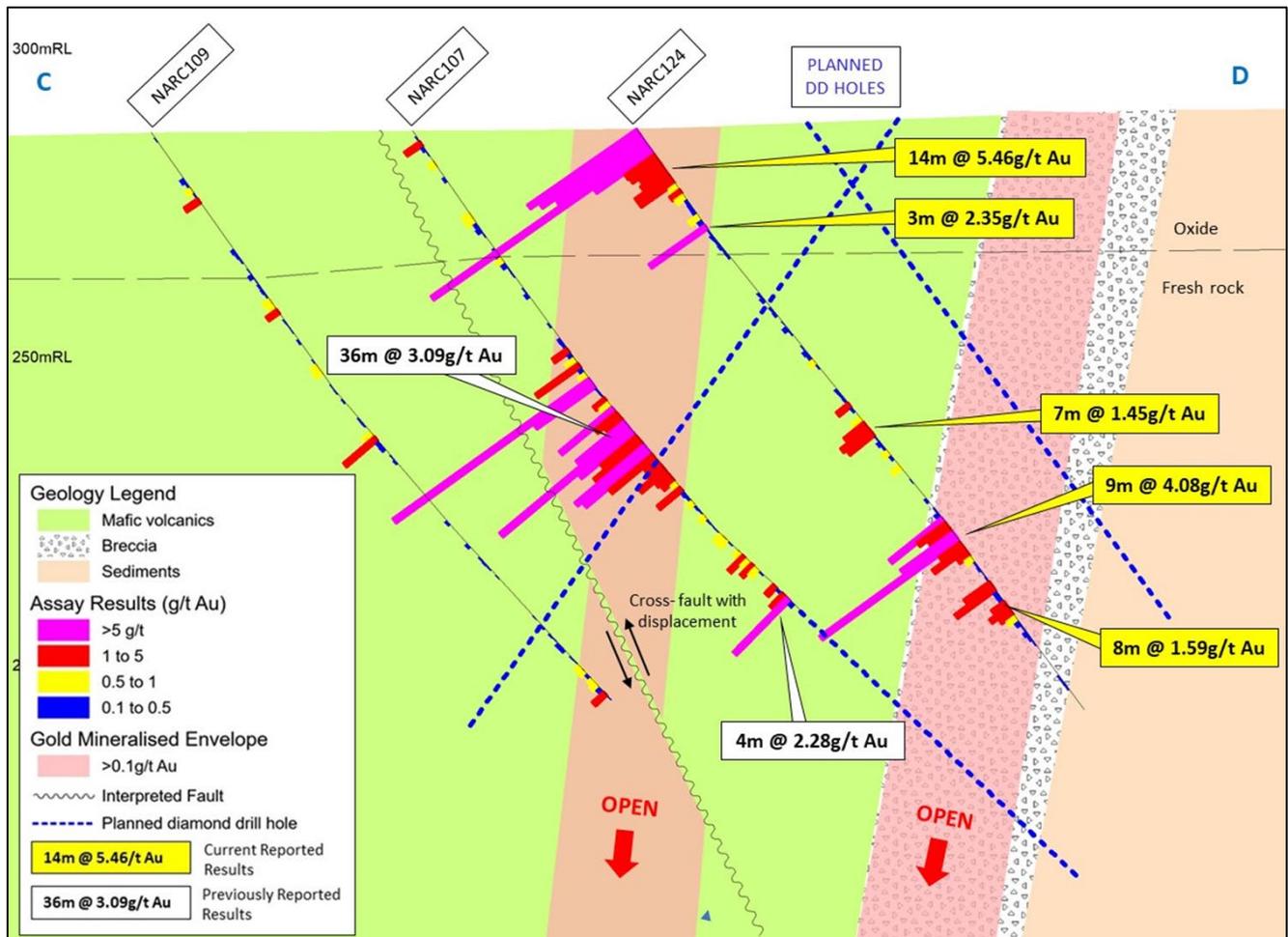


Figure 4: Cross section A-B looking north with drill results and planned DD holes (blue dashed lines) showing possible displacement by interpreted fault

\$3.25 million placement completed

During and subsequent to the quarter, Mako successfully completed an oversubscribed two tranche Placement to raise c.\$3.25M before costs (Placement). The Placement comprised the issue of 65M new fully paid ordinary shares in Mako at an issue price of 5.0c per share as follows:

- ❖ Tranche 1 of the Placement completed during the quarter, comprising c.11.3M New Shares (~\$0.60M), was not subject to shareholder approval and fell within the Company’s placement capacity under ASX Listing Rule 7.1 and 7.1A (“Tranche 1”)
- ❖ Tranche 2 of the Placement completed subsequent to the end of the quarter, comprising c.53.7M New Shares (~\$2.68M), was issued following receipt of Shareholder Approval at a General Meeting held on 7 July 2020 (“Tranche 2”)

Sale of Niou Project – Burkina Faso to Nordgold

During the reporting period Mako signed a Binding Term Sheet and a Definitive Sale agreement (“**Sale Agreement**”) to sell its Niou Project in Burkina Faso to Nordgold. Nordgold is an international gold miner which produces 1 million ounces of gold per year from 10 mines (5 in Russia, 3 in Burkina Faso and one each

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in Guinea and Kazakhstan). Nordgold has an operating mine within 50km of the Niou Project, which makes them an ideal choice of operator for the project.

Under the terms of the Sale Agreement Mako will receive USD\$700,000 in consideration for the sale (**Purchase Price**), which is approximately AU\$ 1.07 million.¹ In addition, Mako will retain a 1% Net Smelter Royalty (“NSR”) if Nordgold discovers an NI 43-101 compliant resource of at least 2 million ounces gold and advances the resource to production. Nordgold has the right to repurchase the NSR at any time for USD\$ 4.5 million which is the current equivalent of approximately AUD\$6.89 million.²

Mako announced a discovery on the Niou permit in January 2019 but had not undertaken any further work on the project since, due to prioritising exploration on its flagship Napié Project in Côte d’Ivoire.

The transaction terms of the Sale Agreement and Proposed Sale Agreement are listed in previous ASX announcements as listed in references.

Mako’s response to COVID-19 crisis

In response to the COVID-19 crisis, Mako Gold has designed and rolled out new policies to mitigate potential risks associated with the pandemic which include but are not limited to:

- Daily temperature checks and health questionnaire at job site
- Frequent sanitising of all common surfaces
- Social distancing and use of face masks
- Education of staff regarding hygiene

Corporate

- 166.702m shares on issue at the date of this report
- 15.0m listed April 2021 \$0.30 options on issue
- 3.5m unlisted April 2021 \$0.30 options on issue
- 2.5m unlisted July 2021 \$0.075 options on issue
- 1.923m unlisted November 2020 \$0.10 options on issue
- Market capitalisation of \$22.5M (at \$0.13.5/share) as at 30 July 2020
- Cash reserves of \$3.2M post capital raising and receivable of A\$1.0M (US\$0.7M) from the divestment of the Niou project

A total of \$464,000 was incurred on exploration projects in the quarter with \$348,000 on the Napié project and \$116,000 on the Niou project. A total of \$91,000 was paid to Directors for salaries and fees while \$14,400 was paid, at normal commercial rates, to a firm of lawyers of which a Director is a partner during the quarter.

Under an agreement entered into in October 2019 and approved at the 2019 AGM the Company is authorised (up to 14 November 2020) to issue up to 5,000,000 Shares to GeoDrill Ltd as payment for drilling services supplied. Mako has the option to pay invoices 50% in cash and 50% via the issue of shares, at an issue price (of not less than \$0.05 per share) equal to the 15-day VWAP immediately prior to the date of the invoice. During the quarter ended 30 June 2020 the company issued a total of nil shares in accordance with this agreement. The company has previously issued 2,295,982 shares in accordance with the agreement. As at

¹ Using Oanda exchange rate of 1USD:1.53AUD

² Using Oanda exchange rate of 1USD:1.53AUD

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the end of the June 2020 quarter the Company has the capacity to issue up to a further 2,704,018 shares under the facility.

The top 10 shareholders as at 27 July 2020:

Ordinary Shares

| Rank | Name | 27 July 20 | %IC |
|----------------------------|--|--------------------|----------------|
| 1 | Resolute (Treasury) Pty Ltd | 15,235,085 | 9.14% |
| 2 | Mr Peter Francis Rene Ledwidge & Mrs Ann Louise Ledwidge | 7,533,433 | 4.52% |
| 3 | Syndicate Minerals Pty Ltd | 4,000,000 | 2.40% |
| 4 | Delphi Unternehmensberatung Aktiengesellschaft | 4,000,000 | 2.40% |
| 5 | Citicorp Nominees Pty Limited | 3,929,948 | 2.36% |
| 6 | Mr David Harper | 3,720,378 | 2.23% |
| 7 | Abbotsleigh Pty Ltd | 3,571,429 | 2.14% |
| 8 | Elliott Nominees Pty Ltd | 3,416,667 | 2.05% |
| 9 | Equity Trustees Limited | 3,200,000 | 1.92% |
| 10 | Sanperez Pty Ltd | 3,138,426 | 1.88% |
| Total | | 51,745,366 | 31.04% |
| Balance of register | | 114,956,986 | 68.96% |
| Grand total | | 166,702,352 | 100.00% |

Share trading in the quarter

| Name | Code | Price | | | Volume | | | Daily Average Value |
|-------------------|---------|--------|---------|---------|--------------|----------------------|-------------|---------------------|
| | | High | Low | Close | Total Volume | Daily Average Volume | Total Value | |
| Mako Gold Limited | MKG.ASX | \$0.11 | \$0.035 | \$0.105 | 13,756,721 | 221,883 | \$1,031,529 | \$16,638 |

Tenement Schedule

| Location | Permit Name | Permit Number | Legal Holder | Mako Interest | Status |
|---------------|---------------|----------------------------|--------------------------|-------------------|---------|
| Côte d'Ivoire | Napié | 281 /MIM/DGMG DU | Occidental Gold SARL | Earning up to 75% | Granted |
| Côte d'Ivoire | Oangolodougou | Permit Application | Mako Côte d'Ivoire SARLU | 100% when granted | Pending |
| Côte d'Ivoire | Korhogo | Permit application | Mako Côte d'Ivoire SARLU | 100% when granted | Pending |
| Burkina Faso | Niou | <u>2020-123MMC/SG/DGCM</u> | Mako Gold SARL | 100% ownership | Granted |
| Burkina Faso | Niou Sud | <u>2020-156MMC/SG/DGCM</u> | Mako Gold SARL | 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.

Niou: The decree for the transfer of the Niou permit from Nouvelle COFIBI to Mako Gold SARL was received on 5 June 2020. The size of the permit is 187km². Mako Gold SARL, a 100%-owned Burkina Faso subsidiary of Mako Gold Limited, holds owns 100% interest in the Niou Permit. The Niou Sud permit application was granted on 3 July 2020- subsequent to the reporting period. The size of the permit is 249km². The company has entered into a sale agreement for the Niou Project, and is currently in the process of transferring the Niou and Niou Sud permits to Nordgold



Mako Gold Ltd

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June 2020 Quarter ASX Announcements

Further details including 2012 JORC reporting tables where applicable, which relate to results and announcements in this Quarterly Activities Report, can be found in the following announcements lodged with the ASX:

- 15 July 2020 - Tchaga Prospect Delivers Multiple High-Grade Intercepts
- 13 July 2020 - Mako Gold Completes \$3.25 Million Capital Raising
- 25 June 2020 - Mako Commences 10,000 Metre Drill Program at Napie Project
- 2 June 2020 - Mako signs Definitive Sale Agreement for Niou Project
- 28 May 2020 - Capital Raising to fund Napie Exploration.
- 1 May 2020 - Sale of Niou Project – Burkina Faso to Nordgold
- 5 March 2020 - High-Grade Results Extend Mineralisation at Depth at Tchaga
- 3 December 2019 - Exceptional Results Continue at Tchaga Napie Project
- 8 October 2019 - Drill-for-Equity MOU with Geodrill for up to US1\$M
- 9 August 2019 - Mako Receives Final Drill Results for Napie Project
- 25 July 2019 - Strike Length of Mineralisation at Napie Project Doubles
- 13 March 2019 - Wide High-Grade Fold Results of up to 28m@4.86g/t from Napie
- 29 January 2019 – Gold Discovery at Niou Project – Burkina Faso
- 22 June 2018 - Wide High-Grade Gold Intersected in Maiden Drilling Program
- 13 April 2018 - Section 9.2 of Mako Gold’s Prospectus and section 4.7 of Mako Gold’s Supplementary Prospectus

Approved by the Board

Peter Ledwidge
Managing Director

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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 substantial 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.

Disclaimer

This Announcement (“Announcement”) is for informational purposes only and is not a prospectus, disclosure document or offer document under the Corporations Act 2001 (Cth) (“Corporations Act”) or any other law. This Announcement does not constitute, and is not to be construed as, an offer to issue or sell, or a solicitation of an offer or invitation to subscribe for, buy or sell securities in Mako Gold Limited ACN 606 241 829 (“Mako”). The material in this announcement has been prepared by the Company and contains summary information about the Company’s activities. The truth or accuracy of the information in this announcement



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cannot be warranted or guaranteed by the Company. The information in this announcement is of a general background nature and does not purport to be complete or contain all the information security holders would require to evaluate their investment in the Company. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements which are available at www.makogold.com.au. Other than to the extent required by law (and only to that extent) the Company and its officers, employees and professional advisors make no reannouncement or warranty (express or implied) as to, and assume no responsibility or liability for, the contents of this announcement.

This Announcement does not purport to contain all information that recipients may require to make an informed assessment of Mako or its securities. Statements in this Announcement are made only as at the date of this Announcement unless otherwise stated and remain subject to change without notice. No reannouncement or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information or opinions contained in this Announcement, or any omission from this Announcement. To the maximum extent permitted by law, Mako disclaims any responsibility to inform any recipient of this Announcement on any matter that subsequently comes to its notice which may affect the information contained in this Announcement, and undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

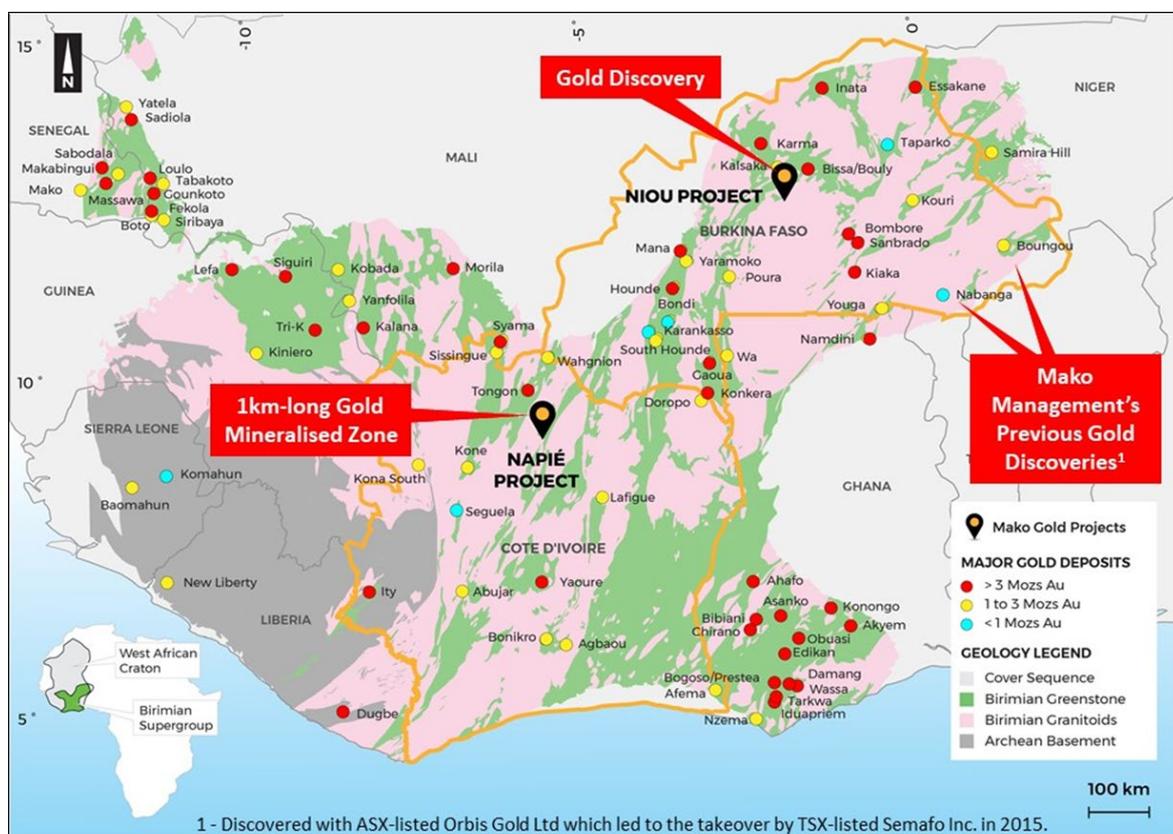
Not financial product advice or offer

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About Mako Gold

Mako Gold Limited (**ASX:MKG**) is an Australian based exploration company with gold projects in Côte d'Ivoire and Burkina Faso in the gold-bearing West African Birimian Greenstone Belts which hosts more than 70 +1Moz gold deposits.

The Company's focus is to explore its portfolio of highly prospective projects with the aim of making significant high-grade gold discoveries and advancing their development. Senior management has a proven track record of high-grade gold discoveries in West Africa.



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About the Flagship Napié Gold Project

Mako Gold has entered into a farm-in and joint venture agreement with Occidental Gold SARL, a subsidiary of West African gold miner Perseus Mining Limited (ASX/TSX:PRU) to earn up to 75% of the Napié Permit conditional on certain milestones being achieved. 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.

About the Niou Gold Project

Mako Gold's wholly owned Burkina Faso subsidiary, Mako Gold SARL, signed on 31 July 2016 an option agreement with a Burkinabe private company for 100% ownership of the Niou Permit. For details of the agreement please refer to Section 9.2 of Mako Gold's Prospectus and section 4.7 of Mako Gold's Supplementary Prospectus, lodged on the ASX on 13 April 2018. Mako Gold announced a gold discovery on the Niou Project on 29 January 2019. Mako signed an agreement to sell the Niou Project to Norgold on 1 May 2020.