MAKO GOLD LIMITED

ASX Announcement

3 December 2018

MAIDEN DRILLING COMMENCES ON NIOU PROJECT BURKINA FASO

Highlights:

- Maiden drilling program underway at the Niou Project in Burkina Faso
- Two separate highly prospective target areas within the Project to be tested:
    - 800m of reverse circulation (RC) drilling on the 2km-long x 1km-wide artisanal gold mining site and;
    - 400m of RC drilling on a 1.2km-long +50ppb geochem soil anomaly
- No known previous drilling on the Project

Figure 1: Mako Geologists with drillers at Niou Project - Burkina Faso

Maiden Drilling Program Underway on Niou Project Burkina Faso

Mako Gold Limited ("Mako" or "the Company"; ASX:MKG) is pleased to advise that it has commenced the maiden drilling program on the Company's 187.5km^2 Niou Project in Burkina Faso (Figure 2).

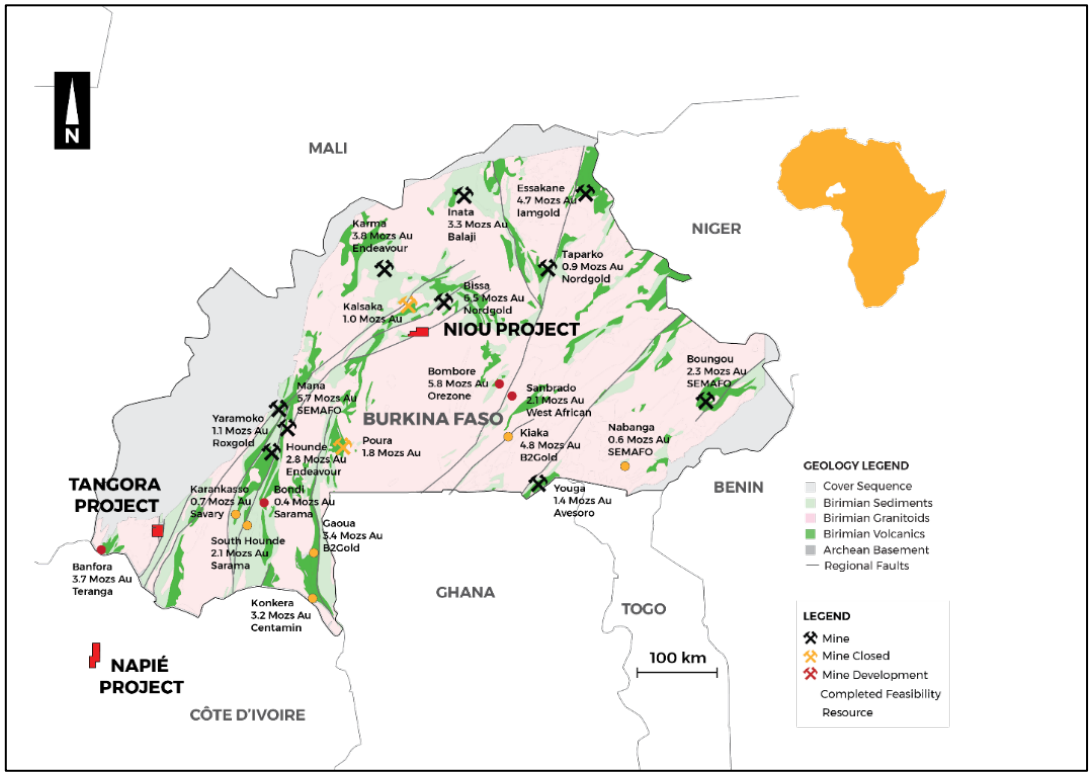

Figure 2: Niou Project location – Burkina Faso

The 1,200m reverse circulation (RC) drilling program has been designed to test the 2km-long x 1km-wide artisanal gold mining site, as well as to test the 1.2km-long +50 ppb soil anomaly on the Niou permit (Figure 3). Drilling will test to approximately 80m to 110m vertical depth.

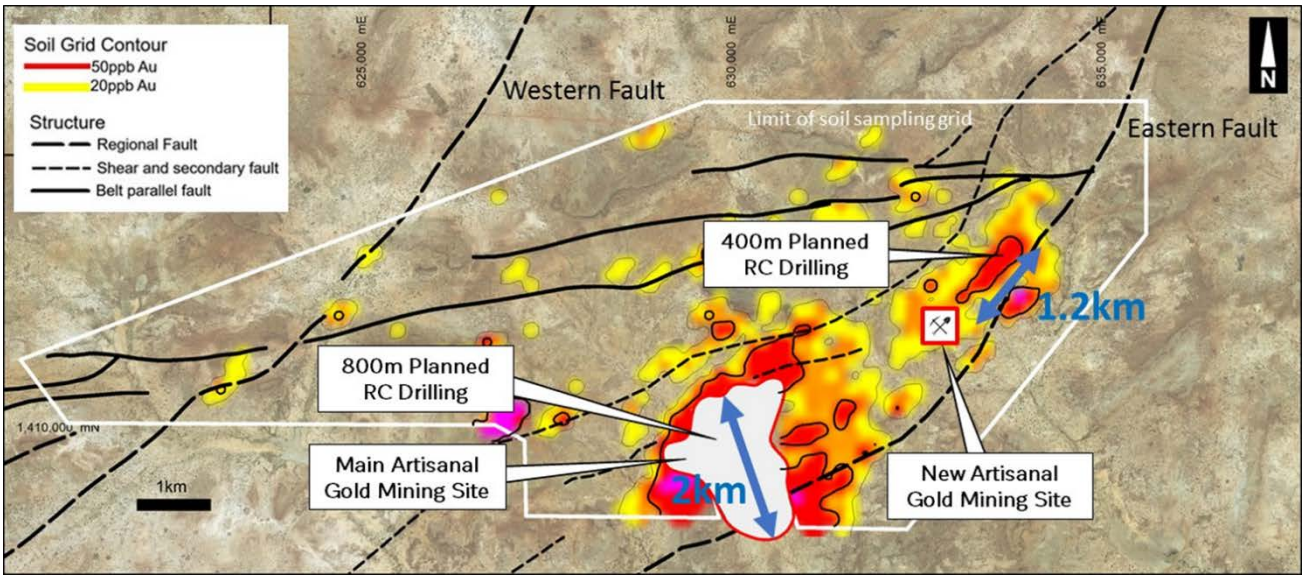

Figure 3: Location of both drill target areas on Niou Project on soil geochem map

There is no known previous drilling on the Niou Project. The soil anomalies are located adjacent to major regional faults. Regional faults can provide a "plumbing system" for gold enriched fluids. The presence of the strong soil geochem soil anomaly in proximity to the fault enhances the potential for gold mineralisation.

Two Target Areas to be Tested by RC Drilling

Artisanal Gold Mining Target

The artisanal gold mining site has doubled in size from the time of the first site visit by Mako management in 2016. This indicates the presence of gold over a widespread area. Artisanal miners are going to great lengths to mine to depths up to 50m, at which point they are restricted by the water table. Figure 4 shows both the lateral and depth extent of the artisanal mining and the gold which miners mine at this site.

Figure 4: Extent of Gold Mining Activities on Niou permit

Drilling on the artisanal gold mining site will consist of 7 RC holes totalling approximately 800 m with a maximum vertical depth of 110m (Figure 5). The strategic targets are based on detailed geological mapping of the site by Mako geologists, which include shear zones, quartz vein sets, geological contacts of mapped units as well as the results of high-grade rock chips. Previous rock chip sampling by Mako from the gold artisanal mining site has returned values up to 34.8g/t Au[1] as shown in Figure 5.

[1] Refer to ASX announcement dated 21 May 2018

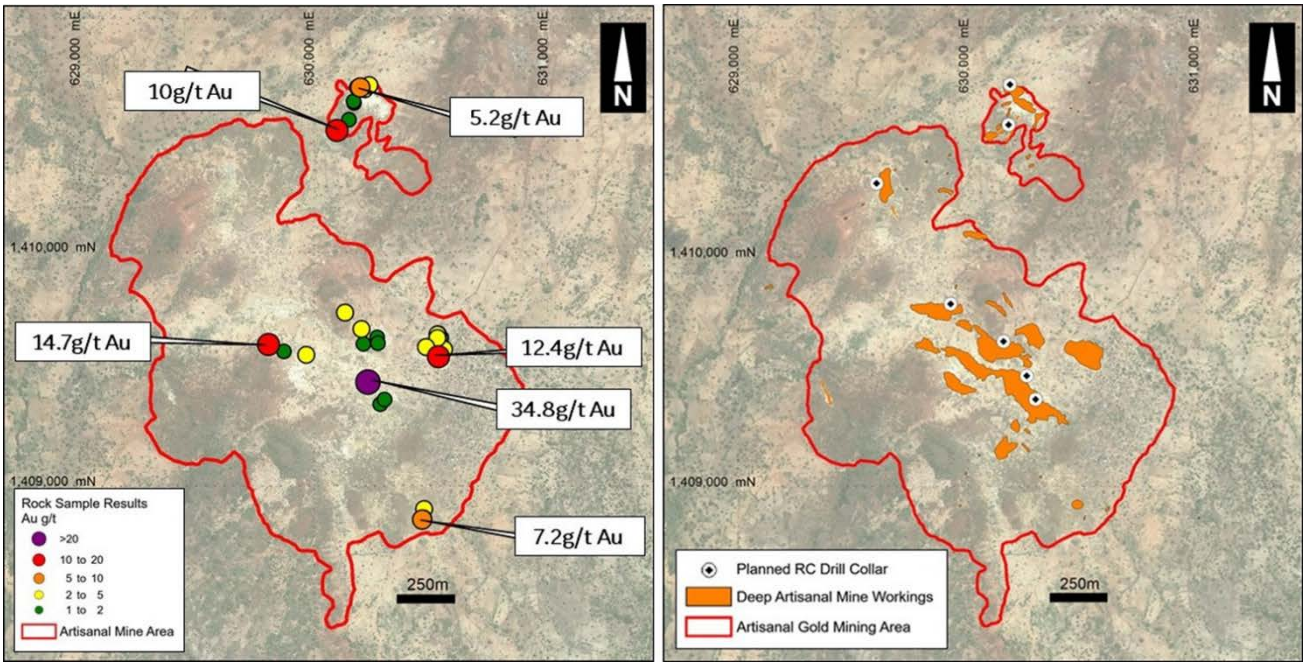

Figure 5: Rock chip sampling results and planned RC drill holes on gold artisanal mining site

Soil Geochem Anomaly Target

Mako geologists identified a 1.2 km-long +50ppb soil geochem anomaly through its 52km^2 regional soil sampling program (Figure 3). An infill survey with sample spacing of 50m x 50m was recently completed, confirming the strength and continuity of the soil geochem anomaly. Four 100m-long RC drill holes will be drilled across the anomaly in a heel-to-toe configuration to test the entire width of the geochem anomaly (Figure 6).

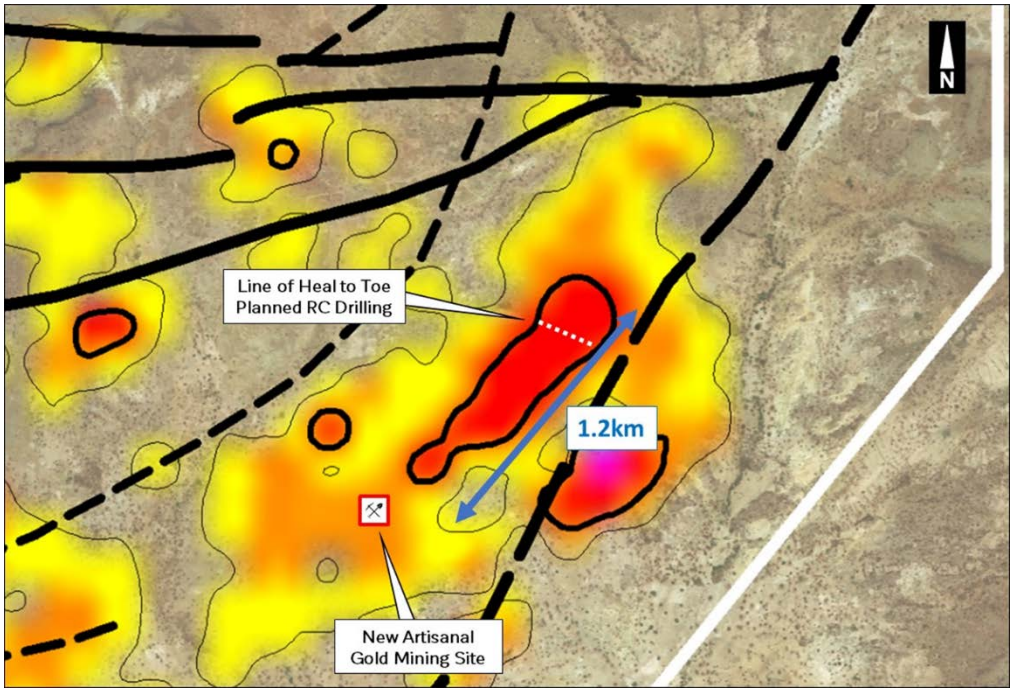

Figure 6: Location of heel-to-toe fence of RC drilling on soil geochem anomaly - enlargement of Fig. 3

A new artisanal gold mining site has recently begun in the area along strike of the soil geochem anomaly (Figure 7). The new site confirms the presence of gold along the trend of the +50ppb geochem anomaly.

Figure 7: New artisanal mining excavations southeast of +50ppb anomaly

Mako's Managing Director, Peter Ledwidge commented:

"The commencement of drilling on the highly prospective Niou permit is the culmination of methodical exploration to date by Mako which include airborne geophysics, soil geochemical sampling, rock chip sampling, trenching and detailed geological mapping. We are excited to be at the stage where we can now test the most prospective targets with reverse circulation drilling. Results of the drilling will be announced in the coming weeks"

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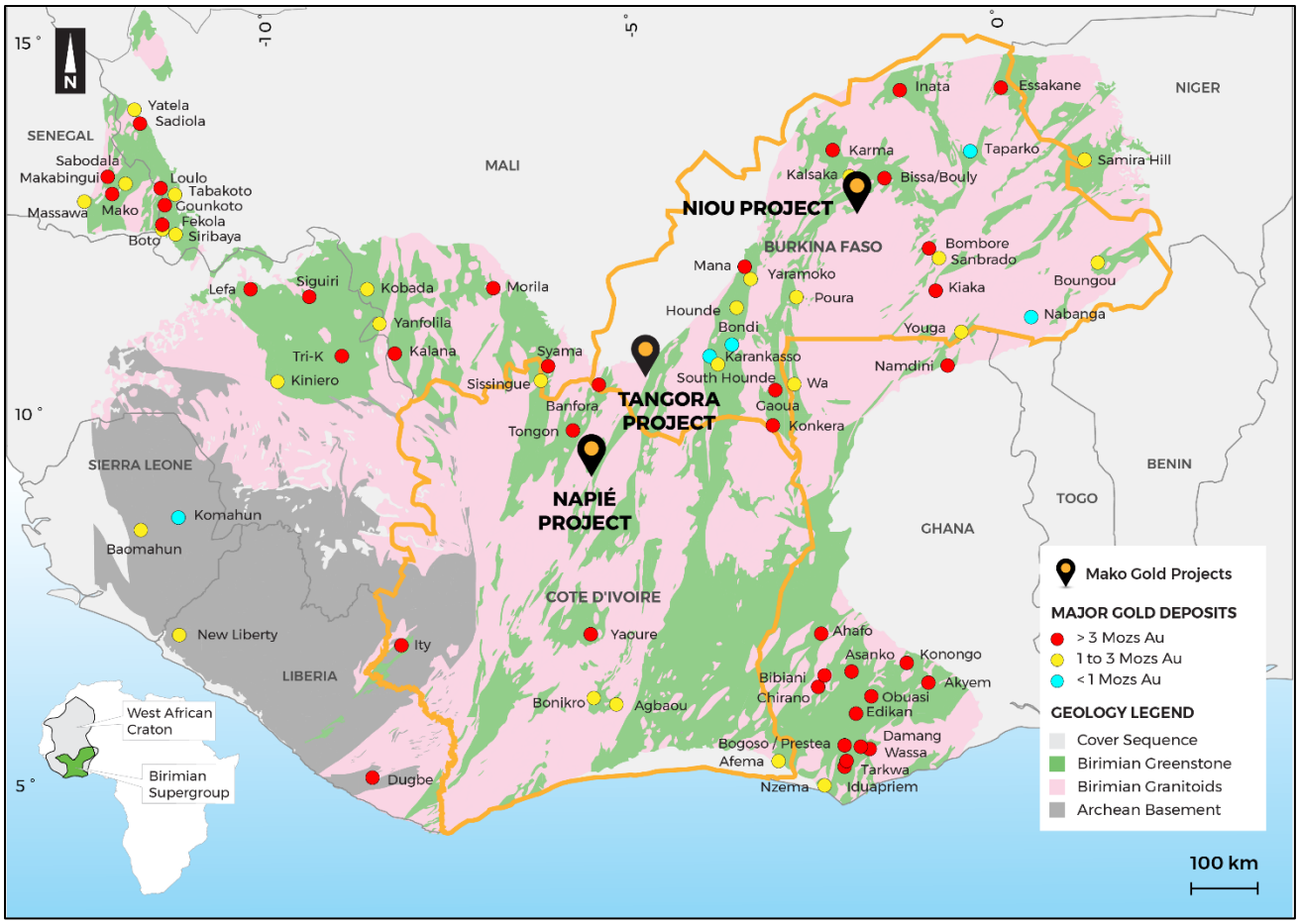
Competent Person's Statement
The information in this report that relates to Exploration Results is based on information compiled by Mrs Ann Ledwidge B.Sc.(Hon.) Geol., MBA, who is a Member of The Australasian Institute of Mining and Metallurgy. Mrs Ledwidge is a full-time employee and a substantial shareholder 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.

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 60 +1Moz gold deposits.

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



Appendix A - Assessment and Reporting Criteria

Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	This report relates to results for soil and rock chip sampling. No drilling has been completed to date on the permit.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Soil samples were collected from approximately 50cm depth using a standard collection procedure. Sampling tools were cleaned after each sample collection to eliminate the possibility of contamination between samples. Rock chip samples comprise multiple pieces of rock with a total sample weight of approximately 1-2kg. Select samples were collected from artisanal mining pits from the material provided by the artisanal miners as representative of what they are mining, or as select grab samples from spoil piles adjacent to artisanal pits.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	For soil sampling, approximately 1 - 1.5kg of material was submitted to SGS Labs in Ouagadougou for Leachwell cyanide bottle roll with a 0.01ppm lower detection limit. For rock chip samples, approximately 1 – 2kg grab samples were collected and submitted in their entirety to SGS Labs in Ouagadougou. The samples were analysed by 50g Fire Assay, with AAS finish for gold analysis with a 0.01ppm lower detection limit.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Not applicable.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Not applicable.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Not applicable.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not applicable.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	The UTM location, sample type, and key geological observations are recorded into approved data collection sheets for each soil sample and each rock chip sample collected, following standard Mako Gold procedures for sampling.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging of rock chip samples is qualitative and based on field observations.
	The total length and percentage of the relevant intersections logged.	Not applicable.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Not applicable.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Not applicable.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Sample preparation was conducted at SGS Labs in Ouagadougou following industry standard practice. Soil samples were dried, and pulverised in an LM2 mill to a nominal 85% passing 75 microns. Rock samples were oven dried, jaw crushed to 75% passing 2mm, then a 1.5kg riffle split was pulverized to 85% passing 75 microns. A 200g sub-sample was then collected from the pulverized material.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Standard QAQC procedures were followed by SGS Labs. Replicates and duplicates were inserted as per lab practise. A field duplicate was collected at every 25th sample during the soil geochemical sampling.

Criteria	JORC Code explanation	Commentary
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	Soil sampling duplicate results are reviewed regularly to ensure repeatability. To ensure rock chip samples are representative of what is at the site, multiple pieces of rock chips are collected at the site and placed in a plastic bag for a total weight between approximately 1 to 2kg.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Approximately 1-1.5kg for soil and 1-2kg for soil was collected which is within industry norms.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	For soil samples, a 1kg sample was bottle rolled using a Leachwell cyanide solution, with gold determined by AAS. This is not considered a total digest, however, it is considered is suitable for low-level gold detection in soils. For rock chip samples, a 50g sample was analysed by Fire Assay with Atomic Absorption Finish. Fire Assay method provides total gold content of the sample. SGS inserted standard reference samples.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not applicable.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Monitoring of results of field duplicate is conducted regularly. Internal laboratory QAQC checks are reported by SGS and reviewed regularly.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Sample results uploaded to the database were cross-checked with the lab assay certificates. No resampling was conducted.
	The use of twinned holes.	Not applicable.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data is collected on field sheets and then compiled on standard Excel templates for validation and data management.
	Discuss any adjustment to assay data.	Assay data provided in excel format from the lab was merged with sample logging data. All samples returning values below detection limit are assigned a value of half of the lower detection limit when entered into the database. No other adjustments have been applied to assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	A handheld GPS was used to record soil and rock chip sample locations using UTM (WGS84, zone 30N) coordinate system.
	Specification of the grid system used.	The grid system used is WGS84. A northern hemisphere zone is applied that is applicable to the location of individual project areas.
	Quality and adequacy of topographic control.	A detailed topographic survey of the project area has not been conducted.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The soil sampling program was initially conducted at 200m by 200m spacing over a 52km^2 area. An infill program over a 1.5km long area containing a +50ppb Au anomaly was subsequently soil sampled at 50m x 50m spacing. Rock chip samples were collected from artisanal pits and their surrounding spoil piles where ever possible throughout the artisanal mine area.
	Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Not applicable as no estimation is being undertaken.
	Whether sample compositing has been applied.	Samples were taken from discrete areas at the UTM coordinate location noted and were not composited with other samples collected.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The soil grid was oriented north-south/east-west with equal spacing between sample points. There was no orientation to the rock chip sampling.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Not applicable.

Criteria	JORC Code explanation	Commentary
Sample security	*The measures taken to ensure sample security.*	Samples are stored securely on the project site under supervision of security guards and/or Company personnel. Company personnel maintain chain of custody of the samples prior to either collection from site by laboratory personnel or drop off at the laboratory by Company personnel. Documentation is prepared to record handover of samples to laboratory personnel.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	There have been no external audits or reviews of the sampling techniques or data at this early stage of exploration.

Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Niou Permit was granted on 15 September 2011 to Nouvelle COFIBI SARL, a company registered in Burkina Faso, by decree N°2011/11/265/MCE/SG/DGMGC and renewed by decree N°2015/000394/MME/SG/DGCM until 15 September 2017. It was renewed for a further three years by decree N°2018-142/MMC/SG/DGCM at which time the permit size was reduced to 187.5km^2 as required by Burkina mining regulations. Mako Gold SARL, a 100%-owned Burkina Faso subsidiary of Mako Gold Limited, signed an option agreement dated 31 July 2016 with the permit owner giving Mako an option to acquire 100% interest in the Niou Permit. A 1% profit-based royalty is retained by the current permit owner.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenement is in good standing and no known impediments exist.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Limited historical exploration has been conducted by Nouvelle COFIBI SARL, the owner of the Niou Permit. Refer to Section 4.7 of the Mako Gold Prospectus lodged on the ASX on 13 April 2018 for a description of previous exploration completed on the permit.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Niou Permit overlies a portion of the Proterozoic-aged Goren greenstone belt. Exploration is at an early stage, but mineralisation appears related to a narrow east-west volcano-sedimentary belt, and shearing and secondary structures related to a major regional northeast-trending fault.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	Not applicable. No drilling has been undertaken.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Not applicable.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Not applicable.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	Not applicable.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures contained within this report.

Criteria	JORC Code explanation	Commentary
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	To date 155 rock chip samples have been collected on the permit. Results over 1g/t Au are shown on Figure 5.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Mako Gold contracted New Resolution Geophysics (NRG) to fly a geophysical survey over the entire permit in 2016. Southern Geoscience Consultants were engaged in 2016 by Mako Gold to compile a geological and regolith interpretation using the data generated by NRG. 9 target areas were identified. 53 rock chip samples were collected by Mako Gold in 2016-2017. 196 continuous chips and 30 selective grab samples were collected from within 3 trenches excavated by Mako Gold in 2017. Geochemical (soil) sampling had been conducted over a portion of the permit by the permit owner. Refer to Section 4.7 and Annexure A of Mako Gold's Prospectus lodged on the ASX on 13 April 2018 for details on previous exploration results.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Refer to description contained within this report**.**