

ASX ANNOUNCEMENT

27 FEBRUARY 2023

ASX:MKG



MAKO SIGNS DRILL FOR EQUITY MOU WITH GEODRILL FOR UP TO US\$2M

HIGHLIGHTS

- ❖ Binding MOU signed with Geodrill for up to **US\$2M of equity drilling** on Côte d'Ivoire projects
- ❖ Agreement allows Mako to maximise drilling metres while preserving cash
- ❖ Mako's discretion to use the drill for equity facility
- ❖ Agreement proposed to be used for upcoming drill programs
- ❖ Drill for equity agreement allows for **rapid recommencement of drilling on our flagship Napié Project**

Mako's Managing Director, Peter Ledwidge commented:

"We are pleased to have secured a drill-for-equity agreement with such a high-calibre drilling company. We have a long-standing relationship with Geodrill and have always been impressed with the quality of their work, including their extraordinary ESG initiatives in the communities where they operate. Geodrill has been on the MKG share register for some time, and we welcome their further investment in the Company. This agreement provides more options for payment of drilling invoices and will assist in the rapid recommencement of drilling on our flagship Napié Project. We look forward to strengthening our ongoing relationship with Geodrill, which should be beneficial to all Mako stakeholders."

Geodrill's Chief Executive Officer, Dave Harper commented:

"Geodrill is proud to be partnering with Mako Gold on their Napié and Korhogo projects. We have had a long and successful relationship, having previously drilled on multiple discoveries with the management team in West Africa. One of the discoveries went on to become a major producing mine. The 'drill-for-equity' arrangement allows Mako to drill twice the meterage for the same cash burn, doubling the likelihood of success, while at the same time providing flexibility to revert to cash payment, should Mako elect to. We look forward to increasing our shareholding in Mako".

Mako Gold Limited ("Mako" or "the Company") (ASX:MKG) is pleased to announce that it has signed a binding Memorandum of Understanding (MOU) with Geodrill Limited (TSX:GEO) whereby Geodrill may subscribe for up to US\$1M worth of shares in the capital of the Company in return for drilling services at Mako's discretion.

Under the terms of the agreement Mako agrees to commit up to US\$2M worth of reverse circulation (RC) drilling, diamond drilling (DD), or air core (AC) drilling with Geodrill. The agreement is valid for twelve months, in two 6-month stages of up to US\$1M each.



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After receipt of each monthly invoice, and with the issue price for each share being the previous 15-day VWAP immediately prior to the date of the relevant monthly invoice, **Mako may issue MKG shares to Geodrill, constituting up to 50% of the invoice for drilling services provided by Geodrill** and pay the remaining balance in cash.

Mako has access to this facility for twelve months and may, at its discretion, choose to pay 100% in cash, and is under no obligation to drill a minimum amount or any amount at all.

Geodrill has agreed to a 3-month escrow on shares issued to them and thereafter, to notify Mako of its intention to sell shares 5 days in advance.

Each party can terminate the MOU at any time by giving the other party 14 days' notice.

The agreement effectively allows Mako to drill at half of its normal drilling contractor cash costs, thereby allowing the Company to preserve cash, while continuing its drill programs.

Mako proposes to implement the drill-for equity facility on its upcoming drill programs.

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

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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 Gogbala¹.

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.

Mako Gold entered into a farm-in and joint venture agreement on the Napié Permit with Occidental Gold SARL, a subsidiary of West African gold miner Perseus Mining Limited (ASX/TSX:PRU) in 2017². Subsequently Mako renegotiated the agreement with Perseus and has now **consolidated its ownership in the Napié Project from 51% to 90%**³.

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 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 (Figure 1).

¹ Refer to ASX release dated 14 June 2022

² 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

³ Refer to ASX release dated 29 June 2021 and 21 October 2022

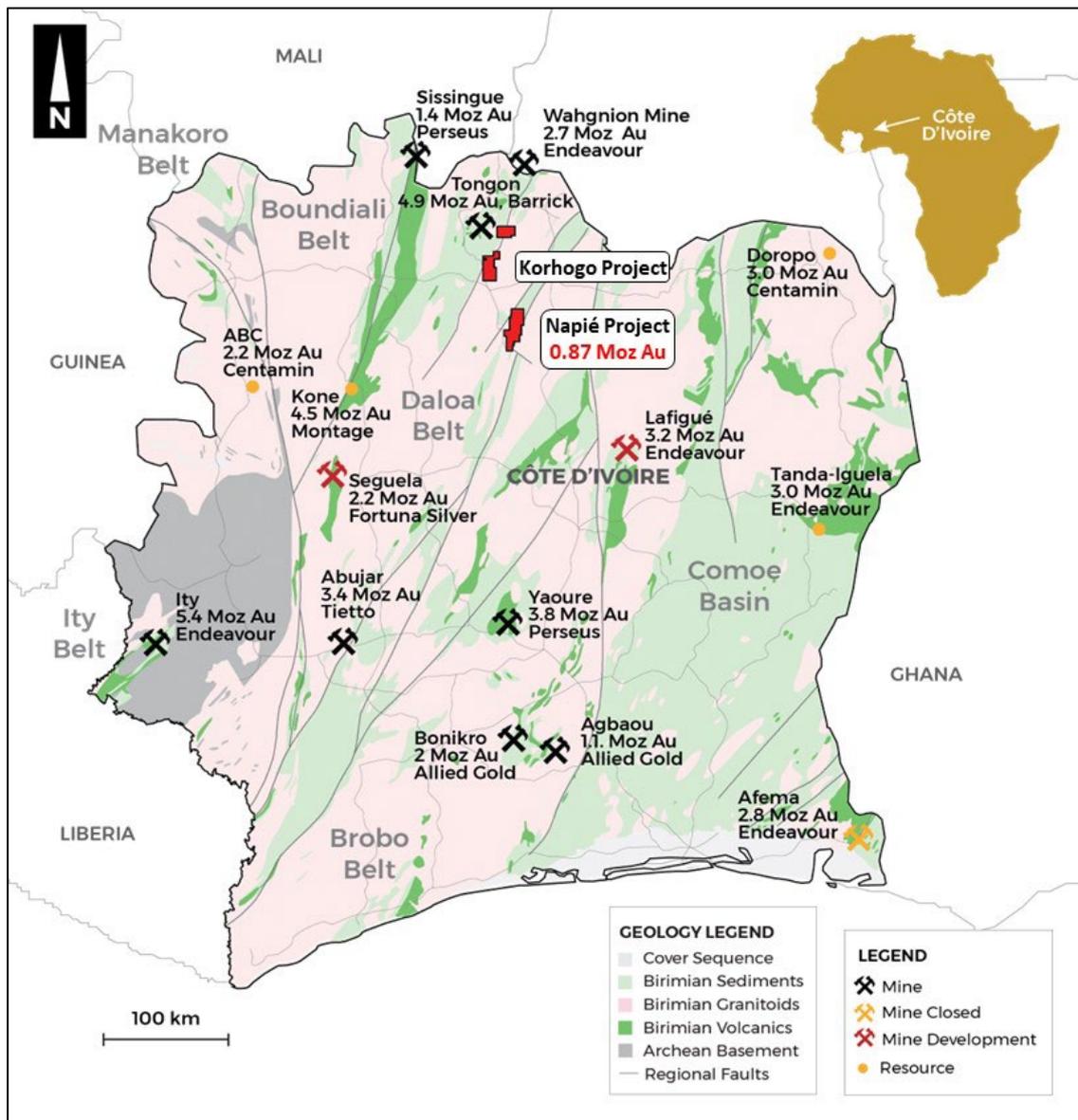


Figure 1: Côte d'Ivoire - Mako projects on simplified geology with mines and deposits

ABOUT GEODRILL

Established in 1998, Geodrill (**TSX-GEO**) is a leading exploration drilling company with a fleet of 75 drill rigs. The Company has operations in Ghana, Burkina Faso, Côte d'Ivoire, Mali, Egypt, Peru and Chile.

Geodrill provides Reverse Circulation (RC), Diamond Core (Core), Air-core (AC), Grade control (GC), Geo-tech (GT) and Water bore (WB) drilling services to major, intermediate and junior mining companies and operates the largest most modern fleet of multi-purpose rigs on the African continent.

Geodrill has built an enviable reputation as being a customer-focused high service drilling contractor. This reputation has been built on the careful selection of safety and service orientated drilling personnel and the attention to keeping a modern well-maintained fleet of drills to the highest Health Safety and Environmental (HSE) standards.