

# ASX Announcement

30 JANUARY 2023

ASX:MKG



## QUARTERLY ACTIVITIES REPORT For the period ending 31 December 2022

### HIGHLIGHTS

#### NAPIÉ PROJECT

- ❖ Auger results up to 56g/t Gold indicate potential for significant resource growth
- ❖ Phase 1 of 25,000m auger drill program identifies **multiple multi-kilometre-long gold anomalies equal to or several times larger than Tchaga or Gogbala, confirming a large gold system at Napié**
- ❖ Auger drilling returned several +1g/t gold results which include **55.9g/t Au south of Gogbala where there has been no previous drilling**
- ❖ **4.7km-long auger anomaly** located between Tchaga and Gogbala, **+10km anomaly** at Tchaga North and **2.3km-long anomalies** south of the Gogbala resource, highlight **significant near-term resource growth potential at Napié**
- ❖ Orientation auger drilling over Tchaga and Gogbala successfully identified gold mineralisation over the resources thereby validating new anomalies which the program discovered
- ❖ **Auger results have narrowed down wide soil anomalies to pinpoint gold mineralisation for enhanced RC/DD drill targeting**

#### KORHOGO PROJECT

- ❖ Geological mapping to define the greenstone/granite contact for future drilling

#### CORPORATE

##### **\$3.1M PLACEMENT**

- ❖ Placement with **cornerstone investment by Dundee Goodman Merchant Partners** to maintain their **9.9% holding in Mako**
- ❖ **\$2.6M cash balance at end of quarter to fund exploration activities at Napié including phase 2 auger drilling following highly encouraging results from phase 1**

##### **CONSOLIDATED OWNERSHIP OF NAPIÉ GOLD PROJECT TO 90%**

- ❖ Completion of the acquisition of an **additional 39% interest in the flagship Napié 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 31 December 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).



Mako Gold Ltd

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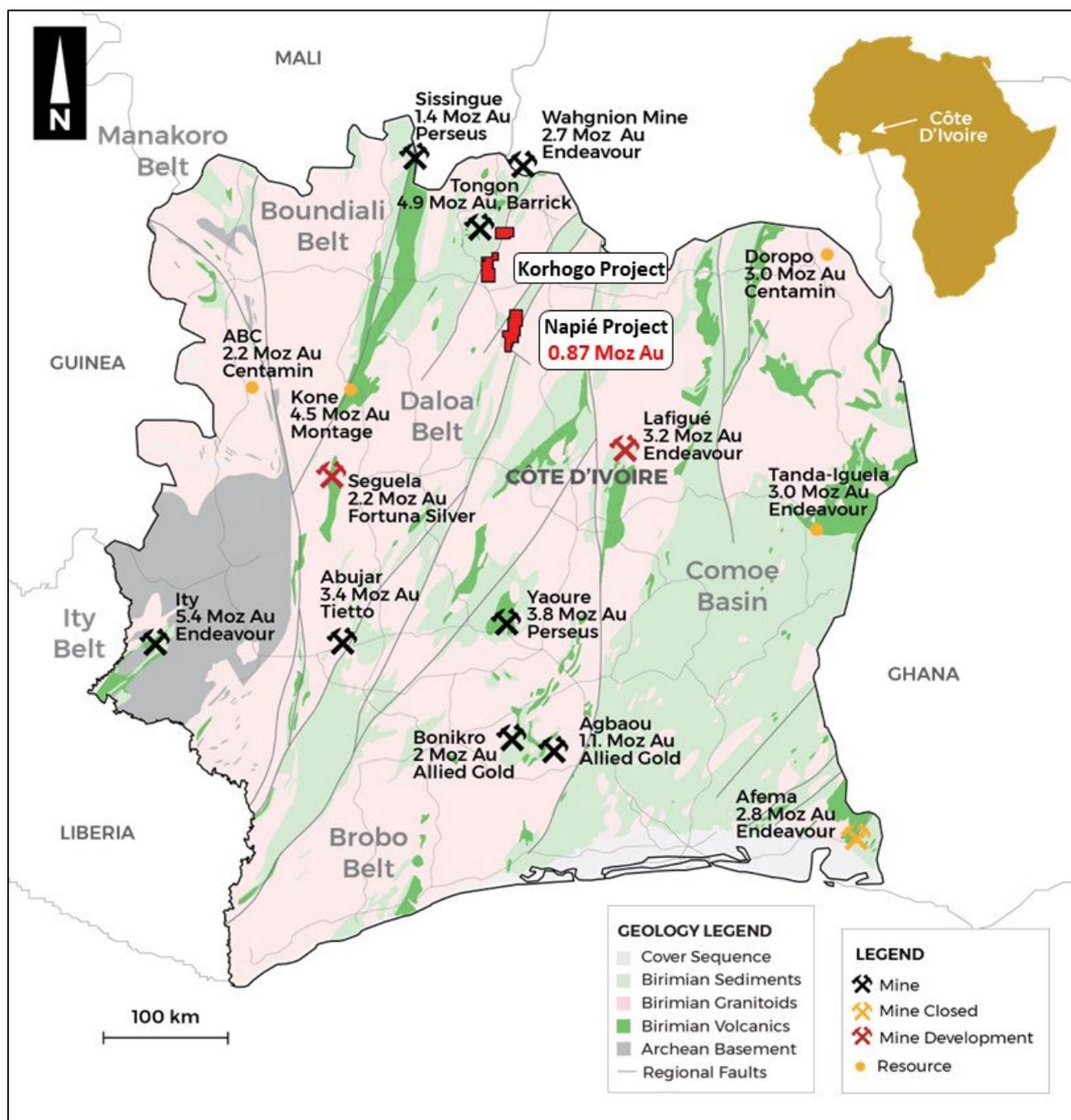


Figure 1: Napié and Korhogo projects – Côte d'Ivoire

**NAPIÉ PROJECT – AUGER SHOWS CLEAR PATH TO SIGNIFICANT RESOURCE EXPANSION**

Phase 1 of the 25,000m auger drilling program was completed during and subsequent to the reporting period, with all assays received. A total of 1,420 holes were drilled at a line spacing of 400m and sample spacing of 100m for 14,462m drilled. A total of 1,681 samples were submitted for bottle roll analysis.

Phase 1 exceeded the Company's objective to demonstrate the multi-million-ounce gold potential of Napié by identifying several mineralised footprints equal to or several times larger than Tchaga or Gogbala along the extensive 30km shear and associated faults at Napié.

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The program began with orientation auger drilling over the Tchaga and Gogbala deposits, which form the basis of the maiden 868koz MRE. The purpose of the orientation program was to ensure that auger would be effective in identifying significant gold mineralisation in other areas on Napié. Large, continuous auger anomalies were returned from Tchaga and Gogbala, thereby **validating that auger works well on Napié to identify gold mineralisation.**

During the orientation survey, samples were collected and analysed at the laterite/saprolite interface (transition zone) as well as end of the hole (EHS) within the saprolite. High-grade results were returned from the transition zone including **55.90g/t, 2.20g/t Au and 1.79g/t Au**. Only EHS was analysed for the rest of the program since it worked well to identify the gold mineralised zones during the orientation phase.



**Figure 2: Auger rig drilling during phase 1 auger program**

The highest priority targets identified by auger for RC/DD drilling are as follows:

- Tchaga North where **11km of gold mineralisation was identified**. Limited previous drilling by Mako returned **8m at 8.53g/t Au, 1m at 215g/t Au and 4m at 101.31g/t Au** (Figure 3).
- The area between Tchaga and Gogbala where auger identified a **5.6km gold mineralised trend**. Limited previous drilling by Mako returned **1m at 30.89g/t Au, 17m at 1.68g/t Au, 4m at 4.82g/t Au and 5m at 3.28g/t Au** (Figure 4).
- The **1.4km-long zone** south of the Gogbala deposit which returned **55.90g/t Au and 1.79g/t Au** in transition samples **outside of the resource in an area of no previous RC/DD drilling** (Figure 4).

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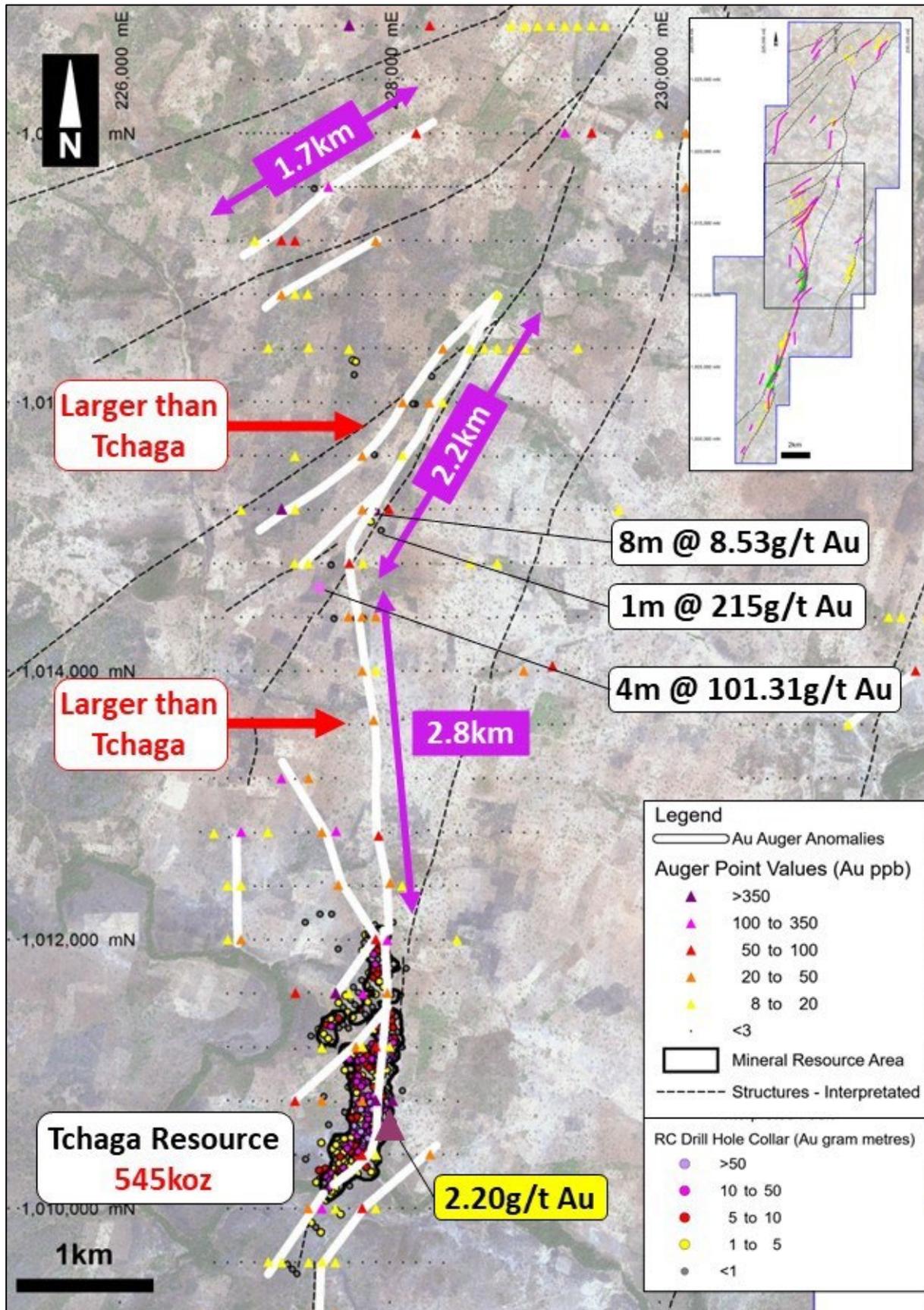


Figure 3: Tchaga North auger gold anomalies - Note the multiple multi-kilometre-long anomalies compared to the size of the Tchaga resource, indicating significant resource expansion potential

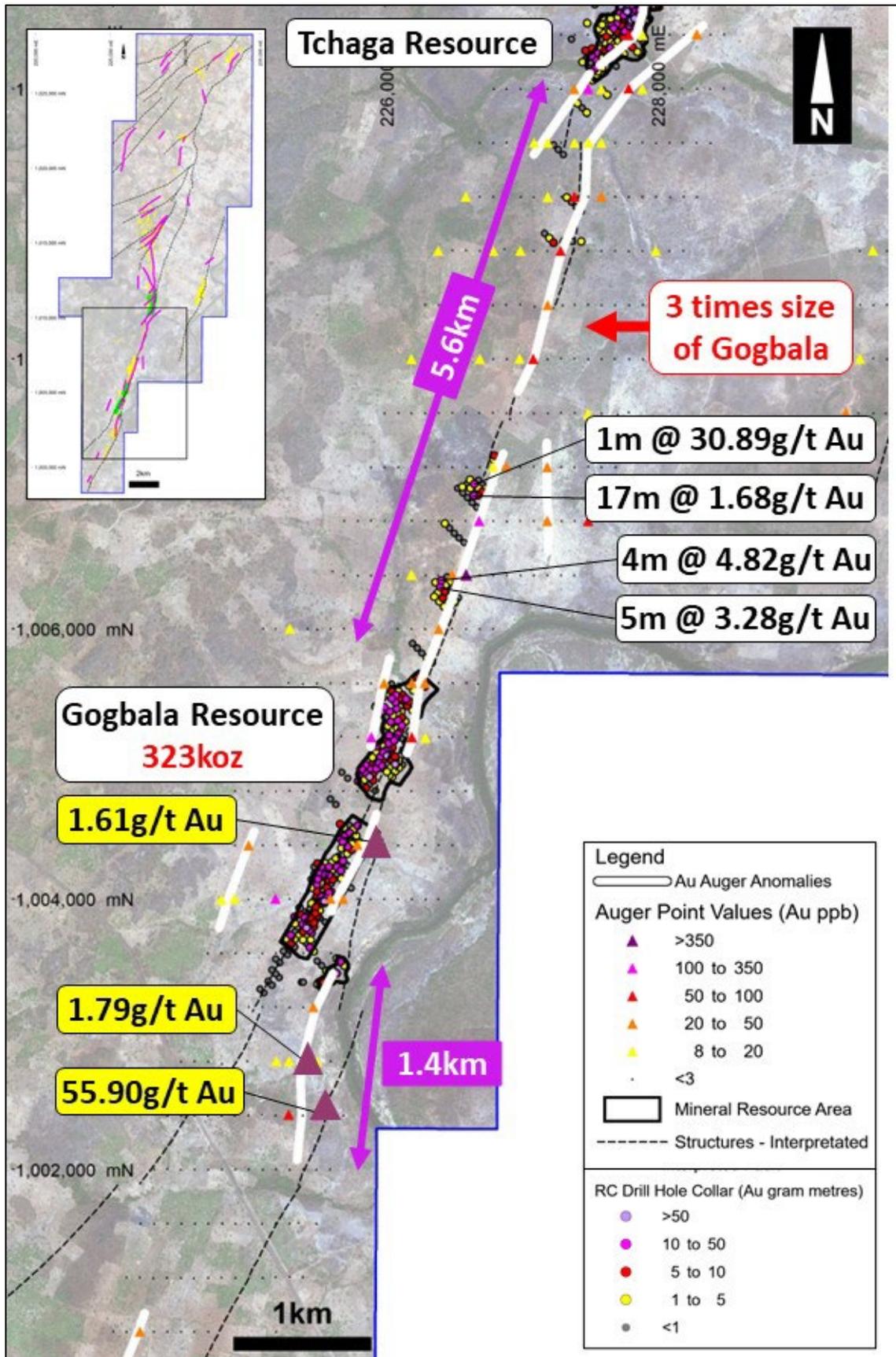
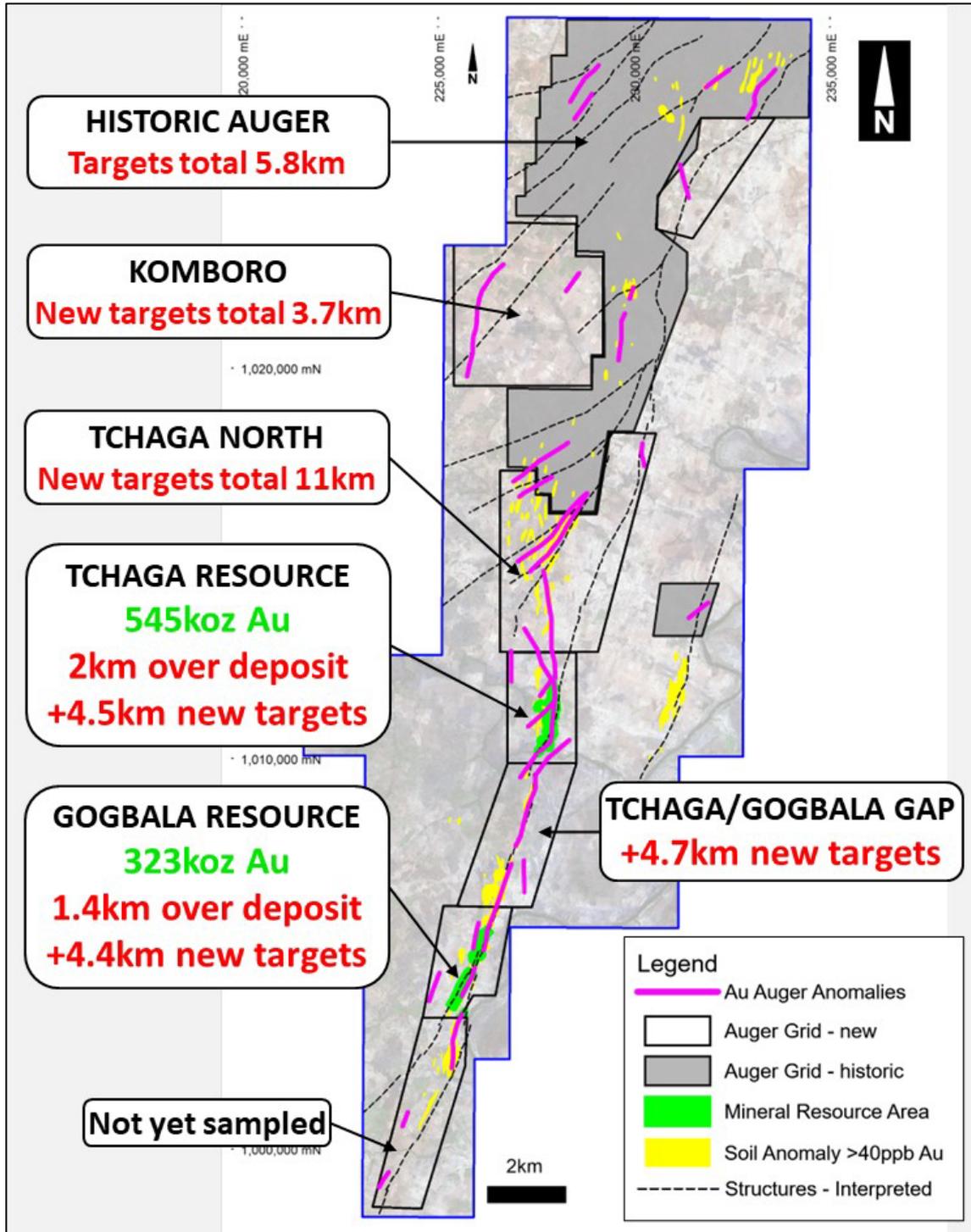


Figure 4: Auger anomalies between Tchaga and Gogbala, and south of Gogbala - Note the 5.6km-long anomaly which is three times the size of Gogbala, indicating significant resource expansion potential

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The auger drilling program successfully narrowed down wide soil anomalies coincident with the 30km-long Napié shear and associated splays. This will allow the Company to vector in to more specific drill targets for resource expansion. An excellent example of how the auger is refining the drill targets is at Tchaga North, where the soil anomaly (shown in yellow) is up to 2km wide. Auger has identified two new parallel zones which provide precise drill targets (Figure 5).



**Figure 5: Napié auger anomalies - Note how the auger drilling program has narrowed down the wide soil anomalies (yellow) which creates precise drill targets for RC/DD drilling**

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**Next Steps**

The phase 2 auger drilling program, will consist of tightening up the grid to 200m X 50m on select targets identified in phase 1, and is **scheduled to commence in late January**. Results from phase 2 are scheduled for mid to late February with **planned RC/DD drilling to commence shortly thereafter**.



**Figure 6: Three of five of auger rigs used in phase1 auger program – A fleet of five rigs is scheduled to begin drilling in late January to commence phase 2**

**CAPITAL RAISE**

During 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**.

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 and subscribed to c.7.5M shares which maintained their holding of 9.9% in Mako’s pro-forma issued capital following completion of the Placement.

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### **MAKO CONSOLIDATES OWNERSHIP OF NAPIÉ GOLD PROJECT TO 90%**

During the reporting period, 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.

### **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**)<sup>1</sup>.

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.

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<sup>1</sup> 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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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 \$2.6M

The Company had a cash balance of \$2.6 million at the end of the quarter which includes the proceeds of the capital raise completed on 21 October 2022. This provides the Company with sufficient funds to continue its exploration activities in the current quarter.

### CORPORATE

- 471.651M 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
- 15M unlisted October 2024 \$0.0615 options on issue
- Market capitalisation of \$20.75M (at \$0.044/share) as at 27 January 2023
- Cash reserves of \$2.6M at the end of the quarter

A total of \$1,423,000 was incurred on exploration in the quarter on the Napié project.

Payments totalling \$122,811 were made to related parties of the Company during the quarter ended 31 December 2022, as shown in the Appendix 5B. These payments related to executive director salaries and non-executive directors' fees (\$102,625) and payments of \$20,186, at normal commercial rates, to a firm of lawyers of which a Director is a partner, for legal services during the quarter.

The top 10 shareholders as at 27 January 2023:

#### Ordinary Shares

Rank	Name	27 January 23	%IC
1	Citicorp Nominees Pty Limited	59,991,687	12.72%
2	Sparta AG	40,000,000	8.48%
3	Perseus Mining Limited	13,800,000	2.93%
4	Equity Trustees Limited	12,456,416	2.64%
5	Mr Terrance Frederick Burling	11,887,916	2.52%
6	Delphi Unternehmensberatung Aktiengesellschaft	11,228,261	2.38%
7	Mr David Harper	8,139,026	1.73%
8	Mr Peter Francis Rene Ledwidge & Mrs Ann Louise Ledwidge	7,533,433	1.60%
9	Huon Pine Pty Ltd	7,022,072	1.49%
10	BNP Paribas Noms Pty Ltd	6,295,580	1.33%
	<b>Total</b>	<b>178,354,391</b>	<b>37.81%</b>
	<b>Balance of register</b>	<b>293,296,968</b>	<b>62.19%</b>
	<b>Grand total</b>	<b>471,651,359</b>	<b>100.00%</b>

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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	0.05	0.037	0.04	50,309,474	798,563	2,089,255	33,163

**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 185km<sup>2</sup>. 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 111km<sup>2</sup>. Mako Côte d'Ivoire SARLU, a 100%-owned Côte d'Ivoire subsidiary of Mako Gold Limited, holds 100% interest in the Korhogo Nord permit.

**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
- 1 June 2022 – Tchaga North Aircore Returns 101 Grams Gold
- 26 April 2022 – Two New Mineralised Zones Show Growth Potential at Gogbala
- 24 February 2022 – Further High-Grade Gold from Gogbala Extensional Drilling
- 19 May 2021 – Drilling Extends Gogbala Gold Mineralised trend to Over 7km
- 9 October 2018 – Further Gold Mineralisation from diamond Drilling at Napié
- 9 July 2018 – Significant gold Mineralisation at Second Propsect at Napiee
- 22 June 2018 – Wide, High-Grade Gold Intersected in Maiden Drilling Program

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**Approved by the Board of Mako Gold**

**Peter Ledwidge**  
**Managing Director**

**For further information please contact:**

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Further information on Mako Gold can be found on our website [www.makogold.com.au](http://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](http://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 (224km<sup>2</sup>) 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 Project.

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

*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 (296km<sup>2</sup>) 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.