

Mako Gold Limited



Float Watch Report

Overview: Mako Gold Limited (“Mako Gold”, “the Company”) is an Australian mineral exploration company focused on gold exploration in West Africa. The Company’s primary asset is a portfolio of exploration licenses in Burkina Faso and Côte D’Ivoire with a right to explore and acquire three gold projects totalling 733.2 km². The Burkina Faso permits are subject to a three-year option agreement for 100% ownership and the Napie Project in Côte D’Ivoire will be operated through a Farm-in and Joint Venture (“JV”) agreement with Perseus Mining (ASX:PRU). Mako Gold was founded in 2015.

DISCOVERY

DEVELOPMENT

DELIVERY

Catalysts: Drilling programs are scheduled to commence immediately after listing and designed to highlight the commercial potential of Mako’s exploration assets. Preliminary groundwork and geophysical surveys have determined multiple anomalies and confirmed the presence of gold at its Burkina Faso tenements and the potential discovery of an economic gold deposit is a catalyst. Mako Gold has an experienced management team with a proven track record of advancing exploration assets and creating shareholder value. Resolute’s cornerstone investment offers improved funding security.

Hurdles: Mako Gold’s assets are at a concept stage and there is no guarantee that exploration can delineate a commercially recoverable deposit. The Company is reliant on external capital and ongoing availability of finance beyond near term programs is not assured. Although Burkina Faso and Côte D’Ivoire are considered to be supportive of foreign ownership and mineral exploration, Mako may be subject to legislative or geopolitical risks.

Investment View: Mako Gold offers speculative exposure to West Africa’s gold industry through a portfolio of exploration assets in Côte D’Ivoire and Burkina Faso. We are attracted to the magnitude of its land package, management team and capital structure. Reliance on external capital as well as exploration and geopolitical risks are principal hurdles. Listing at a pre-money valuation of less than \$7 million, Mako’s market value is undemanding and the strategic cornerstone investment of Resolute Mining is a validation of the company’s leadership team. Investors require a long-term speculative appetite, but the IPO is well structured and the balance of risk appears favourable.

USE OF PROCEEDS (\$6m)

Asset Acquisitions	Asset Development	Exploration	56%
		Other Expenses	32%
Vendor Sale	Balance Sheet	Offer Costs	12%

10th April 2018

Initial Public Offer

[Click here for Prospectus](#)

Price: \$0.20

Listing : 16th Apr

DISCLOSURES

REPORT COMMISSIONED BY	Wise-owl
AUTHOR OWNS THIS SECURITY	No
COMPANY OWNS THIS SECURITY	No

CORPORATE SUMMARY

TICKER	MKG.ASX
SHARES ON OFFER	30m
POST FLOAT SHARES	63.3m
OTHER SECURITIES	15m Options

MARKET CAP	\$12.7m
ISSUED CAPITAL	\$6.6m

ASSET OVERVIEW

TITLE	LOCATION	STATUS
NAPIE	Côte D’Ivoire	Exploration
TANGORA	Burkina Faso	Exploration
NIOU	Burkina Faso	Exploration

BOARD OF DIRECTORS

CHAIRMAN	Mark Elliot
MANAGING DIRECTOR	Peter Ledwidge

TRACK RECORD

VALUE CREATION	Strong
OPERATIONS	Strong
CAPITAL MARKETS	Strong

POST FLOAT SHAREHOLDERS

IPO INVESTORS (EXCL RESOLUTE)	31.6%
RESOLUTE MINING	15.8%
MANAGEMENT	21.8%
OTHER	30.8%






FLOAT WATCH RANKING

“Management has strong track record.”



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GLOSSARY

	High Flyer – strong prospect of value growth
	Airborne – favourable value growth prospects
	Clear for Takeoff – reasonable value growth potential with appropriate capital structure given the risks
	Safety Check – elevated risks shadow value growth potential
	Grounded – value growth not likely due to excessive risks

Company Life Cycle

Discovery	Assets typically at a concept stage, yet to demonstrate commercial potential. Company reliant on external capital.
Development	Feasibility and commercial trials are a primary focus. Company reliant on external capital.
Delivery	Assets are typically generating cash flow. Company has an operating focus & may no longer rely on external capital

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