

ASX ANNOUNCEMENT

1 MAY 2023

ASX:MKG



\$2.6M PLACEMENT AND LOYALTY OPTION OFFER TO DRIVE RESOURCE GROWTH AT NAPIÉ GOLD PROJECT

HIGHLIGHTS

- ❖ Mako Gold secures **binding commitments to raise \$2.6 million** (before costs), with a **follow-on loyalty option offer to raise up to a further \$678,000** (described below)
- ❖ The Placement was **strongly supported by new and existing institutional and sophisticated investors, including Mako Gold's Directors and Management**
- ❖ **Cornerstone support received from Dundee Corporation** to maintain 9.6% stake
- ❖ Mako to undertake a loyalty issue to shareholders in the form of a one (1) for four (4) non-renounceable entitlement offer of Loyalty Options (**Loyalty Option Offer**) to all eligible Mako shareholders registered on a **Record Date of Friday 12 May 2023¹**:
 - ◆ Subscription price of \$0.005 per option, and Exercise price of \$0.04
 - ◆ 12 month term on the options
 - ◆ Shareholders may apply for shortfall in the Loyalty Option offer
- ❖ The Placement, in conjunction with \$1.35M cash reserves² and access to a US\$2M Geodrill Drill-for-Equity Facility ensures **Mako is well funded to execute its near-term resource growth strategy** that aims to expand the existing 868koz Au resource base through drill testing the highest priority resource extensional targets and auger anomalies
- ❖ Mako will also undertake follow-up field activities to better understand the recently uncovered potential for **large scale Manganese on its Korhogo Project**, where all 22 rock chip samples collected have **returned highly significant manganese values, averaging 22% Mn**, indicating consistent mineralisation over each of the 7km strike lengths
- ❖ **Strong near-term news-flow** with two Reverse Circulation (RC) drill rigs secured to imminently commence drilling on the Company's flagship Napié Project

Mako Gold Limited ("Mako" or "the Company"; ASX:MKG) is pleased to announce that it has received binding commitments for a Placement at a price of \$0.03 per share to raise \$2.6M before costs (**Placement**). In addition, the Company is pleased to announce that all existing eligible shareholders will be invited to participate in a forthcoming offer of loyalty options in the form of a non-renounceable entitlement issue of options (**Loyalty Option Offer**) as detailed further in this release.

¹ Indicative date only. A separate announcement of the key dates for the Loyalty Option offer, together with a Prospectus, will be lodged by the Company shortly, following closing of the Placement

² As at 31 March 2023

The Placement was strongly supported by existing shareholders and 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 Corporation, cornerstoned the Placement with a binding commitment to subscribe for c.8.3M shares and will maintain its holding of 9.6% in Mako's pro-forma issued capital following completion of the Placement.

Discovery Capital Partners Pty Ltd and Euroz Hartleys Limited are Joint Lead Managers to the Placement¹.

USE OF FUNDS

Together with existing cash reserves of \$1.3M (as at 31 March 2023) and access to a US\$2M Geodrill Drill-for-Equity Facility (announced 27 February 2023), the Placement and proceeds from the Loyalty Option Offer will ensure Mako is well funded to execute its strategic plan. This includes:

- ❖ Exploration and drilling campaigns at the Company's flagship Napié Gold Project that hosts a Maiden JORC 2012 Mineral Resource Estimate of 22.5Mt at 1.2g/t for 868koz Au at the Tchaga and Gogbala Prospects;
- ❖ Drill testing high priority auger anomalies and resource extensional targets at Napié;
- ❖ Technical studies, including structural geology assessment of the Napié Gold Project;
- ❖ Exploration activities advancing gold and newly discovered manganese prospects at the Korhogo Projects; and
- ❖ General working capital purposes.

Mako's Managing Director Peter Ledwidge commented:

"Our vision for delineating a multi-million ounce gold camp at Napié in Côte d'Ivoire is being recognised and demonstrated through the ongoing support for this Placement by a large number of our technical-driven shareholders, as well as the introduction of several new institutional and sophisticated investors.

"We look forward to kicking off our 2023 drilling campaign soon, which will consist of a combination of extensional drilling to drive resource growth, as well as investigating the highest priority multi-kilometre targets identified in our recent 25,000m auger drilling programs.

*"Somewhat unexpected, but a very interesting development for Mako, is the **recent discovery of significant manganese mineralisation over a combined 14km strike at our Korhogo Project.** Given the **consistent values returned in all samples collected the and scale potential demonstrated by the extensive strike-length**, in a region already hosting an operating **manganese mine**, we will be undertaking further field works to better understand this opportunity".*

¹ 11 million Broker Options will be issued subject to shareholder approval and will have an exercise price of 150% of the Placement price and expiry date of 3yrs from the date of issue.

PLACEMENT DETAILS

The Placement will comprise the issue of c.86.7M new fully paid ordinary shares in Mako at an issue price of \$0.03 per share as follows:

- ❖ Tranche 1 Placement, comprising 70,747,704 New Shares (~\$2.1M), is not subject to shareholder approval and will fall within the Company's placement capacity under ASX Listing Rule 7.1 ("**Tranche 1 Placement**"); and
- ❖ Tranche 2 of the Placement (including Dundee Corporation and Mako Directors) comprising up to ~15.9M New Shares (~\$478k), will be issued subject to Shareholder Approval at a General Meeting (**General Meeting**) proposed to be held in early June 2023 ("**Tranche 2 Placement**").

Mako will issue one (1) attaching unlisted option (**Placement Options**) for every two (2) New Shares issued pursuant to the Placement. The Placement Options will be exercisable at \$0.05, each with an expiry date 24 months from date of issue, and will be issued subject to shareholder approval at the General Meeting.

Settlement of Tranche 1 of the Placement is expected to be completed on Monday, 8 May 2023. Settlement of Tranche 2 of the Placement is expected to be completed on or around early/mid-June 2023 and subject to prior Shareholder Approval at a General Meeting to be scheduled in early June 2023.

LOYALTY OPTION OFFER

The Company is pleased to report that subject to ASX approval of the timetable and issue of a Prospectus in compliance with the Corporations Act, it intends to undertake a non-renounceable Loyalty Option entitlement issue (**Loyalty Options Offer**) to all Shareholders with a registered address for their shareholding in Australia, New Zealand, and certain other jurisdictions to be set out in the Prospectus (**Eligible Shareholders**).

The Loyalty Options Offer will be on the basis of one (1) unlisted option for every four (4) Shares held on the record date, for a subscription price of \$0.005 per option, with an exercise price of \$0.04, and expiry date of 12 months from the date of issue (**Loyalty Options**), raising up to approximately \$678,000 in addition to the Placement.

The proposed Record Date to determine eligibility for the Loyalty Options Offer will be on or around Friday, 12 May 2023 (**Loyalty Option Record Date**). Furthermore, **only Eligible Shareholders** will be offered the opportunity to apply for surplus to their pro-rata entitlement to the extent there is a shortfall available.

As a result of Tranche 2 settling after the Loyalty Option Record Date, Tranche 2 investors will be offered Loyalty Options on the same ratio as Tranche 1 investors, subject to shareholder approval¹.

Mako will work with the legal and advisory teams to ensure this Loyalty Option Offer is available to as many shareholders as possible and practical, based on jurisdictional requirements outside of Australia and New

¹ This will be documented separately to give the effect of offering Tranche 2 investors Loyalty Options as if they had participated in Tranche 1 and held those Placement shares on the Record Date.

Zealand. A further announcement, including the timetable for the entitlement to and issue of the Loyalty Options, will be provided by the Company on lodgement of the Prospectus.

DIRECTOR & MANAGEMENT PARTICIPATION

Mako Board and Management intend to participate in the Tranche 2 Placement for a total of \$80,000 through the issue of 4,333,336 new shares (**Director Participation**). Director Participation in Tranche 2 will be subject to Shareholder Approval at the General Meeting.

INDICATIVE TIMETABLE

Summary of Key Dates	Date/Time
Settlement of New Shares Issued Under Tranche 1	Monday, 8 May 2023
Allotment of New Shares Issued Under Tranche 1	Tuesday, 9 May 2023
Loyalty Option Record Date	Friday, 12 May 2023
Notice of General Meeting Dispatched	On or around early May 2023
Anticipated General Meeting to approve Tranche 2, Placement Options and Director Participation	On or around June 2023
Settlement of New Shares Issued Under Tranche 2 and Placement Options	On or around June 2023

Note: Times and dates are indicative only and are subject to change without notice.

The Notice of Meeting to approve the grant of the Placement Options, Director Participation, Tranche 2 of the Placement and offer of Loyalty Options to Tranche 2 investors is being prepared and will be despatched as soon as possible.

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 Gogbala.

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 2017¹. Subsequently Mako renegotiated the agreement with Perseus and has now **consolidated its ownership in the Napié Project from 51% to 90%**².

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 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, and ASX release dated 29 June 2021

² Refer to ASX release dated 29 June 2021 and 21 October 2022

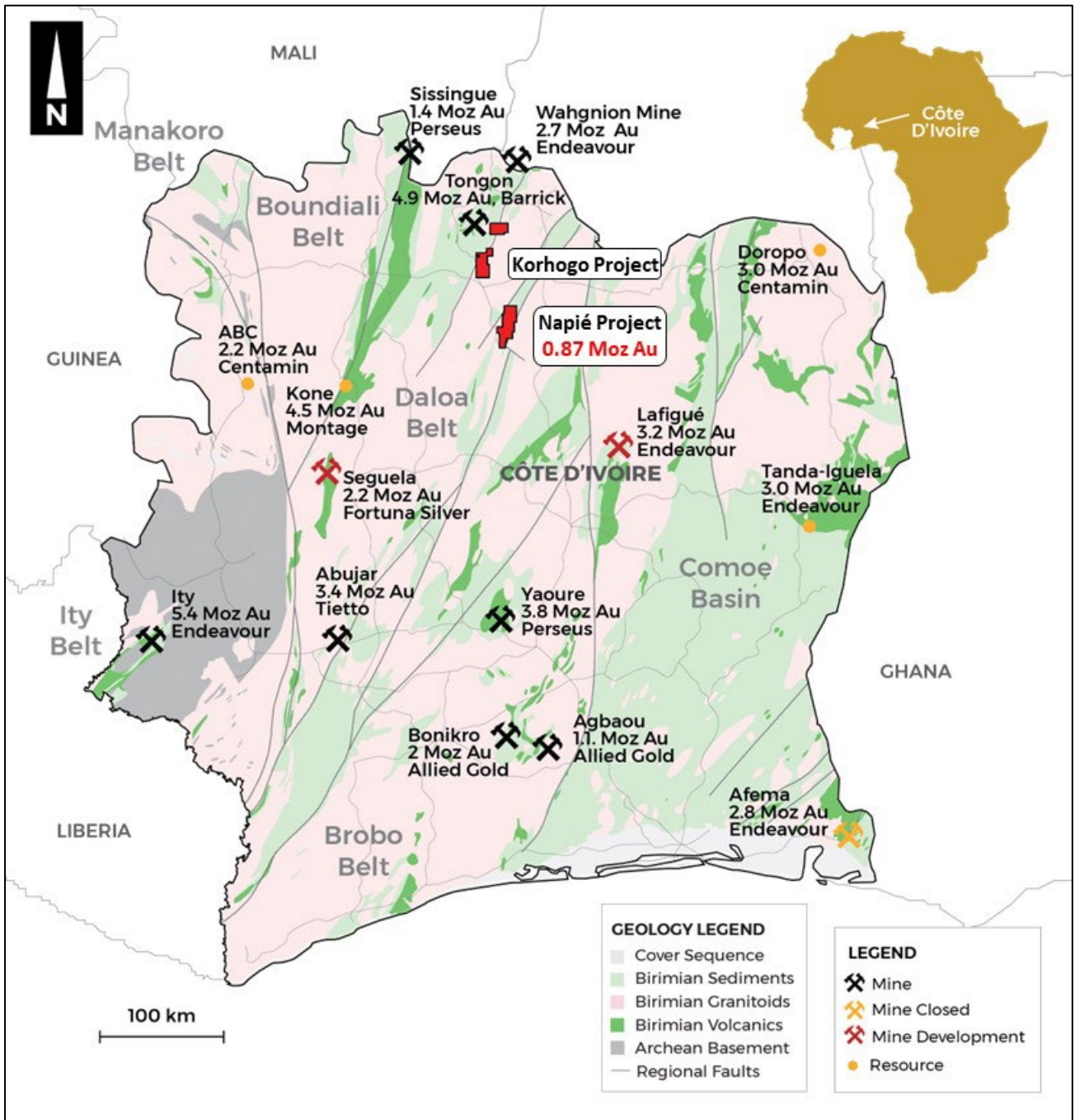


Figure 1: Côte d'Ivoire - Mako projects on simplified geology with mines and deposits

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. 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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