

Mako Gold Limited

ACN 606 241 829

Rights Issue Offer Document

Pursuant to s708AA(2) *Corporations Act 2001* (Cth)

A non renounceable rights issue to existing shareholders of Mako Gold Limited of 1 (one) new fully paid ordinary share at an Issue Price of \$0.085 for every 4 (four) Shares held at the Record Date, to raise up to approximately \$1,524,424 before costs of the offer (**Offer**).

Important notice

This document is not a prospectus. This document does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document. The New Shares offered by this document should be considered speculative.

This document should be read in its entirety. If after reading this document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

Important information

Offer statistics

Number of New Shares to be issued: up to 17,934,404*

Issue Price: \$0.085

* Excludes any New Shares which may be issued in the event that any Existing Options are exercised prior to the Record Date.

* Subject to rounding of entitlements.

Key dates for investors

Lodgement of Offer Document at ASX:Monday, 20 May 2019

Application of New Shares for official quotation of New Shares:Monday, 20 May 2019

Notice provided to Option Holders:Monday, 20 May 2019

Notice provided to Share Holders:Tuesday, 21 May 2019

Existing Shares quoted on an 'ex' basis:Friday, 24 May 2019

Record Date for determining entitlements under the Issue:Monday, 27 May 2019

Offer expected to open: Thursday, 30 May 2019

Offer expected to close: Thursday, 20 June 2019

New Shares quoted on a deferred settlement basis:Friday, 21 June 2019

Notification of Shortfall:Tuesday, 25 June 2019

Anticipated date for issue of New Shares: Thursday, 27 June 2019

Commencement of trading of New Shares on ASX:Friday, 28 June 2019

Further details regarding the timetable for the Offer are set out in section 1.3. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Offer opens.

Important notice

The Offer made pursuant to this Offer Document is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Company. This Offer Document is not a disclosure document for the purposes of chapter 6D of the *Corporations Act*, and has not been lodged with ASIC. The Company is offering the securities under this Offer Document without disclosure to investors under chapter 6D of the *Corporations Act* pursuant to section 708AA of the *Corporations Act*. Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a prospectus and Eligible Shareholders should consider all

relevant facts and circumstances, including their knowledge of the Company and disclosures made to the ASX and should consult their professional advisors before deciding whether to accept the Offer.

This Offer Document is dated 20 May 2019 and was lodged with the ASX on that date. The ASX does not take any responsibility for the contents of this Offer Document.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set out in this Offer Document.

As at the date of this Offer Document, the Company has complied with:

- the provisions of chapter 2M of the *Corporations Act*, as they apply to the Company; and
- section 674 of the *Corporations Act*.

The Offer is only made to those Shareholders who are Eligible Shareholders on the Record Date (being Shareholders who have a registered address in Australia and New Zealand).

No excluded information

As at the date of this Offer Document the Company is not aware of any excluded information of the kind which would require disclosure in this Offer Document pursuant to subsections 708AA(8) and (9) of the *Corporations Act*.

Foreign shareholders

This document does not, and is not intended to, constitute an offer of New Shares in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Offer Document. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside of Australia and New Zealand, having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to, Shareholders having registered addresses outside of Australia and New Zealand.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia and New Zealand, in which the Company's Shareholders may reside. The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

See section 1.15 for further information on Offer restrictions with respect to shareholders who do not have registered addresses in Australia and New Zealand.

New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these

securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand)*.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013 (New Zealand)*. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

How to accept Entitlement to New Shares

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Offer Document or making payment of Acceptance money by BPAY® in accordance with the instructions set out in this Offer Document and on the Entitlement and Acceptance Form.

This Offer Document is available in electronic form on the internet at www.makogold.com.au. If you wish to obtain a free copy of this Offer Document, please contact the Company on +61 433 019 836.

Enquiries

If you are an Eligible Shareholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form or take up your Entitlement, please call the Share Registry on:

- (a) 1300 857 499 for callers within Australia; or
- (b) +61 1300 857 499 for overseas callers.

Deciding to accept the Offer

No person named in this Offer Document, nor any other person, guarantees the performance of Mako, the repayment of capital or the payment of a return on the New Shares.

Please read this document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 5. This Offer Document is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: www.makogold.com.au.

Terms used

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the definitions and glossary in section 7.

Money as expressed in this Offer Document is in Australian dollars unless otherwise indicated.

Forward looking statements

Some of the information contained in this Offer Document constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Offer Document details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Offer Document.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied on as having been authorised by the Company or its officers. This Offer Document does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Offer Document, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Competent Person Statement

The information in this Offer Document that relates to Exploration Results and Mineral Resources is based on information compiled and/or reviewed 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 this information in the form and context in which it appears.

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Chairman's letter

20 May 2019

Dear Shareholder,

On behalf of the Directors I am pleased to invite you to take up your entitlement to new ordinary fully paid shares (**New Shares**) in Mako Gold Limited (**Offer** or **Issue**).

The Company is making a non-renounceable rights issue of 1 New Share for every 4 Shares held in Mako Gold Limited on the Record Date, at an Issue Price of \$0.085 per Share, to raise up to approximately \$1,524,424 before the costs of this Issue. This Issue Price represents a 15.8% discount to the 10 day volume-weighted average price (**VWAP**) of Shares as at 15 May 2019 (being \$0.101).

Mako has today announced a placement of Shares at \$0.085 per Share to institutional and sophisticated investors to raise approximately \$721,439 (before costs)(**Placement**). The Placement was conducted within the Company's 15% placement capacity under ASX Listing Rule 7.1 and is expected to settle on 24 May 2019. The Shares to be issued as a result of the Placement will be eligible to participate in the Offer.

Any shortfall under the Offer will first be satisfied by allocations to Shareholders who have applied for Additional Shares under the terms and conditions of the Offer, subject to compliance with Chapter 6 of the Corporations Act and ASX Listing Rules. The allocation process is described in more detail in Sections 1.10 and 2.2.

It is proposed that the funds raised under the Placement and this Offer will be applied for the purposes of drilling, further exploration work on the Company's projects, to cover the costs of the Placement and the Issue, and to provide working capital.

Mako's cornerstone investor and largest holder, Resolute Mining Limited (**Resolute**), has confirmed that its current intention is to apply for its full entitlement under the Offer provided that its relevant interest in the shares of the Company remains at 19.90%.

Pursuant to the *Corporations Act*, Mako is not required to prepare a prospectus for the Issue. A summary of the key information with respect to the Issue is set out in this Offer Document. Please read the Offer Document carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

A personalised Entitlement and Acceptance Form is attached to this Offer Document and sets out the number of New Shares you are entitled to subscribe for as an Eligible Shareholder (**Entitlement**). Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form or making payment of Acceptance money by BPAY® in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Subscription money for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

The Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely,



Mark Elliott
Chairman
Mako Gold Limited

1. Offer details

1.1 The Offer

This Offer Document is for the non-renounceable rights issue of approximately 17,934,404 New Shares at an Issue Price of \$0.085 per New Share, on the basis of 1 New Share for every 4 Shares held by Eligible Shareholders as at the Record Date.

The Offer is an offer to Eligible Shareholders only.

The Issue Price of \$0.085 per New Share represents a 15.8% discount to the 10 day volume-weighted average price (**VWAP**) of Shares as at 15 May 2019 (being \$0.101).

The Issue may be increased by a total of 4,541,622 New Shares if all holders of Existing Options exercise their Existing Options (in accordance with the terms of the Existing Options) prior to the Record Date.

On the same date as announcing the Issue, the Company applied to the ASX for the New Shares to be granted official quotation on the ASX. Official quotation of the New Shares is expected to occur on or about 28 June 2019.

The Directors may at any time decide to withdraw this Offer Document and the offer of New Shares made under this Offer Document, in which case the Company will return all Application Money (without interest) within 28 days of giving notice of such withdrawal.

Shareholders who apply for 100% of their entitlement are able to apply for Additional Shares to be issued from any shortfall at the Issue Price, subject to compliance with Chapter 6 of the Corporations Act and ASX Listing Rules. Any Additional Shares will firstly be allocated to Shareholders who apply for Additional Shares in addition to their Entitlement at the absolute discretion of the Directors. The Directors may then place any further shortfall Shares to persons who may or may not be Shareholders. The issue of the Additional Shares under the Shortfall Offer and the placement of any Additional Shares will be at the absolute discretion of the Company and its Directors and as such there is no guarantee that any Additional Shares applied for will be issued to Eligible Shareholders. The allocation process is described in more detail in Sections 1.10 and 2.2.

1.2 Minimum subscription

There is no minimum subscription to the Issue.

1.3 Placement

The Company has today announced a Placement of Shares at \$0.085 per Share to institutional and sophisticated investors to raise approximately \$721,439 (before costs). The Placement was conducted within the Company's 15% placement capacity under ASX Listing Rule 7.1. The Shares to be issued as a result of the Placement will be eligible to participate in the Offer.

1.4 Important dates

Announcement and application for official quotation of New Shares	Monday, 20 May 2019
Section 708AA notice given to ASX	Monday, 20 May 2019
Lodge Offer Document with ASX	Monday, 20 May 2019
Notice provided to Option Holders	Monday, 20 May 2019

Ex Date	Friday, 24 May 2019
Record Date for the Issue	Monday, 27 May 2019 7.00pm (Brisbane time)
Dispatch of Offer Document and Acceptance Form	Thursday, 30 May 2019
Opening Date of Offer	Thursday, 30 May 2019
Closing Date of Offer*	Thursday, 20 June 2019 at 5.00pm (Brisbane time)
New Shares quoted on a deferred settlement basis	Friday, 21 June 2019
Notification of shortfall to ASX	Tuesday, 25 June 2019
Anticipated Date for Issue of New Shares	Thursday, 27 June 2019
Commencement of trading of New Shares on ASX	Friday, 28 June 2019
Latest Date for Directors to place any Additional Shares	Monday, 20 September 2019

* The Directors may extend the Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such, the date the New Shares issued under the Entitlement Offer are expected to commence trading on ASX may vary.

The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time, subject to the *Corporations Act* and the Listing Rules, without notice.

The Directors, subject to the requirements of the Listing Rules and the *Corporations Act*, reserve the right to:

- (a) withdraw the Offer without prior notice; or
- (b) vary any of the important dates set out in this Offer, including extending the Offer.

1.5 Purpose of the Issue

The Directors intend to apply the proceeds from the Placement and the Issue to provide funds for the purposes of:

- (a) drilling;
- (b) further exploration work;
- (c) the costs of the Placement and the Issue; and
- (d) working capital.

The proceeds from the Issue (assuming it is fully subscribed), together with the Placement are proposed to be allocated in the following manner:

Proposed use of funds	
Drilling	\$1,100,000
Further exploration work	\$500,000
Estimated costs of the Placement and Issue (including legal fees, Share Registry fees, ASX fees and other miscellaneous costs associated with the Offer)*	\$140,000

Proposed use of funds	
Working capital	\$505,863
Total (maximum raising)	\$2,245,863

** Assumes that the Offer is fully subscribed, and does not take account of brokerage (if any) discussed at section 6.3*

However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

1.6 Risk factors

Eligible Shareholders should be aware that an investment in the Company is subject to investment and other known and unknown risks, including possible loss of income and the principal invested. Investors should carefully read the section on risk factors outlined in section 5. An investment of this kind involves a number of risks, a number of which are specific to the Company and the industry in which it operates.

However, these risks should not be taken to be exhaustive of the risks faced by the Company or its shareholders. Those risk factors referred to section 5, and others not specifically referred to in section 5, may materially affect the financial performance of the Company and the value of its Shares in the future.

The Company has implemented strategies, actions, systems and safeguards for known risks. However, some risks are beyond its control. Consequently, the prevailing price or value of New Shares issued under the Offer may be more or less than the Issue Price.

The New Shares offered under this Offer carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

1.7 New Share terms

Each New Share will rank equally with all existing Shares then on issue. Full details of the rights and liabilities attaching to the Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

1.8 No rights trading

Entitlements to New Shares pursuant to the Issue are non-renounceable and accordingly will not be traded on the ASX.

1.9 Acceptance of Entitlement to New Shares

The number of New Shares to which each Eligible Shareholder is entitled is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document. This Offer Document is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

1.10 **Placement of Additional Shares under Shortfall Offer**

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer pursuant to this Offer Document. The issue price of any Additional Shares offered pursuant to the Shortfall Offer will be \$0.085, which is the Issue Price at which the Offer has been made to Eligible Shareholders.

Shareholders who apply for their full Entitlement may also apply for Additional Shares in excess of their Entitlement at the Issue Price. The Shortfall Offer is described in section 2.2 below.

Additional Shares will be issued under the Shortfall Offer at the absolute discretion of the Company and its Directors and as such there is no guarantee that any Additional Shares applied for will be issued to Eligible Shareholders. The Company will have no liability to any Applicant who receives less than the number of Additional Shares they applied for under the Shortfall Offer.

In the event that there is a further Shortfall in subscriptions under the Offer following the issuance of the Additional Shares under the Shortfall Offer, the Company and the Directors reserve the right, as contemplated within the Listing Rules, to allocate any further Shortfall of New Shares in their absolute discretion and to conduct a placement of the remaining Shortfall to ensure a maximum amount of funds are raised. They will do so in a manner which will ensure that no Shareholder or other investor will, as a consequence of being issued any Shortfall, hold a relevant interest of more than 20% of all of the Shares in the Company after this Issue.

Any Shortfall will be issued within three months after the Closing Date at an Issue Price being not less than the Issue Price.

1.11 **Allotment and allocation policy**

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

1.12 **ASX listing**

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be issued pursuant to this Offer Document to be listed for official quotation by the ASX. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

Should the New Shares not be granted official quotation on the ASX within three months after the date of this Offer Document, none of the New Shares offered under this Offer Document will be issued and all acceptance money will be refunded without interest to Applicants within the time prescribed by the *Corporations Act*.

1.13 **CHESS**

The Company will apply for the New Shares to participate in CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Offer Document. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

1.14 **Option Holders**

Option Holders will not be entitled to participate in the Issue unless they:

- (a) have become entitled to exercise their Existing Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Issue as a result of being an Eligible Shareholder at 7.00pm (Brisbane time) on the Record Date.

There are currently 14,999,983 listed options on issue.

There are currently 3,500,000 Existing Unlisted Options on issue. Of these, 3,166,666 have vested. The Existing Unlisted Options have expiry dates of 26 April 2021 and 30 April 2021, and have an exercise price of \$0.30 each.

If all Option Holders elect to exercise their Existing Options prior to the Record Date to participate in the Issue, a further 4,541,622 New Shares may be issued under this Offer Document.

1.15 **Overseas Shareholders**

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia and New Zealand in which the Company's Shareholders reside.

This Offer Document and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside of Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document or the Entitlement and Acceptance Form.

The distribution of this Offer Document and the accompanying Entitlement and Acceptance Form in jurisdictions outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document and the accompanying form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside of Australia and New Zealand (**Ineligible Shareholders**) having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, Ineligible Shareholders and no New Shares will be issued to Ineligible Shareholders.

In particular this Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person

who is ineligible under applicable securities laws in any country to receive an offer under the Offer Document without any requirement for a prospectus to be lodged or registered.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to Existing Shareholders of the Company with registered addresses in New Zealand to whom the Offer of the New Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand)*.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013 (New Zealand)*. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States

This Offer Document may not be released or distributed in the United States. This Offer Document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Offer Document have not been, and will not be, registered under the US Securities Act 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

1.16 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia and New Zealand, except to beneficial Shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

1.17 Electronic Offer Document

An electronic version of this Offer Document is available on the Internet at www.makogold.com.au.

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Offer Document. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Offer Document or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Offer Document has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Offer Document will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Offer Document should immediately request a paper copy of the Offer Document directly from the Company or the Share Registry.

2. How to apply

2.1 How to accept your entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part. The number of New Shares to which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Offer Document.

If Eligible Shareholders take no action in respect of their Entitlement they will have no right to subscribe for the New Shares pursuant to this Offer.

As an Eligible Shareholder, you may:

- (a) take up all of your Entitlement and apply for Additional Shares;
- (b) take up all of your Entitlement but not apply for Additional Shares;
- (c) accept part of your Entitlement and allow the balance to lapse; or
- (d) do nothing which will allow your Entitlement to lapse.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out on the Entitlement and Acceptance Form and forwarding the completed Form together with payment for the full amount so as to reach the Share Registry by no later than 5.00pm (Brisbane time) on the Closing Date.

Payment may be made by cheque, bank draft or BPAY®. The Issue Price of \$0.085 per New Share is payable in full on acceptance of part or all of your Entitlement.

Cheques should be in Australian currency and made payable to Mako Gold Limited - Rights Issue Account" and crossed "not negotiable".

Completed Forms and accompanying cheques should be lodged at or forwarded to the following address:

Mailing Address	OR	Hand Delivery
Mako Gold Limited Offer		Mako Gold Limited Offer
C/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001		C/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138

Entitlement and Acceptance Forms will not be accepted at the Company's registered office.

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Offer Document. The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Application Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Application Money will be retained by the Company irrespective of whether allotment takes place.

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse. If you do not take up all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have

otherwise been entitled to under the Offer may be placed by the Directors to third parties. See sections 1.10 and 2.2 for further details.

2.2 **Placement of Additional Shares under Shortfall Offer**

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer pursuant to this Offer Document. The issue price of any Additional Shares offered pursuant to the Shortfall Offer will be \$0.085, which is the Issue Price at which the Offer has been made to Eligible Shareholders.

Shareholders who apply for their full Entitlement may apply for Additional Shares in excess of their Entitlement at the Issue Price, subject to their holding not exceeding 20% of the number of Shares on issue after the completion of the Offer.

The Company reserves the right to scale back any applications for Additional Shares under the Shortfall Offer. If this occurs, applications monies will be returned (without interest) to the extent of the scale back.

Should you wish to apply for Additional Shares under the Shortfall Offer, then applications for such Additional Shares must be made on the Entitlement and Acceptance Form which accompanies and forms part of this Offer Document.

To apply under the Shortfall Offer, complete the Section in the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Additional Shares applied for.

Completed Shortfall Offer application forms and payment in accordance with section 2.1 must reach the Company by no later than the 5:00pm Brisbane time on the Closing Date.

Additional Shares will be issued under the Shortfall Offer at the absolute discretion of the Company and its Directors and as such there is no guarantee that any Additional Shares applied for will be issued to Eligible Shareholders. The Company will have no liability to any Applicant who receives less than the number of Additional Shares they applied for under the Shortfall Offer.

In the event that there is a Shortfall in subscriptions under the Shortfall Offer following the issuance of the Additional Shares, the Company and the Directors reserve the right, as contemplated within the Listing Rules, to allocate any Shortfall of New Shares in their discretion and to conduct a placement of the remaining Shortfall to ensure a maximum amount of funds are raised. They will do so in a manner which will ensure that no Shareholder or other investor will, as a consequence of being issued any Shortfall, hold a relevant interest of more than 20% of all of the Shares in the Company after this Issue.

Any Shortfall will be issued within three months after the Closing Date at an Issue Price being not less than the Issue Price.

2.3 **Binding effect of Entitlement and Acceptance Form**

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY®, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY®, you will also be deemed to have

acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia and New Zealand; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

3. Company information

3.1 Company and Project Overview

Mako Gold is an exploration company focussed on the discovery of large high-grade gold deposits in highly prospective and under-explored terrains in Côte d'Ivoire, Burkina Faso and other favourable countries in West Africa.

The Company was established in June 2015 and acquired its first project interests in July 2016. The conversion of Mako Gold to a public company was completed in June 2017. Mako raised \$700,000 in seed capital from investors in April 2017 and a further \$500,000 in December 2017. The Company completed an IPO raising \$6,000,000 and listed on the ASX on 16 April 2018. The IPO included a \$2,000,000 cornerstone investment by West African focussed ASX-listed gold miner Resolute Mining Limited (ASX:RSG) and was oversubscribed.

3.2 Napié Project - Côte d'Ivoire

Mako Gold's flagship Napié Project is located in north-central Côte d'Ivoire within the Daloa greenstone belt. Mako is earning up to a 75% interest in the Napié Project under a farm-in and joint venture agreement with Occidental Gold SARL, a subsidiary of West African gold miner Perseus Mining Limited (ASX/TSX:PRU).

(a) Napié - Drilling Intersected Multiple Mineralised Zones Including 28m at 4.86g/t Au¹

Since its 2018 maiden drilling program, reverse circulation (RC) and diamond drilling (DD) by Mako has identified shallow, wide, high-grade gold intersections with the best results returned from the Tchaga and the Gogbala prospects.

The recent RC drilling program on the Tchaga Prospect consisted of 9 holes for a total of 1,300m drilled. Multiple mineralised zones including 28m at 4.86g/t Au were intersected. Gold mineralisation can be traced in drilling over a strike length of 500m on the Tchaga Prospect.²

The most recent program also included approximately 1,240m of RC drilling on the Gogbala Prospect. Gold was intersected in drill holes spanning multiple sections on the Gogbala Prospect over a strike length of 2km, demonstrating the potential for large deposits.³

(b) Napié Project - Reinterpretation of Airborne Geophysics⁴

Mako recently commissioned reprocessing and reinterpretation of the airborne magnetic and radiometric data for the high priority areas of the Napié Permit which include the Tchaga and Gogbala Prospects. The interpretation independently highlighted multiple structures which coincide with anomalous gold in soil (>40ppb Au) and some of the best drill results Mako has achieved on the project to date. The structures are interpreted to be shear zones parallel to the NNE trending regional fault.

¹ ASX Announcement dated 30 April 2019: Quarterly Activities Report for the period ending 31 March 2019, page 2; ASX Announcement dated 13 March 2019, Wide High Grade Gold of up to 28M @ 4.86g/T from Napié, page 1. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

² ASX Announcement dated 13 March 2019, Wide High Grade Gold of up to 28M @ 4.86g/T from Napié, page 3. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

³ ASX Announcement dated 13 March 2019, Wide High Grade Gold of up to 28M @ 4.86g/T from Napié, page 5. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

⁴ ASX Announcement dated 30 April 2019: Quarterly Activities Report for the period ending 31 March 2019, page 4. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

The most significant of these shear zones can be traced for over 17km and coincides with an anomalous soil geochemical trend. Only a small length of this shear zone has been tested to date.⁵

(c) Napié - Planned Drilling⁶

The Company is planning a drill program to infill and test the strike extent of the broad zones of gold mineralisation identified to date and has used the geophysical reinterpretation to target drill holes. Positive drill results received thus far on both the Tchaga and Gogbala Prospects are located along the newly identified +17km-long interpreted shear. The upcoming drilling program will concentrate on the area proximal to the mineralised shear on the Tchaga and Gogbala prospects as well as regionally test the undrilled areas along the interpreted shear between the two prospects. Drilling is anticipated to commence prior to the wet season which usually begins in June.⁷

(d) Napié - Planned Infill Drill Program⁸

Mako's planned infill RC drill program will test mineralisation over a strike length of 1.4km along the in the newly identified 17km-long shear zone within the Tchaga Prospect. Drilling will be concentrated in proximity to a dilational jog in the shear zone which is believed to be more prospective for gold deposition.⁹

The planned program will follow up on the best drill results to date from Mako drilling, which intersected multiple wide gold zones over a 400m strike length, including high-grade intervals.

Some of the more significant drill intersections returned to date on the Tchaga Prospect include:¹⁰

- (1) 8m at 8.53g/t Au from 31m - hole NARC001;
- (2) 25m at 3.43g/t Au from 53m - hole NARC017;
- (3) 17m at 2.43g/t Au from 86m - hole NARC055;
- (4) 28m at 4.86g/t Au from 83m - hole NARC057; and
- (5) 3.3m at 6.98g/t Au from 62.3m - hole NADD006.

(e) Regional Drilling - Connecting Tchaga and Gogbala Prospects¹¹

⁵ ASX Announcement dated 29 April 2019, "Exploration Updates - Niou and Napie Projects, West Africa", page 4. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

⁶ ASX Announcement dated 30 April 2019: Quarterly Activities Report for the period ending 31 March 2019, page 4. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

⁷ ASX Announcement dated 29 April 2019, "Exploration Updates - Niou and Napie Projects, West Africa", page 1. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

⁸ ASX Announcement dated 30 April 2019: Quarterly Activities Report for the period ending 31 March 2019, page 5. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

⁹ ASX Announcement dated 29 April 2019, "Exploration Updates - Niou and Napie Projects, West Africa", page 7. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

¹⁰ ASX Announcement dated 30 April 2019: Quarterly Activities Report for the period ending 31 March 2019, page 5. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

Multiple wide gold zones, including high-grade intervals, were intersected on the Gogbala Prospect in previous drilling by Mako.

Significant gold intersections on the Gogbala Prospect from drilling to date include:¹²

- (1) 17m at 1.67g/t Au from 45m in hole NARC027;
- (2) 6m at 2.67g/t Au from 42m in hole NARC034;
- (3) 12m at 5.39g/t Au from 11m in hole NARC035;
- (4) 7m at 2.73g/t Au from 77m in hole NARC065; and
- (5) 2m at 16.81g/t Au from 2m and 5m at 2.12g/t Au from 19m in hole NARC066.

It appears that gold mineralisation intersected in the south of the Tchaga Prospect, and intersected in the Gogbala Prospect, is part of the same system and both lie along the newly interpreted 17km-long shear zone. The purpose of the upcoming regional drilling program is to drill test this mineralised structure with broadly spaced drill fences, from the northern tip of the Tchaga Prospect to the southern tip of the Gogbala Prospect, thereby testing for gold mineralisation over a 9km strike length. Drill holes in proximity to dilational jogs (curves within the 17km-long structure) will be prioritised for testing. These dilational zones are believed to be good ground preparation for deposition of gold.¹³

3.3 Niou Project – Burkina Faso

The Niou Project is located in central Burkina Faso 50km NW of the capital, Ouagadougou. The permit is held under a 3-year option agreement with a local owner for the right to acquire 100% ownership by Mako Gold.

(a) Niou Project - Gold Discovery Announced¹⁴

A new gold discovery was announced in January from Mako's maiden drilling program. Six out of the seven holes drilled within a 2km by 1km artisanal gold mining area returned significant widths and grades of gold mineralisation, with three of the drill holes ending in mineralisation. Mineralisation highlights include individual 1m assays up to 53.80g/t Au (hole NURC006) and separately widths up to 24m at 2.73g/t Au (hole NURC007).¹⁵

(b) Niou Project - Shear zones coincident with 7km-long gold soil anomaly¹⁶

Mako identified a 7km-long gold soil anomaly through regional and infill geochemical sampling.

¹¹ ASX Announcement dated 30 April 2019: Quarterly Activities Report for the period ending 31 March 2019, page 6. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

¹² ASX Announcement dated 30 April 2019: Quarterly Activities Report for the period ending 31 March 2019, page 6. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

¹³ ASX Announcement dated 29 April 2019, "Exploration Updates - Niou and Napie Projects, West Africa", page 7.

¹⁴ ASX Announcement dated 30 April 2019: Quarterly Activities Report for the period ending 31 March 2019, page 8. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

¹⁵ ASX Announcement dated 29 January 2019, "Gold discovery at Niou Project - Burkina Faso"

¹⁶ ASX Announcement dated 30 April 2019: Quarterly Activities Report for the period ending 31 March 2019, page 8. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

The 2km by 1km artisanal gold mining site lies within the soil anomaly but was excluded from the sampling program in order to avoid contamination issues.

Interpretation of geophysical airborne data, and mapping by Mako Geologists, indicate zones of intense shearing parallel to a major regional fault, coincident with the 7km-long gold soil anomaly.¹⁷

The presence of the strong soil geochemical anomaly in proximity to the fault enhances the potential for gold mineralisation.¹⁸

(c) Niou Project – Upcoming Planned Drilling¹⁹

The drilling program will prioritise an area within the main 2km-long by 1km-wide artisanal gold mining site, to follow up the positive results from the maiden drilling program. The planned reverse circulation (RC) and diamond drilling (DD) program will target extensions from the best gold intersections in NURC005, NURC006 and NURC007. The drill target area is interpreted from geophysics, geological mapping and drilling as a SW to NE trending, broad zone of shearing.

In addition, Mako geologists recently observed increased artisanal gold mining activity within the interpreted high priority shear zone. The new artisanal mining site is 100m east of NURC005 which was drilled during the maiden drilling program. The upcoming drill program will test below this new artisanal mining site.

Shear zones such as these identified on the Niou Project commonly host economic gold deposits. Drilling is planned prior to the start of the wet season which usually begins in June. Drilling will test the shear zone over a width of more than 300m and a strike length of 400m within the 7km gold soil anomaly.

¹⁷ ASX Announcement dated 29 January 2019, “Gold discovery at Niou Project - Burkina Faso”. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

¹⁸ ASX Announcement dated 3 December 2018 page 3. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

¹⁹ ASX Announcement dated 30 April 2019: Quarterly Activities Report for the period ending 31 March 2019, page 9. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement.

4. Control issues arising from the Offer on the Company

4.1 Present position

At the date of this Offer Document the Company is of the view that there is no one entity who controls the Company.

The Shareholders who hold more than 5% of the Shares prior to the date of this Offer Document are as follows:

Name	Shares*	%*
Resolute Mining Limited	14,275,785	19.90%**
Peter Francis Rene Ledwidge & Ann Louise Ledwidge*	7,533,433	10.50

* Assumes that the Placement has completed.

** Resolute has subscribed for 1,974,785 Shares under the Placement. Accordingly, this figure assumes that such Shares are issued.

4.2 Capital structure

Assuming full subscription under the Offer, the share capital structure of the Company immediately following the Issue assuming the Issue is fully subscribed will be as follows:

	Shares
Ordinary Shares on issue at the date of the Offer Document	63,250,100
Shares to be issued under the Placement	8,487,515
Total Shares on issue following completion of Placement	71,737,615
Maximum number of New Shares under the Offer Document ¹	17,934,404
Maximum total Shares on issue on completion of the Issue^{1, 2, 3, 4:}	89,672,019

Notes:

1. Assumes that the Placement and Offer is fully subscribed.
2. Assumes no Existing Options are exercised.
3. If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be issued under the Offer under this Offer Document. If all exercisable Existing Options on issue as at the date of this Offer Document were exercised prior to the Record Date (in accordance with their terms), the Company's issued shares would increase by 18,166,649 resulting in a further 4,541,662 New Shares being issued pursuant to this Offer Document. This would increase the Company's total Shares on issue after completion of the Offer to 94,213,681 Shares.
4. The Directors reserve the right to allocate and place any shortfall within three months after the close of the Offer to those persons determined by the Directors. The Directors have resolved that no shortfall will be allocated and placed to a shareholder if to do so would result in that Shareholder or someone else's voting power in the Company increasing from 20% or below or to more than 20%, or from a starting point that is above 20% and below 90% other than as permitted under the Corporations Act.

As at the date of this Offer Document, the Company has a total of 18,499,983 Existing Options on issue as follows:

No of options	Exercise price	Vesting date/performance hurdle	Expiry date
14,999,983	\$0.30	None	16 April 2021
2,500,000	\$0.30	Continuance of the provision of services to the Company	26 April 2021
666,664	\$0.30	Continuance of the provision of services to the Company	30 April 2021
333,336	\$0.30	Continuance of the provision of services to the Company and a vesting date of 17 May 2020	30 April 2021

4.3 Potential effect of the Offer

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and none of the Option Holders exercise their Existing Options and participate in the Offer, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

However, Shareholders who do not take up all of their Entitlements will have their interest in the Company diluted as a result of the Issue and the Placement. In addition, the proportional shareholdings of Shareholders who are not resident in Australia and New Zealand may be diluted as those Shareholders are not entitled to participate in the Offer.

Mako's cornerstone investor and largest holder, Resolute Mining Limited (**Resolute**), has confirmed that its current intention is to apply for its full entitlement under the Offer provided that its relevant interest in the shares of the Company remains at 19.90%.

While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which the other Shareholders take up their Entitlements, the Company expects that the potential effect of the issue of Shares under the Offer on the control of the Company will be minimal. This is on the basis that Resolute has confirmed that its current intention is to subscribe for its full entitlement under the Rights Issue, so that its relevant interest in the Company remains at (and does not exceed) 19.90%. Although Resolute has stated that it will only apply for New Shares to maintain a 19.90% interest, in the event that the Placement is fully subscribed, Resolute elects to take up its full entitlement under the Offer, and no other Shareholder participates in the Issue, there is a possibility that Resolute will exceed the 20% threshold under Chapter 6 of the Corporations Act, by holding approximately 23.70% of the Company's Shares.

In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion subject to the provisions of the *Corporations Act* and the Listing Rules.

5. Risk factors

5.1 Introduction

The activities of the Company, as in any business, are subject to risks which may impact on its future performance. The Company has appropriate actions, systems and safeguards for known risks, however, some are outside its control.

Prior to making any decision to accept the Offer, Eligible Shareholders should carefully consider the risk factors which the Company has previously disclosed (many of which are listed below), as well as those risks of which the Eligible Shareholder is aware, or should be aware of through their own knowledge and enquiries.

Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. However, as noted above and previously, some of the risks are outside the control of the Company and are not capable of mitigation. There are also general risks associated with any investment in shares.

The risks listed below (and previously disclosed by the Company) should not be taken as exhaustive of the risks faced by the Company. Factors other than those listed may in the future materially affect the financial performance of the Company and the value of the New Shares. Eligible Shareholders should read this Offer Document in its entirety and consult their stockbroker, accountant or other professional advisor without delay before deciding whether to accept the Offer.

5.2 General risks

The New Shares that are to be issued pursuant to the Offer are speculative because of the nature of the business of the Company, being the exploration and development of oil and gas tenements. The value of shares can go up as well as down and a dividend may or may not be paid in the future, depending on the Company's operating successes. As the holding of the Company's securities can involve certain risks, Eligible Shareholders in doubt as to the course they should follow should consult their stockbroker, accountant or other professional advisor without delay.

A summary of the major general risks are described below:

Nature of investment

Any potential investor should be aware that subscribing for New Shares involves risks. The New Shares to be issued pursuant to this Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Shares. An Applicant may not be able to recoup his or her initial investment. More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares; and
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment.

Stock market

The New Shares may trade on the ASX at higher or lower prices than the Issue Price following listing. Investors who decide to sell their New Shares after listing may not receive the entire amount of their original investment.

The Shares are currently listed on the ASX. However, there can be no guarantee that there is or will be an active market in the Shares or that the price of the New Shares will increase.

The price at which the New Shares trade on the ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control. These factors include movements on international share markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

Economic factors

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance.

Management actions

The Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

Additional capital requirements

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

Regulatory risk, Government policy

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.

5.3 Risks specific to an investment in the Company

In addition to the general risks noted in section 5.2, Eligible Shareholders should be aware of risks specific to an investment in the Company, which may include, but are not limited to the following:

(a) Exploration and Evaluation Risk

Potential investors should understand that mineral exploration and development are high risk undertakings. While the Company has attempted to reduce this risk by selecting projects that have identified gold mineralisation, there is still no guarantee of success.

Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. It is impossible to ensure that the exploration or development programs planned by Mako Gold will result in profitable commercial mining operations. The circumstances in which a mineral deposit becomes or remains commercially viable depend on a number of factors. These include the particular attributes of the deposit, such as size, grade and proximity to infrastructure. A combination of these factors may result in projects not being developed, or operations becoming unprofitable. Furthermore, should Mako Gold be unable to secure new exploration areas and resources, there could be a material adverse effect on the Company's prospects for mineral exploration and its success in the future.

(b) **Permit Risks**

The rights to mineral permits carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the permit and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a permit or permits.

There is no guarantee that current or future exploration permit applications or existing permit renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration permits.

(c) **Title Risk**

The exploration permits in which the Company has now, or may, in the future, acquire an interest, are subject to the applicable local laws and regulations. There is no guarantee that any permits, applications or conversions in which the Company has a current or potential interest will be granted.

All of the projects in which the Company has an interest will be subject to application for permit renewal from time to time. Renewal of the term of each permit is subject to applicable legislation. If the permit is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that permit.

Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or other stakeholder rights.

(d) **Contractual Risks**

The Company's interests in the Niou permit in Burkina Faso, and the Napié Permit in Côte d'Ivoire, are by virtue of contractual rights under the Option Agreements (summarised in sections 9.2 and 9.3 of the IPO Prospectus)²⁰ in respect of the Burkina Faso permits, and the Farm-in Agreement (summarised in Section 9.1 of the Prospectus)²¹ in respect of the Côte d'Ivoire Permit (collectively the **Relevant Agreements** and each a **Relevant Agreement**).

²⁰ ASX Announcement dated 6 April 2018: Prospectus Sections 9.2 and 9.3.

²¹ ASX Announcement dated 6 April 2018: Prospectus Section 9.1.

Accordingly, as in any contractual relationship, the ability of the Company to be registered as the holder of an interest in the Burkina Faso permits and the Napié Permit is dependent upon the respective holders of the Burkina Faso permits and the Napié Permit complying with their contractual obligations to deliver title in accordance with the Relevant Agreements. To the extent that a permit holder defaults on their obligations under a Relevant Agreement, it may be necessary for the Company to approach a court in the relevant jurisdiction to seek a legal remedy. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted or whether the terms of such a legal remedy will be sufficient.

(e) **Côte d'Ivoire Contract Risk**

The Company's interest in the Napié Permit is summarised in Section 9.1 of the IPO Prospectus.²² The holder of the Napié Permit, Occidental has negotiated a joint venture agreement with the African American Investment Fund SARL (**AAIF**)(**AAIF JV Agreement**), but the AAIF JV Agreement remains unsigned. The Company is entitled under the Farm-in Agreement to earn an interest in the Napié Permit regardless of whether or not the AAIF JV Agreement is entered into. On execution of the AAIF JV Agreement (on its proposed terms), AAIF will have a contractual right to a 10% participating interest in the Napié Permit which will be free carried until the completion of a feasibility study which demonstrates that it is commercially feasible to develop a mining project.

If the AAIF JV Agreement is signed on its current terms, AAIF will have an entitlement to 10% interest in the Napié Permit. As the Company is not party to the negotiations and will not be a party to the AAIF JV Agreement, it has no input into that document. The Company is entitled under the Farm-in Agreement to earn an interest in the Napié Permit regardless of whether or not the AAIF JV Agreement is entered into. To the extent that AAIF and the Napié Permit holder enter into the AAIF JV Agreement in different terms this may have an impact on the Farm-in Agreement generally and in particular require the Company to seek to enforce its rights under that document.

On the AAIF JV Agreement being entered into, any default by the parties to that document could indirectly have an adverse impact on the exercise of rights of the Company under the Farm-in Agreement to the extent that Occidental or the Permit is affected. Such events will be outside of the control of the Company because it is not a party to the AAIF JV Agreement.

(f) **Operational Risk**

If the Company decides to develop and commission a mine, the operations of the Company including mining and processing may be affected by a range of factors. These include failure to achieve the predicted grade in exploration, mining and processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, metallurgical problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.

(g) **Land Access Risk**

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective permits is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

²² ASX Announcement dated 6 April 2018: Prospectus Section 9.1.

Access to land for exploration purposes can be affected by small non-mechanised mining operations or land ownership, including registered and unregistered land interests and regulatory requirements within the jurisdiction where the Company operates.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

6. Additional information

6.1 Section 708AA Corporations Act

Mako is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the *Corporations Act*. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Offer is being undertaken pursuant to section 708AA of the *Corporations Act*. This section enables disclosing entities to undertake a rights issue in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Offer. Apart from formal matters a notice under section 708AA(2)(f) need only:

- (a) contain information that is excluded information as at the date of the Offer Document pursuant to section 708AA(8) and (9); and
- (b) state:
 - (1) the potential effect the issue of the New Shares will have on the control of the Company; and
 - (2) the consequences of that effect.

A notice under section 708AA(2)(f) was lodged with the ASX on 20 May 2019.

6.2 Rights and liabilities attaching to New Shares

The New Shares will have from issue the same rights attaching to all existing Shares on issue. The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Shares.

6.3 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$140,000 (assuming that the Offer is fully subscribed).

In addition the Company may if it deems it necessary for the placement of any Shortfall, pay stockbrokers' fees which will be equal to a percentage of the Issue Price (including GST) of New Shares issued under the Shortfall.

6.4 Consents and disclaimers

Written consents to the issue of this Offer Document have been given and at the time of this Offer Document have not been withdrawn by the following parties:

Link Market Services Limited has given and has not withdrawn its consent to be named in this Offer Document as the Share Registry of the Company in the form and context in which it is named. It has had no involvement in the preparation of any part of this Offer Document other than recording its name as share registrar to the Company and it takes no responsibility for any part of the Offer Document other than the references to its name.

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Offer Document as solicitors to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Offer Document other than references to its name.

6.5 Directors' statement

This Offer Document is issued by Mako Gold Limited. Each director has consented to the lodgement of the Offer Document with ASX.

Signed on the date of this Offer Document on behalf of Mako Gold Limited by:



.....
Mark Elliott
Director

7. Definitions and glossary

Terms and abbreviations used in this Offer Document have the following meaning:

Acceptance	An acceptance of Entitlements.
Additional Shares	The Shares issued under the Shortfall Offer.
Applicant	A person who submits an Entitlement and Acceptance Form.
Application Money	The Issue Price multiplied by the number of New Shares applied for.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691.
ASX Settlement Operating Rules	The operating rules of ASX Settlement Pty Ltd.
Board	The board of Directors of the Company
CHESS	The Clearing House Electronic Sub-register System, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form.
Closing Date	The date by which valid acceptances must be received by the Share Registrar being 5.00pm (Brisbane time) on 20 June 2019 or such other date determined by the Board.
Company or Mako	Mako Gold Limited ACN 606 241 829.
Constitution	The Constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Directors	The Directors of the Company.
Eligible Shareholder	A shareholder of the Company that holds shares in the Company on the Record Date whose registered address is in Australia or New Zealand.
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form attached to this Offer Document.
Entitlements	The entitlement to accept New Shares under this Offer Document.
Existing Options	All existing options to subscribe for Shares currently on issue as at the date of this Offer Document.
Ineligible Shareholder	A Shareholder who is not an Eligible Shareholder.
Issue or Offer	The offer and issue of New Shares in accordance with this Offer Document.
Issue Price	\$0.085 for each New Share applied for.
Listing Rules	The official listing rules of the ASX.
New Shares	Shares proposed to be issued under the Offer.
Opening Date	The date from which valid Acceptances of the Offer will be accepted by the Share Registry expected to be 30 May 2019, or such other date determined by the Board.

Option Holders	The holders of the Existing Options.
Options	Options on issue in the Company from time to time.
Offer Document	This Offer Document dated 20 May 2019 as modified or varied by the Company.
Placement	The Placement of Shares by Mako to institutional and sophisticated investors to raise \$721,439 (before costs) announced on 20 May 2019.
Record Date	7:00pm (Brisbane time) on 27 May 2019.
Register	The company register of the Company.
Relevant Interest	Has the meaning given to that term in the <i>Corporations Act</i> .
securities	Has the same meaning as in section 92 of the <i>Corporations Act</i> .
Share Registry or Link	Link Market Services Limited.
Shares	The ordinary shares on issue in the Company from time to time.
Shareholder or Shareholders	The holders of Shares from time to time.
Shortfall	Those New Shares for which the Entitlement lapses.
Shortfall Application Form	The Shortfall application form accompanying this Offer Document.
Shortfall Offer	The offer to apply for the Shortfall as described in section 1.10.
US Securities Act	The US Securities Act of 1933, as amended.

Corporate directory

Directors	Solicitors to the Offer
Mark Elliott (Executive Chairman) Peter Ledwidge (Executive Director) Michele Muscillo (Non-Executive Director)	HopgoodGanim Lawyers Level 8 Waterfront Place 1 Eagle Street Brisbane QLD 4000
Administration and Registered Office	Share Registry
C/- HopgoodGanim Lawyers Level 8 Waterfront Place 1 Eagle Street Brisbane QLD 4000 Tel: (07) 3024 0410 Fax: (07) 3024 0510	Link Market Services Limited Level 21 10 Eagle Street Brisbane Qld 4000



MAKO GOLD LIMITED

ACN 606 241 829

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 1300 554 474
ASX Code: MKG
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as
at the Record Date, 7:00pm (Brisbane time)
on 27 May 2019:

Entitlement to New Shares
(on a 1 New Share for 4 basis):

Amount payable on full acceptance
at A\$0.085 per Share:

Offer Closes
5:00pm (Brisbane time): 20 June 2019

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 4 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.085 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Offer Document dated 20 May 2019. The Offer Document contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Offer Document. This Entitlement and Acceptance Form should be read in conjunction with the Offer Document.

If you do not have a paper copy of the Offer Document, you can obtain a paper copy at no charge, by calling the Mako Gold Limited Offer Information Line on 1300 857 499 (within Australia) or +61 1300 857 499 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®. Payment must be received via BPAY® before 5:00pm (Brisbane time) on 20 June 2019. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (Brisbane time) on 20 June 2019.



Biller Code: [XXXXXXX]
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au
® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment



MAKO GOLD LIMITED

ACN 606 241 829



SRN/HIN:

Entitlement Number:

Form with three boxes: A Number of New Shares accepted (being not more than your Entitlement shown above), B Number of additional New Shares, C Total number of New Shares accepted (add Boxes A and B). Includes a plus sign and equals sign between the boxes.

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Mako Gold Limited Offer” and crossed “Not Negotiable”.

Form with five boxes: Drawer, Cheque Number, BSB Number, Account Number, Amount of Cheque. Includes an A\$ symbol.

Form with three boxes: E CONTACT DETAILS – Telephone Number, Telephone Number – After Hours, Contact Name.

MAKO GOLD LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Offer Document and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Offer Document and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Mako Gold Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.085.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of Mako Gold Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Mako Gold Limited Offer" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Mako Gold Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Offer Document electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Mako Gold Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

Mako Gold Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Brisbane time) on 20 June 2019. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Mako Gold Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Mako Gold Limited Offer Information Line on 1300 857 499 (within Australia) or +61 1300 857 499 (from outside Australia) between 8:30am and 5:30pm (Brisbane time) Monday to Friday.