

MAKO SIGNS DEFINITIVE SALE AGREEMENT WITH NORDGOLD FOR NIOU PROJECT IN BURKINA FASO

- ❖ **Definitive agreement signed with Nordgold for the sale of the Niou Project in Burkina Faso**
- ❖ **Mako to receive US\$700,000 (circa A\$1.1M)¹ cash consideration and retain a 1% NSR if Nordgold discovers a resource of at least 2Moz gold and advances the resource to production**
- ❖ **Nordgold has right to repurchase the NSR for US\$4.5M (circa A\$6.8M)¹ at any time**
- ❖ **The non-dilutive funding received from the sale, in conjunction with proceeds from the recent capital raising, positions Mako with a strong cash balance of c.\$4.8M²**
- ❖ **The sale of Niou allows Mako to focus exploration efforts on its flagship Napié Project in Cote d'Ivoire**
- ❖ **Funds will be used to extend existing high-grade mineralisation, test multiple high priority regional prospects, and deliver a maiden Mineral Resource Estimate on the Napié Project**

Mako Gold Limited (“Mako” or “the Company”; ASX:MKG) is pleased to announce that it has signed the definitive sale agreement with Nord Gold SE (“Nordgold”) to sell the Niou Permit and Niou Sud Permit (Figure 1) (“Sale Agreement”), subject to certain conditions precedent.

Under the terms of the Proposed Sale Agreement (Appendix 1), Mako will receive US\$700,000 (circa A\$1.1M) upfront cash consideration for the sale (**Purchase Price**). In addition, Mako will retain a 1% Net Smelter Royalty (“NSR”) if Nordgold discovers an NI 43-101 compliant resource of at least 2Moz gold and advances the resource to production. Nordgold has the right to repurchase the NSR at any time for US\$4.5M (A\$6.8M).

Divesting the Niou Project in Burkina Faso allows Mako to focus its exploration efforts and capital on its flagship Napié Project in Côte d'Ivoire. The company is also optimistic that its pending permit applications, totalling 296km², in Côte d'Ivoire will be granted shortly, thereby increasing its footprint in-country.

Mako’s Managing Director Peter Ledwidge commented:

“The signing of the Sale Agreement is a step towards reaping the financial benefits of the sale and our commitment to focus our exploration efforts on our flagship Napié Project in Cote d’Ivoire. The proceeds from the sale, in addition to the proceeds of our recent placement will significantly strengthen our cash balance and will finance drilling activities so that Mako can deliver a Maiden Resource, while also advancing other prospects on the Napié Project. We look forward to resuming our drilling activities at Napié shortly”.

¹ Using Oanda exchange rate of 1USD:1.51AUD

² Cash reserves of \$0.6M as at 31 March 2020, net proceeds from Placement (c.\$3.0M) as announced 28 May 2020 and net proceeds of c.\$3.0M from the Placement 28 May 2020 and receivables of A\$1.1M (US\$0.7M) from the divestment of the Niou project

APPENDIX 1: TRANSACTION TERMS

The key terms of the Sale Agreement are:

- ❖ Mako lodged the transfer of the Niou Permit from the Burkina Faso vendor to Mako Gold SARL (Mako's wholly owned Burkina Faso subsidiary) on 8 January 2020 as per the conditions set out in the Option Agreement signed with the vendor³. The Sale Agreement is conditional on the transfer to Mako Gold SARL being approved by the Cadastre Minier and Minister of Mines of Burkina Faso. Immediately after Mako Gold SARL receives the decree for the Niou Permit, Mako will initiate the transfer of the Niou Permit to Nordgold's Burkina subsidiary, Jilbey Burkina SARL ("**Jilbey**").
- ❖ Mako Gold SARL lodged an application for the Niou Sud permit (Figure 1) with the Burkina Faso Ministry of Mines on 10 October 2019. The Sale Agreement includes the Niou Sud Permit, subject to the Cadastre Minier granting and the Minister of Mines of Burkina Faso approving the grant of the Niou Sud Permit to Mako Gold SARL. Mako is to transfer Niou Sud permit to Jilbey as soon as the Niou Sud Permit is decreed to Mako Gold SARL. However, the payment of the Purchase Price is not conditional upon the transfer of the Niou Sud Permit to Nordgold.
- ❖ The Sale Agreement must also be approved by the Burkina Faso Ministry of Mines.
- ❖ Nordgold and Jilbey are to use reasonable endeavours to ensure the expedited transfer of the Niou and Niou Sud permits to Jilbey from the Burkina Faso Ministry of Mines.
- ❖ Payment of the Purchase Price by Nordgold to Mako will occur on the Deferred Payment Date (defined in the Sale Agreement to be the earlier of the business day which is 90 days following the date on which Mako lodges the transfer with respect to the Niou Permit, or the date on which the Niou Permit is granted to Jilbey by the Cadastre Minier and Ministry of Mines of Burkina Faso ("**Lodgement Date**").
- ❖ If on the expiration of 90 days from the Lodgement Date, the transfer of the Niou Permit from Mako to Jilbey is not registered by the Cadastre Minier, either party may terminate the Sale Agreement, and the Deferred Payment shall not be effected.

³ Refer to Section 9.2 of Mako Gold's Prospectus and section 4.7 of Mako Gold's Supplementary Prospectus, lodged on the ASX on 13 April 2018

ABOUT MAKO GOLD

Mako Gold Limited (**ASX:MKG**) is an Australian based exploration company focused on advancing its flagship Napié Gold Project in Côte d'Ivoire located in the West African Birimian Greenstone Belts which hosts more than 70 +1Moz gold deposits (Figure 2). Senior management has a proven track record of high-grade gold discoveries in West Africa and aim to deliver significant high-grade gold discoveries at the Napié Gold Project.

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). Mako currently own a 51% interest in Napié and has the ability to earn up to 75% interest through the delivery of a Feasibility Study⁴.

In addition, Mako Gold has two exploration permit applications covering cover 17km of faulted greenstone/granite contact (high-grade gold targets) located within 30km of Barrick's operating Tongon Gold Mine (4.9Moz Au).

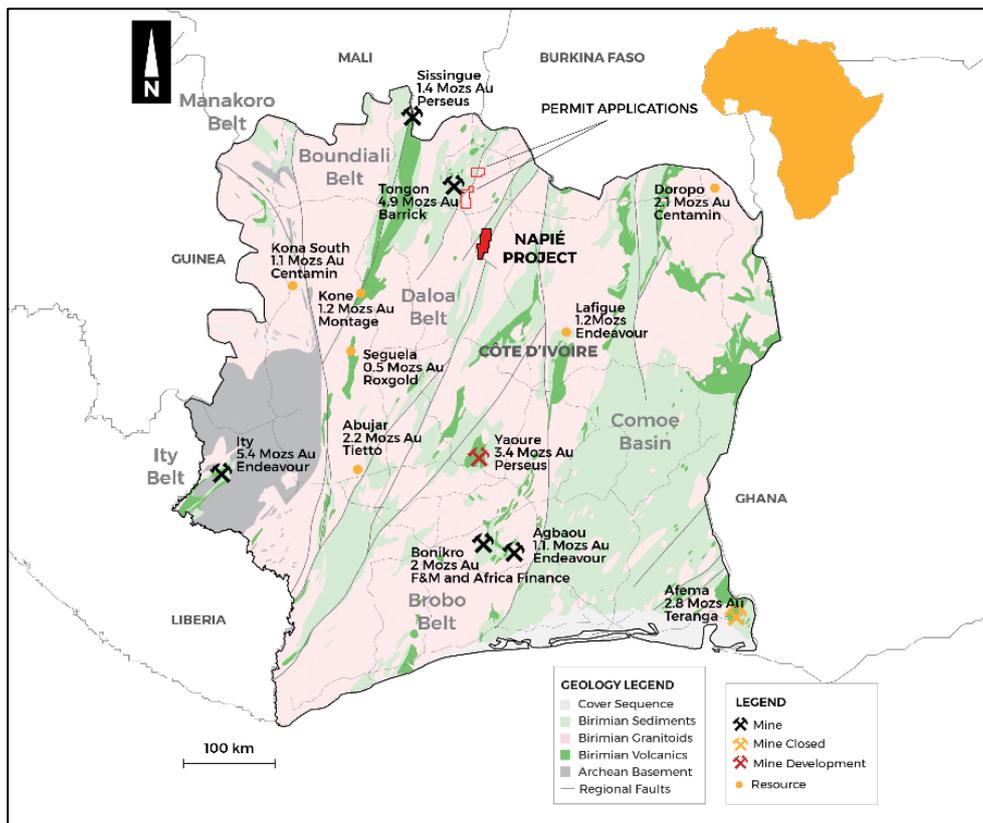


Figure 2: Napié Project and Mako permit applications - Côte d'Ivoire

ABOUT THE NIOU GOLD PROJECT

Mako Gold's wholly owned Burkina Faso subsidiary, Mako Gold SARL, signed on 31 July 2016 an option agreement with a Burkinabe private company for 100% ownership of the Niou Permit. For details of the agreement please refer to Section 9.2 of Mako Gold's Prospectus and section 4.7 of Mako Gold's Supplementary Prospectus, lodged on the ASX on 13 April 2018. Mako Gold announced a gold discovery on the Niou Project on 29 January 2019⁵.

⁴ 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.

⁵ Refer to ASX announcement dated 29 January 2019

ABOUT NORDGOLD

Nordgold is an internationally diversified gold producer established in 2007. Nordgold has a proven track record of operational excellence and benefits from a significant international development pipeline. The Company is relentlessly focused on shareholder value, committed to running safe, efficient, profitable operations, which enable it to generate strong cashflows and in turn, continue to invest in its pipeline of new growth opportunities while generating returns for investors.

Nordgold operates 10 mines (5 in Russia, 3 in Burkina Faso and one each in Guinea and Kazakhstan). It has several prospective projects in feasibility study and advanced exploration phases, as well as a diverse portfolio of early-stage exploration projects and licences in Burkina Faso, Russia, French Guiana and Canada. Nordgold employs over 8,000 people.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mrs Ann Ledwidge B.Sc.(Hon.) Geol., MBA, who is a Member of The Australian Institute of Geoscientists (AIG). Mrs Ledwidge is a full-time employee and a 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 his information in the form and context in which it appears.

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