

MAKO GOLD LIMITED (MKG)

INITIATION: A gold explorer in Côte d'Ivoire with multi-million-ounce potential

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We say	Price	Target	Strategic Target
SPEC BUY	0.11	0.28	0.35

Mako Gold is an ASX-listed gold explorer with ambitions of finding a multi-million-ounce gold project in northern Côte d'Ivoire and given the excellent exploration results to date in our view, the company has made a very promising start. The Mako Gold management team is predominately ex Orbis Gold and together have played a key role in the discovery of 5 gold discoveries in West Africa so far. We initiate with a Spec Buy rating and 28c Target, an implied return of 155%.

SHARE PRICE CHART



Source: IRESS, Blue Ocean Equities

BEST HITS AT TCHAGA

- 36m at 3.09g/t from 43m
- 28m at 4.86g/t from 83m
- 25m at 3.43g/t from 53m
- 18m at 3.25g/t from 39m
- 23m at 2.46g/t from 15m
- 14m at 5.46g/t from 0m
- 17m at 2.43g/t from 86m
- 7.7m at 11.7g/t from 169m

Source: Company

COMPANY DATA & RATIOS

Enterprise value	\$15m
Diluted market cap*	\$19m
Diluted shares*	173m
Free float	91%
12-month price range	\$0.027-0.17
GICS sector	Gold
Board & Management 9%. *Diluted for 4.4m in-the-money options.	

IMPLIED RETURN

Implied all-in return	155%
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EXCELLENT TEAM WITH PROVEN TRACK RECORD

The Mako Gold team has been exploring for gold in West Africa for many years and while at Orbis Gold (ASX:OBS) the Mako team led the discovery of Natougou, Nabanga and Bantou. Orbis was acquired by SEMAFO in Feb 2015. Since at Mako Gold the team has made discoveries at the Niou and Napié gold projects. MKG has since agreed to sell Niou to Nordgold.

A PROMISING START WITH LARGE SCALE POTENTIAL

Mako Gold's flagship asset is the Napié gold project which covers a strike length of ~30km in highly prospective Birimian greenstone covering 224km². Mako Gold is earning up to 75% of Napié from Perseus by taking the project through to Feasibility. In June 2020 Mako Gold started a 10,000m RC and DD program and expects news flow near term.

INITIATE COVERAGE WITH SPEC BUY

We initiate on Mako Gold with a Spec Buy rating and 28c Price Target, an implied potential return of 155%. Given Mako Gold is pre-resource our Target is based on our assessment of the company's potential endowment based on the drilling to date. On 17 July 2020, the company had ~\$4.2m in cash and receivables including the ~A\$1m in cash receivable from the sale of the Niou gold project.

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INVESTMENT THESIS

MACRO: A PERFECT STORM FOR GOLD

In our view we are in a gold bull market which could potentially continue for several years, driven by:

- Low real interest rates which are likely to persist for the foreseeable future. History shows the gold price typically performs best during periods of low or negative real rates. The Fed recently signalled that it is unlikely to raise rates until 2023.
- The other key driver of gold is money printing which reduces the purchasing power of underlying currencies. The recent unprecedented levels of stimulus/QE (money printing) during the Coronavirus pandemic is very positive for the outlook for gold.
- With Coronavirus cases continuing to climb, in our view ongoing central bank support via more stimulus/QE appears highly likely which is likely to drive higher gold prices.
- In summary, the combination low real rates, unprecedented money printing and elevated global uncertainty due to the Coronavirus represent a perfect storm for gold.

STOCK SPECIFIC: WHY DO WE LIKE MAKO GOLD?

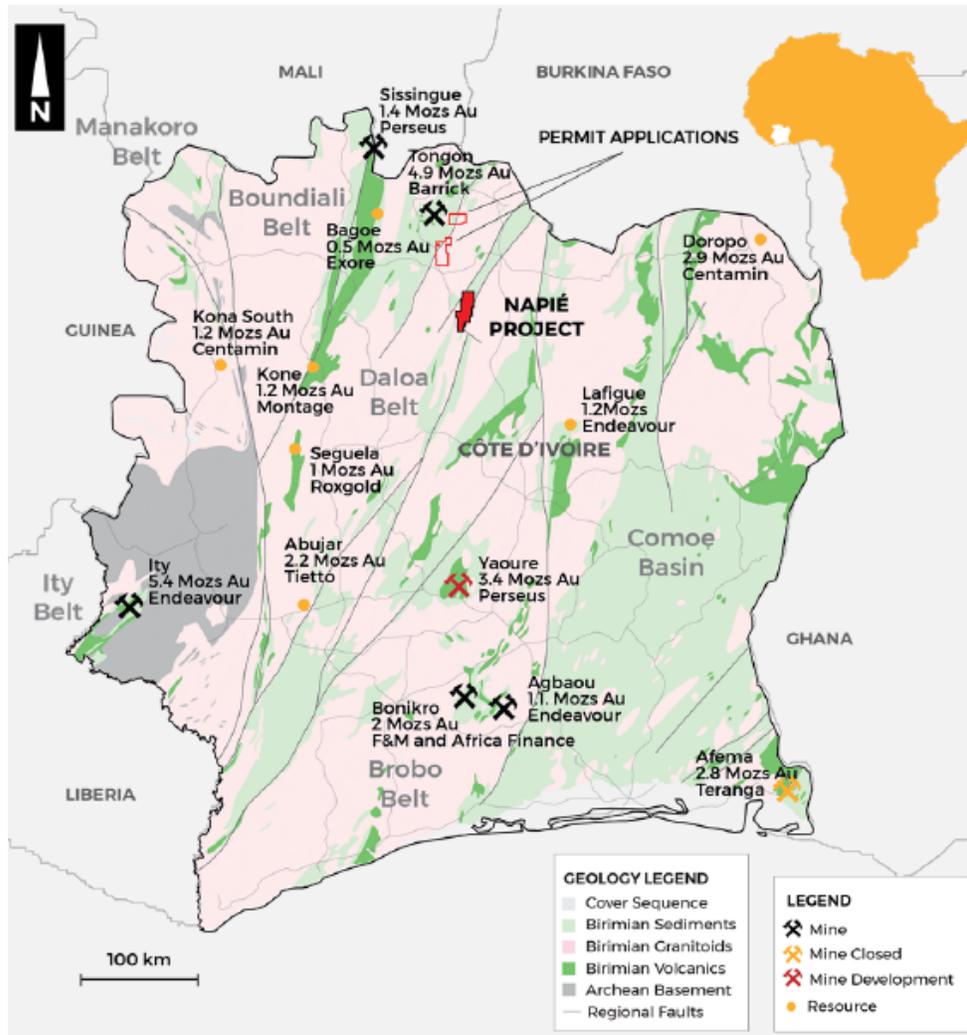
Mako Gold Limited (ASX:MKG) is a ~A\$20m market cap gold explorer/developer focused on its Napié gold project in northern Côte d'Ivoire. Mako Gold is characterised by:

- **Large scale under explored package:** Mako Gold's flagship Napié gold project extends over a strike length of ~30km in an underexplored greenstone package covering 224km². The company has a number of soil anomalies which sit coincident with a series of structures, which drilling to date has confirmed are mineralised.
- **Aiming to find a multi-million-ounce gold project:** Mako Gold believes its Napié gold project has potential to host several million ounces and based on the exploration success to date, we believe the company's target could potentially be achievable.
- **Excellent results to date:** The high quality of the drill results to date at Tchaga speak for themselves, high grade hits, from shallow depths with good widths including: **36m at 3.09g/t from 43m; 28m at 4.86g/t from 83m; 25m at 3.43g/t from 53m; 18m @ 3.25g/t from 39m**
- **Metallurgy looks good:** Preliminary metallurgical test work on Tchaga has confirmed both oxide and fresh material is free milling with recoveries of over 94% (see p11)
- **Excellent Team with Proven Track Record:** The Mako Gold team has a proven track record of high-grade gold discoveries in West Africa with most of the team formerly at Orbis Gold, which was acquired by SEMAFO (TSX:SFM) in Feb 2015. Importantly, the Mako Gold management team has been working with its key in-country team for ~10 years, an important differentiator in our view given the current travel restrictions.
- **Compelling Risk/Reward:** Mako Gold has a relatively modest EV of just ~A\$15m and in our view the combination of its experienced team and large-scale prospective package make it a compelling risk/reward proposition in the current bull market for gold. **One of Mako Gold's more advanced peers in Côte d'Ivoire, Tietto Minerals (ASX:TIE) has managed to grow its resource base to ~2.2moz over the past few years and now has a market cap of A\$215m and EV of ~A\$150m (~10x MKG's current EV). We see no reason why Mako Gold could not see a similar re-rating if it can delineate a similar sized resource.**

COMPANY OVERVIEW

Mako Gold Limited (ASX:MKG) is a ~A\$20m market cap gold explorer/developer focused on its Napié gold project in northern Côte d'Ivoire. This area is home to the West African Birimian Greenstone Belts which host more than 70 +1Moz gold deposits. Mako Gold holds 224km² of ground (excluding 2 applications) and aims to find a multi-million ounce gold deposit.

At 17 July 2020, MKG had A\$4.2m in cash and receivables after raising A\$3.25m at 5c in May and including the ~\$1m in cash receivable from the sale of its Niou gold project in Burkina Faso.



Source: Company

A Brief History of Mako Gold

Mako Gold Limited was established in June 2015 and listed on the ASX in April 2018 as a West African focused gold explorer. After making a discovery at the Niou gold project in Burkina Faso in January 2019, the company decided to sell Niou to focus on its Napié gold project in northern Côte d'Ivoire.

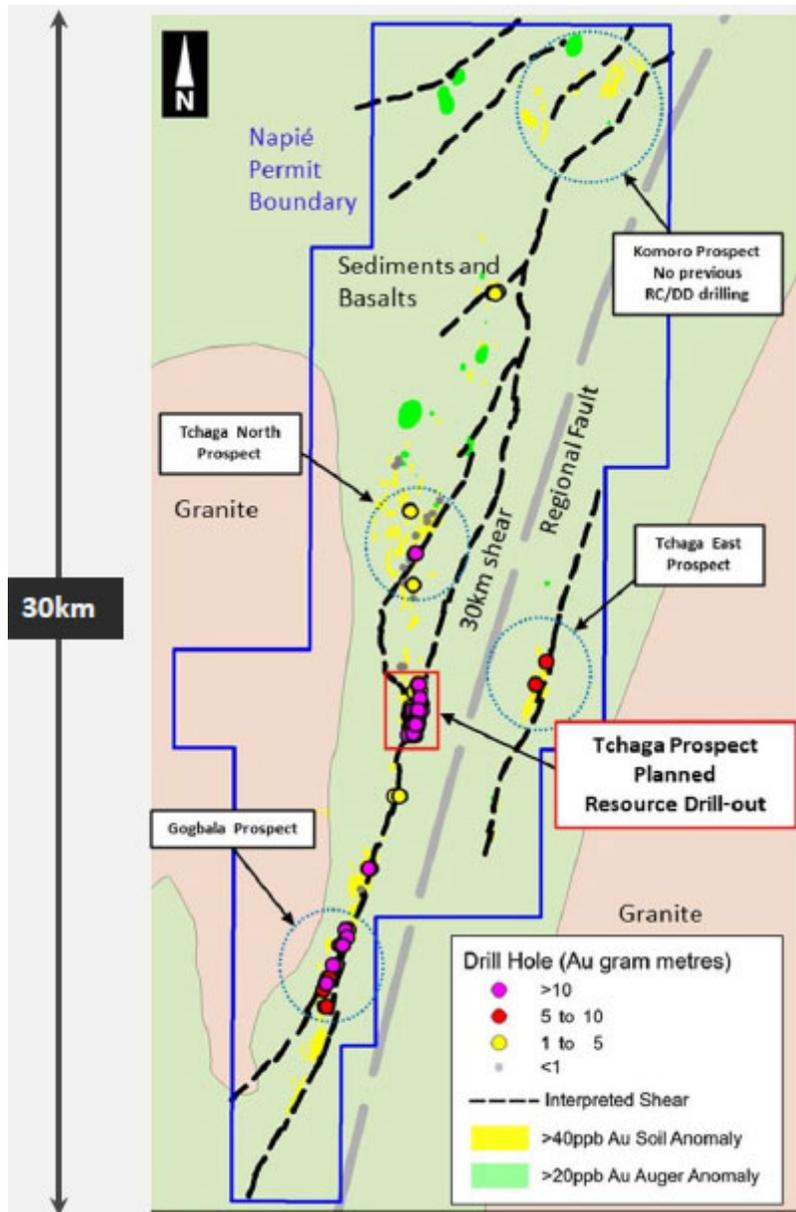
In June 2020, Mako Gold signed a sale agreement with Nordgold to sell the Niou gold project for US\$700k (~A\$1.1m) plus a 1% NSR if Nordgold discovers a resource of at least 2moz.

THE NAPIÉ GOLD PROJECT

Mako Gold is farming into the Napié gold project from a subsidiary of Perseus Mining (ASX:PRU) and has already earned 51%. Mako Gold can earn up to 75% of Napié by establishing a resource and taking the project through to Feasibility Study.

The Napié gold project extends over a strike length of ~30km in an underexplored greenstone package covering 224km². As per the picture below the company has identified a number of mineralised structures with less than 10% explored to date. The company is taking a systematic approach to test priority targets. The green and yellow sections in the picture below show gold-in-soil anomalies which are progressively being drill tested.

The best hits to date are shown by the purple dots with the most developed prospect known as Tchaga (the red rectangle) where a resource drill out is underway.

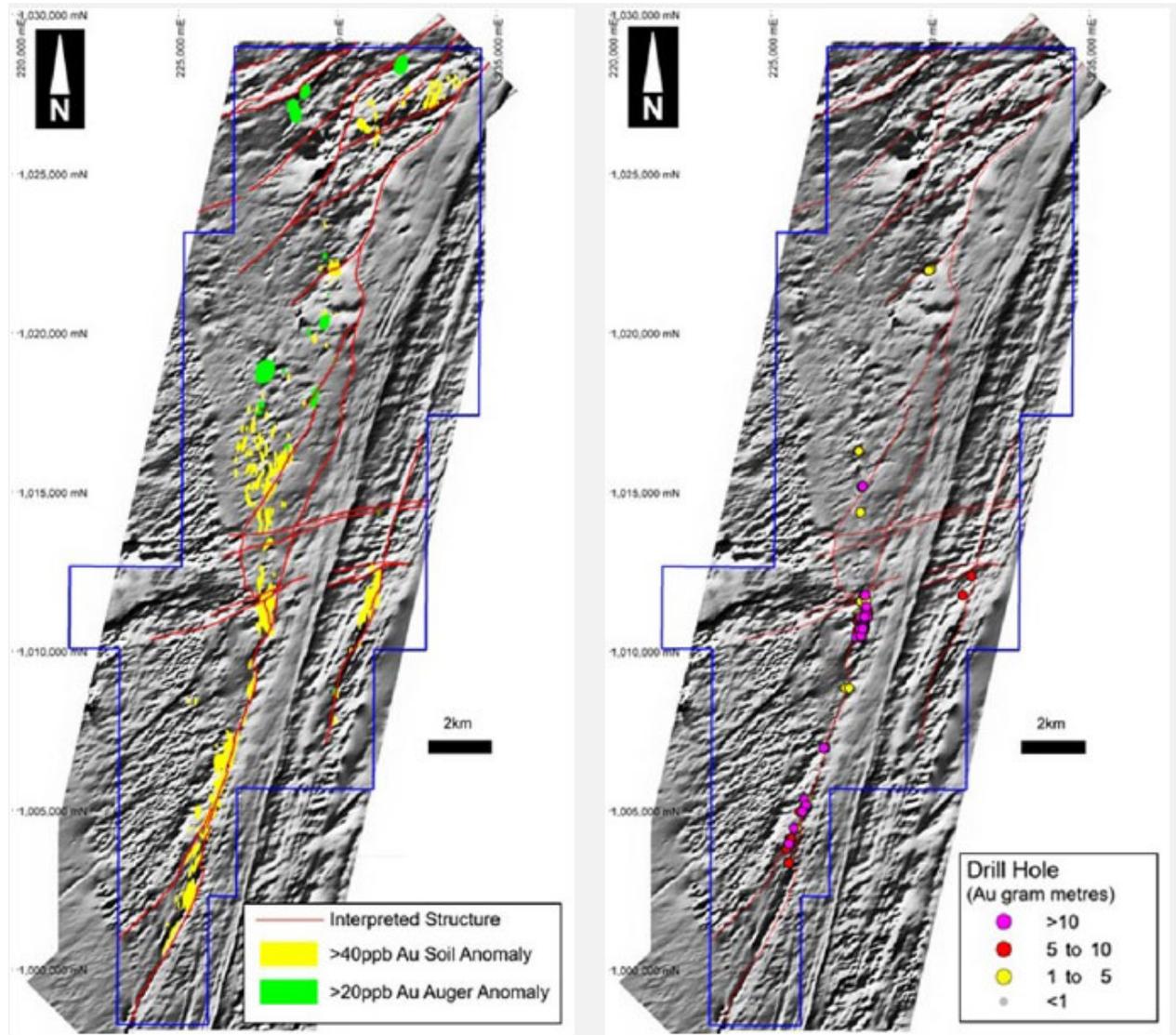


Source: Company

EXPLORATION TARGET GENERATION

The Mako Gold team collectively has over 130 years of exploration experience and its target generation approach is soil geochemistry and geophysics – which is both tried and tested but also cheap and effective.

The pictures below show magnetic/IP geophysics and soils (on the left) validated by exploration drilling success so far (on the right).



Background image - Airborne RTP (reduced to pole) magnetics

Source: Company

TCHAGA PROSPECT

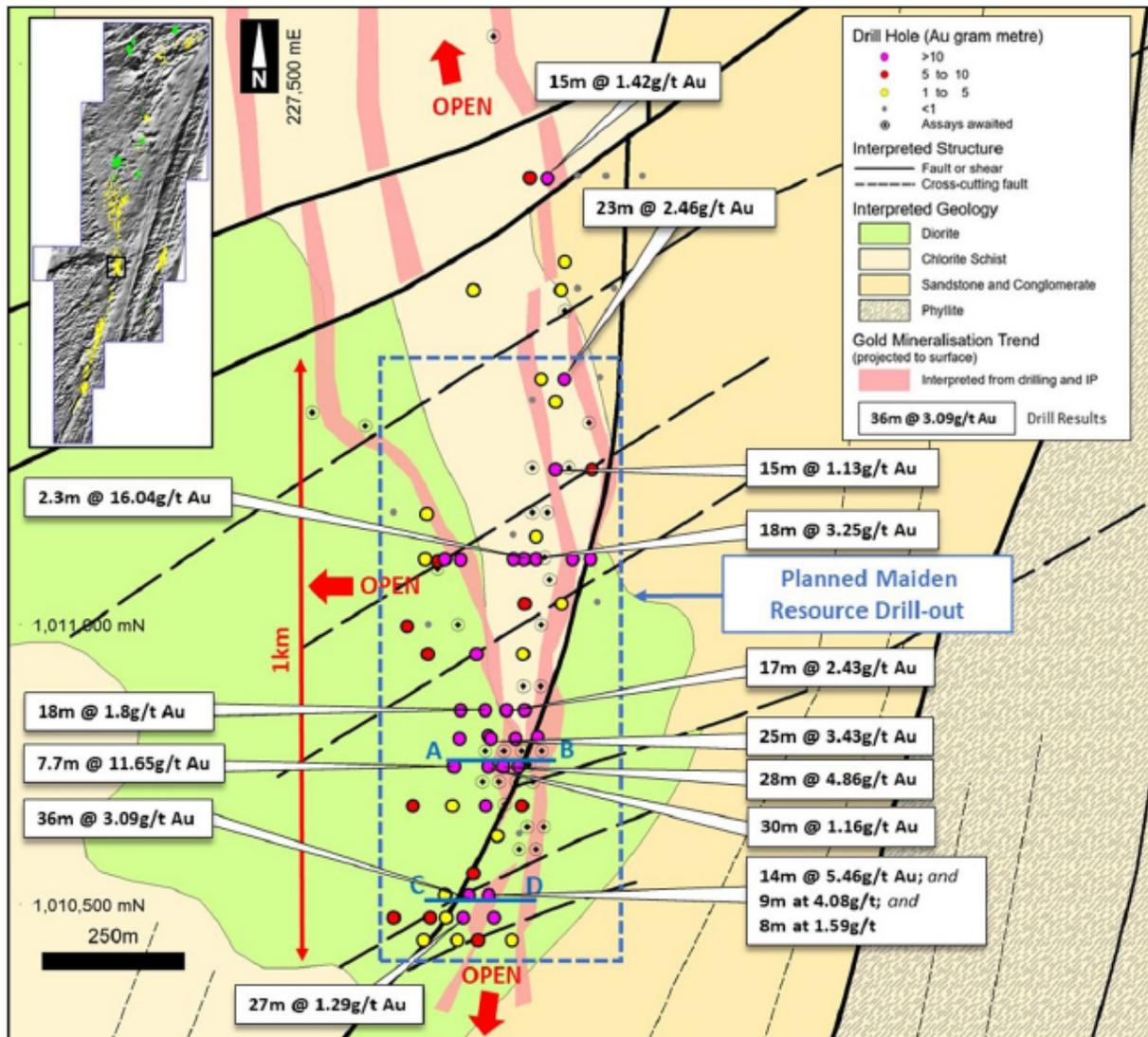
Tchaga is the company's most advanced exploration prospect and has a known strike length of ~1km, although it remains open along strike and at depth.

The best drilling results so far from Tchaga include:

- 36m at 3.09g/t from 43m
- 28m at 4.86g/t from 83m
- 25m at 3.43g/t from 53m
- 18m @ 3.25g/t from 39m
- 23m at 2.46g/t from 15m
- 14m at 5.46g/t from surface
- 17m @ 2.43g/t from 86m
- 7.7m at 11.65g/t from 169m

It is important to note sections A-B and C-D on the picture below, as the cross-sections are shown on next few pages.

Tchaga Prospect Plan View



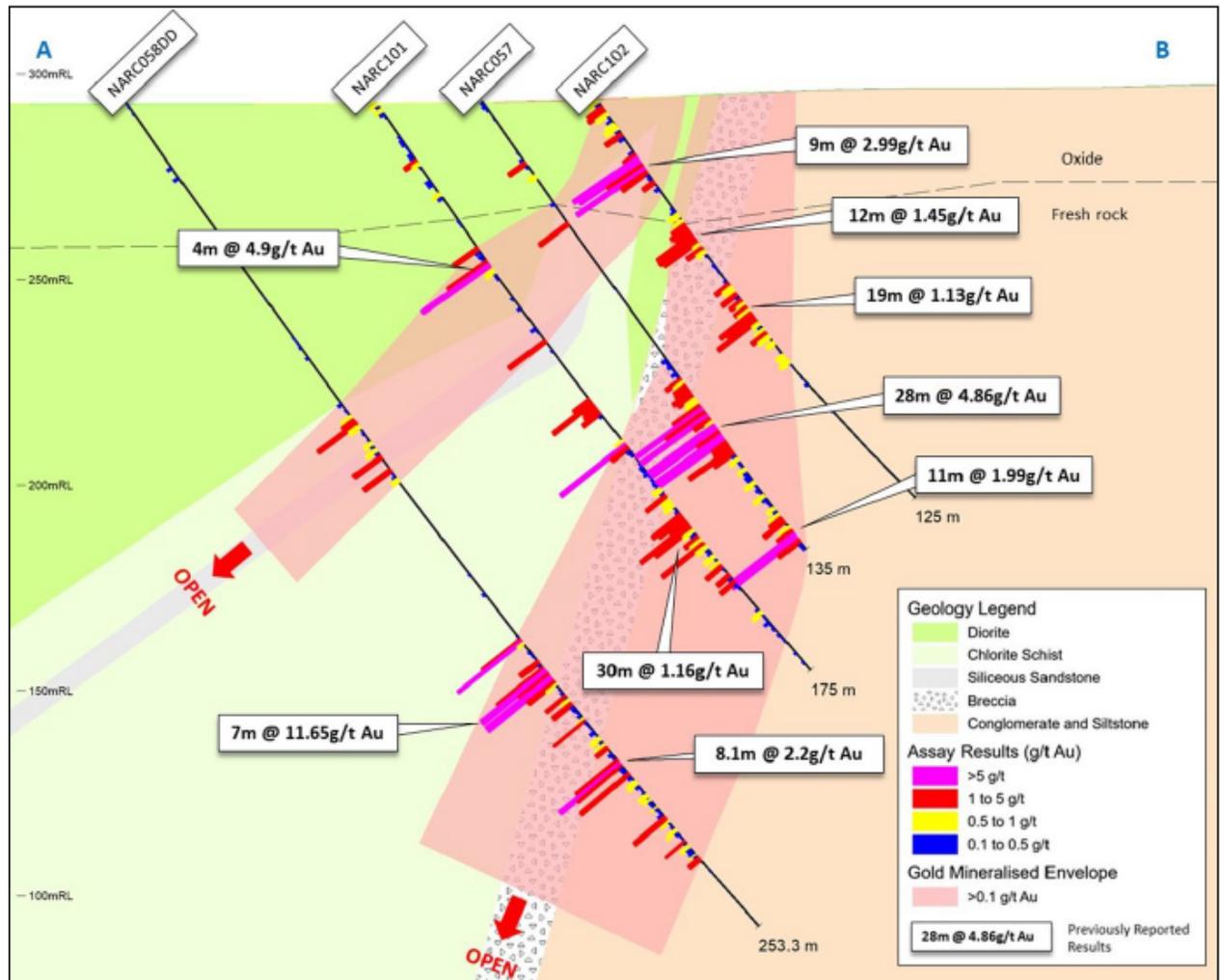
Source: Company

Section A-B below for Tchaga is also very encouraging as it shows:

- Shallow hits
- At good grade
- With some very promising widths (like 28m @ 4.86g/t)
- Multiple mineralised envelopes
- The deepest hit also shows a relatively wide intercept at high grade (7m @ 11.65g/t) in a broader zone of mineralisation

Mako Gold is in the middle of a 90-hole 10,000m RC and diamond programme. The company expects to be drilling until the end of 2020 with a maiden resource to follow in 2021.

Tchaga Prospect Cross Section A-B looking north



Source: Company

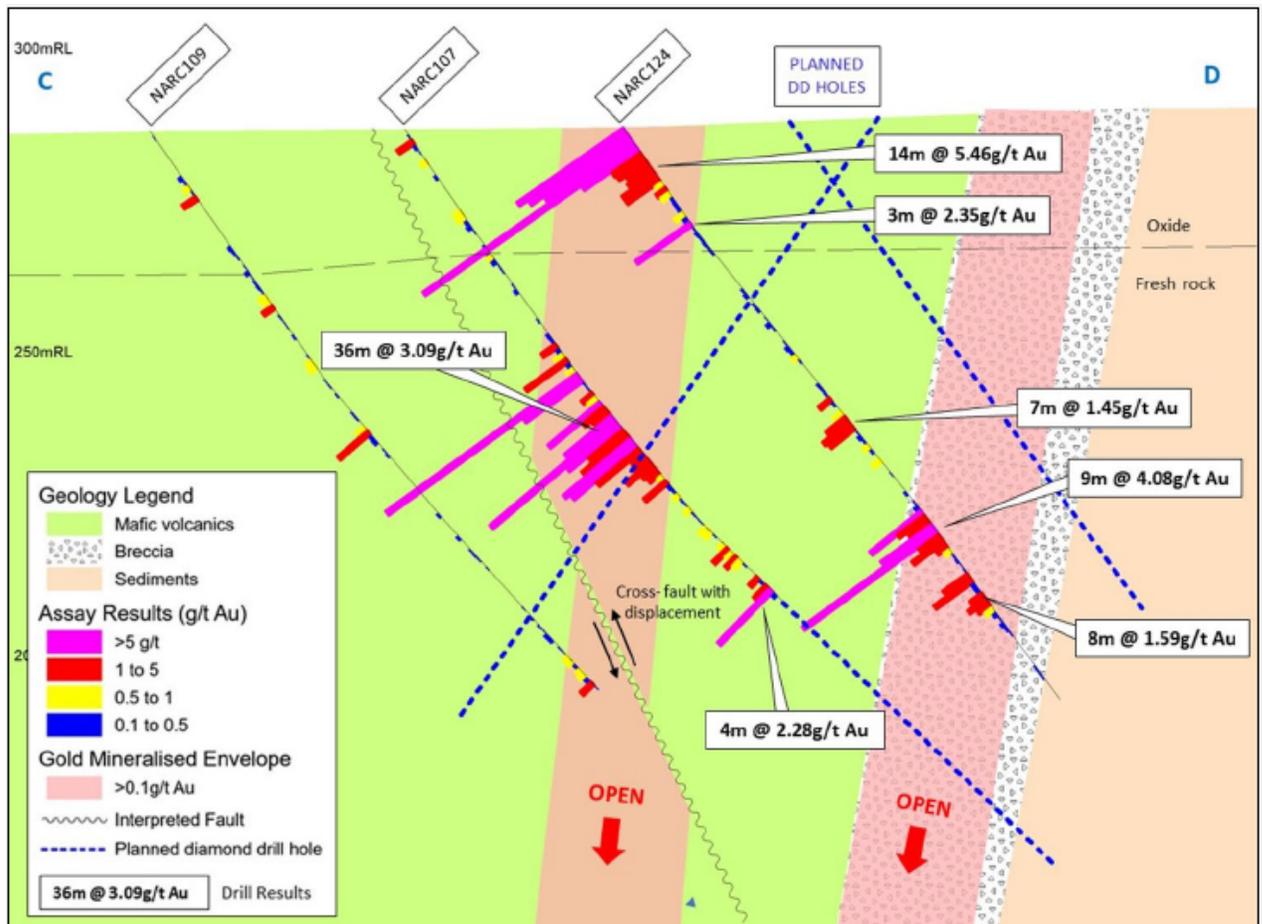
Section C-D below for Tchaga sits around 220m south of Section A-B and is also very encouraging, again we see:

- Shallow hits (14m @ 5.46g/t from surface)
- At good grade
- With some very promising widths (like 36m @ 3.09g/t)
- Multiple mineralised envelopes

The company is planning two diamond holes plus a diamond tail of an RC hole (blue dotted lines) to test:

- Mineralisation up dip and down dip from 9m @ 4.08g/t
- To confirm cross faults
- Mineralisation along these faults (potential dilational zones)

Tchaga Prospect Cross Section C-D looking north



Source: Company

GEOLGY

Mako Gold's prospectus from April 2018 includes a detailed report on the geology of the Napié Permit. We have included key extracts below for those investors interested in a more detailed understanding of the geology.

The company's knowledge and understanding of the geology at Napié has improved since the prospectus in April 2018 and continues to improve as drill results come in.

The Napié Permit is underlain by Birimian metasediments that are sheared for the entire length of the permit. They have been subdivided into various units based on their magnetic and radiometric signatures. These metasediments are bounded to the west by regional belt intrusives that extend for hundreds of kilometres and are thought to be the heat source driving gold-bearing fluid movement.

A fault/shear zone oriented NNE (030° trending) is one of the most significant features identified on the permit. This is a major crustal shear/fault structure that is the likely main conduit for gold-rich fluids. The abundance of second-order ENE faults (070° trending) provides other open pathways along which the gold-rich fluids can move. High-grade gold deposits are typically found at the intersections of primary and secondary fault systems throughout the world, and particularly within orogenic gold systems of West Africa.

Mako Gold has interpreted left-lateral movement related to the NNE shearing that resulted in a dilational jog observed in the gold corridor at the Tchaga Prospect.

The gold-enriched corridor (Gogbala and Tchaga prospects) lies between the NNE (030° trending) shear zone and the belt intrusive. This corridor is defined on surface by the 23km long main gold geochemical anomaly and in bedrock by the high-grade rock chip samples and the shallow RAB drilling. The gold-enriched corridor is clearly related to a magnetically active shaley metasedimentary unit.

The magnetic signature of this unit is attributed to an abundance of cross-cutting (070° trending) mafic to intermediate dykes. These may prove to be significant controls to gold mineralisation. The gold-enriched corridor also appears to be related to the contact between the magnetic and the non-magnetic shaley metasediment.

This contrast in geological units may have been the catalyst for the precipitation of gold from mineralising fluids. Mako Gold considers these environments to be encouraging for hosting significant gold mineralisation due to their large areal extent. Mako Gold considers both of these environments to be encouraging for hosting significant gold mineralisation due to their large areal extent.

The left-lateral jog, as well as the intersection of the second-order ENE faults with the principal NNE structures and geological units are likely dilational zones in which gold-bearing fluids percolated and pooled, thus having led to a concentration of gold within the zones. Mako Gold believes the location of these structures/units to be key areas to target higher-grade gold mineralised shoots.

PROMISING METALLURGY RESULTS

On 25 September 2019, Mako Gold announced preliminary metallurgical test work recovered over 94% gold based on 17 samples of primary and oxide mineralisation from the Tchaga Prospect.

Samples were submitted to Bureau Veritas Mineral Laboratories in Abidjan for 24-hour, 0.5kg direct cyanidation bottle rolls with residues analysed by 50g fire assay.

Samples were selected from five RC holes across the prospect area and from a variety of lithologies in order to test a representative suite of gold mineralised intervals.

Gold recoveries averaged:

- 94.7% for primary mineralisation; and
- 94.3% for oxide mineralisation

Results from the direct cyanidation bottle rolls are extremely encouraging and indicate that both oxide and primary gold mineralisation at the Tchaga Prospect are amenable to conventional cyanide extraction methods. Results from preliminary test work are presented in the table below.

Preliminary bottle roll test work - 85% passing 75 microns

Zone	Drill Hole	MET Sample ID	From (m)	To (m)	Host Lithology	Head Au (ppm)	Leach Residue Au (ppm)	Cyanide Recovery
Primary	NARC072	TCH_MetPr_001	38	39	Conglomerate	3.361	0.2	94.4%
Primary	NARC072	TCH_MetPr_002	39	40	Conglomerate	1.862	0.11	94.4%
Primary	NARC072	TCH_MetPr_003	41	42	Conglomerate	1.725	0.06	96.6%
Primary	NARC082	TCH_MetPr_004	108	109	Siltstone	1.817	0.03	98.4%
Primary	NARC082	TCH_MetPr_005	109	110	Siltstone	1.751	0.03	98.3%
Primary	NARC082	TCH_MetPr_006	110	111	Siltstone	2.758	0.04	98.6%
Primary	NARC088	TCH_MetPr_007	62	63	Breccia	3.622	0.26	93.3%
Primary	NARC088	TCH_MetPr_008	65	66	Breccia	1.296	0.13	90.9%
Primary	NARC088	TCH_MetPr_009	68	69	Breccia	2.646	0.33	88.9%
Primary	NARC080	TCH_MetPr_010	53	54	Sandstone	3.32	0.25	93.0%
Average recovery - primary								94.7%
Zone	Drill Hole	MET Sample ID	From (m)	To (m)	Host Lithology	Head Au (ppm)	Leach Residue Au (ppm)	Cyanide Recovery
Oxide	NARC072	TCH_MetOx_001	15	16	Conglomerate	2.303	0.13	94.7%
Oxide	NARC072	TCH_MetOx_002	17	18	Conglomerate	1.075	0.05	95.6%
Oxide	NARC072	TCH_MetOx_003	18	19	Conglomerate	1.877	0.05	97.4%
Oxide	NARC084	TCH_MetOx_004	30	31	Sandstone	1.124	0.14	88.9%
Oxide	NARC084	TCH_MetOx_005	31	32	Sandstone	2.23	0.18	92.5%
Oxide	NARC084	TCH_MetOx_006	34	35	Sandstone	2.883	0.11	96.3%
Oxide	NARC084	TCH_MetOx_007	36	37	Sandstone	3.025	0.17	94.7%
Average recovery - oxide								94.3%

Source: Company

GOGBALA & OTHER PROSPECTS

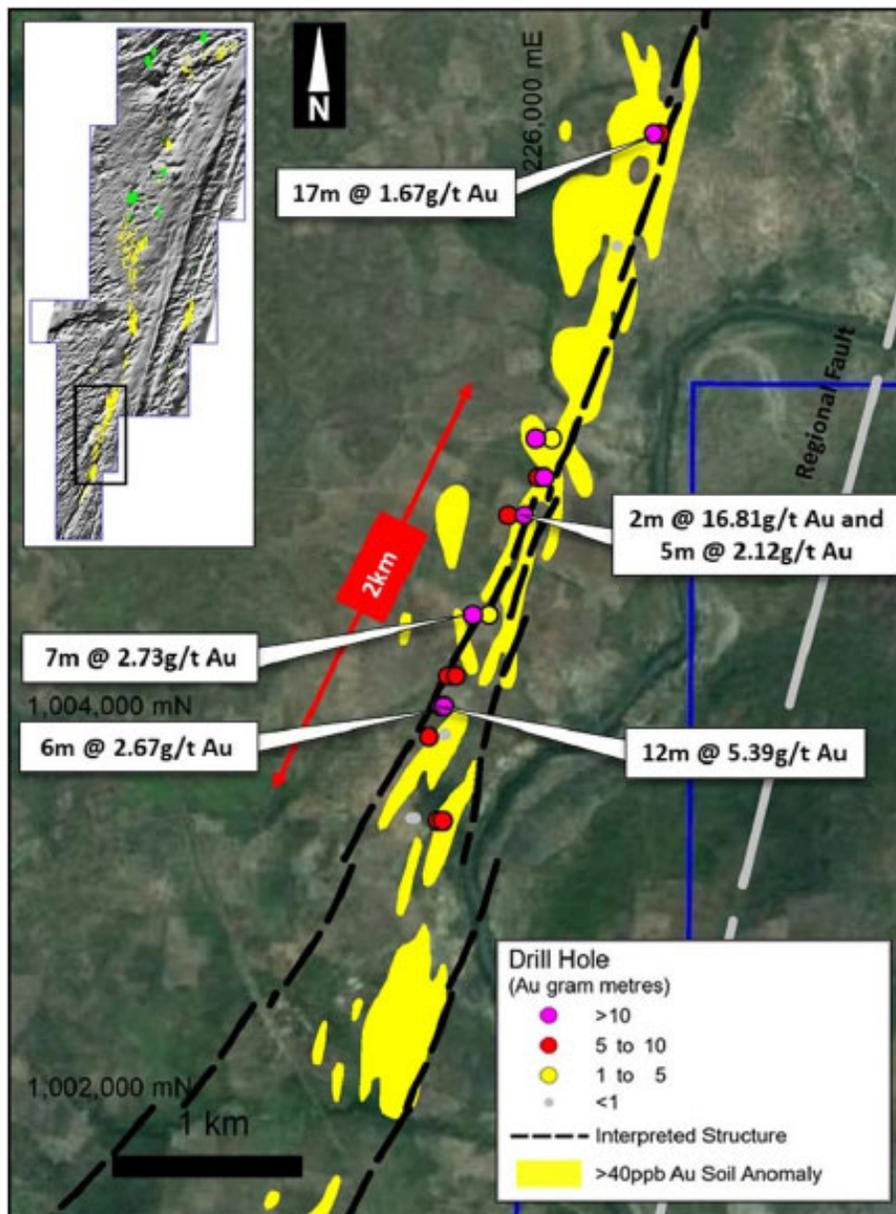
One of Mako Gold’s next targets is the Gogbala prospect which sits ~6km south of Tchaga on the same mineralised structure. Gogbala comprises a large soil anomaly (~6km long) on an interpreted shear structure.

Gold mineralisation has been identified over ~2km of strike with a number of high-grade hits identified in first pass drilling. Only 24 RC holes have been drilled into this prospect to date.

The company plans to:

- Tighten up the wide spaced drilling to test along strike and down deep of the best previous results
- Drill new and follow up targets at Tchaga North and Tchaga East

Gogbala Prospect Plan View



Source: Company

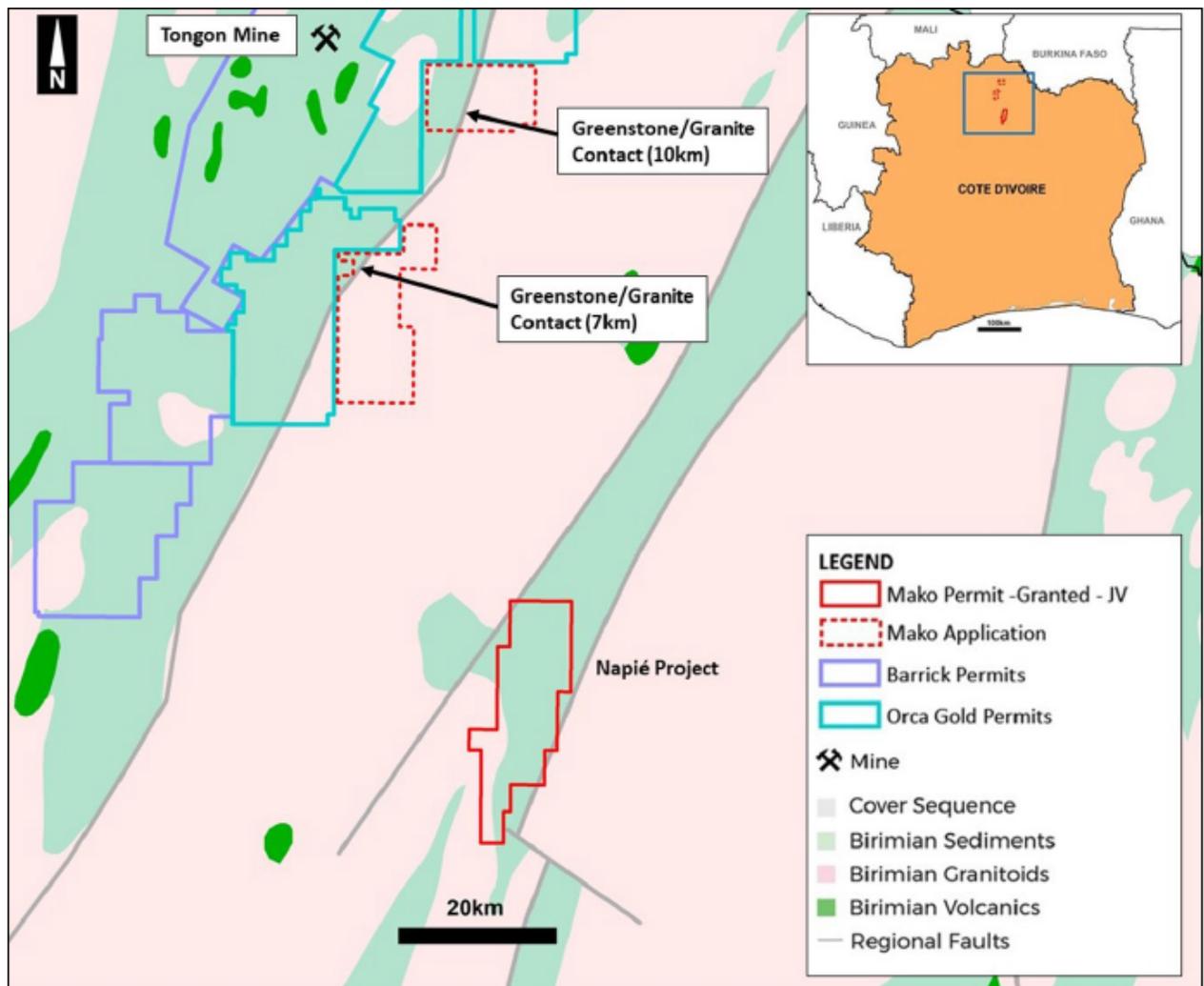
TWO EXPLORATION PERMIT APPLICATIONS

Mako Gold has also submitted two exploration permit applications covering 296km² near Barrick's 4.9moz Tongon Gold Mine. These applications cover 17km of faulted greenstone / granite contact which the company believes have high-grade gold potential.

The company is optimistic that its northern permit application will be granted shortly, thereby increasing its footprint in-country. Approval of the southern permit is expected to follow shortly thereafter.

The northern permit application sits on the boundary of a greenstone/granite contact and are signs of artisanal mining pits along this same contact.

Mako Gold has two permit applications pending



Source: Company

NEWS FLOW DUE NEAR TERM

Mako Gold is in the process of completing a 90-hole, 10,000m RC and diamond drilling programme at Napié and while the wet season in Côte d'Ivoire begins soon, the company has a quite a bit of news flow due near term which should take it through this period before drilling begins again in around late October. News flow due near term includes:

- **RC Drilling Results:** Mako Gold has reported on 19 of its 42 RC holes drilled so far in the current drilling programme. We expect ~2 releases during August 2020 as RC assay results come through
- **DD Results:** The company is also planning to complete 8 diamond holes before the wet season begins. We expect to see assay results from these diamond holes in September
- **Approval of Permit Application:** The company is also optimistic it may receive approval of its northern permit application (see previous page). This is an important milestone for the company which increases its foot-print in country. The company already has a soil sampling program planned which will begin once the permit application has been approved.
- **Drilling to resume in late Oct:** The company expects to resume drilling in late October after the end of the wet season and expects to be drilling until December 2020
- **Maiden Resource to follow:** While the company hasn't set a firm timetable on its maiden resource, subject to drilling results, we anticipate a maiden resource at Tchaga could be released in around Q1 CY21

Mako team observing social distancing at drill



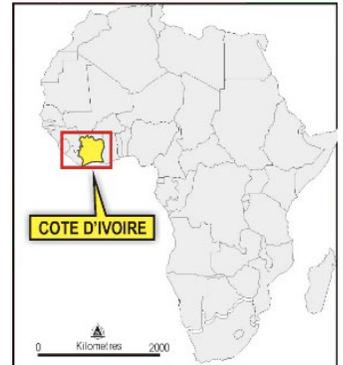
Source: Company

CÔTE D'IVOIRE

Côte d'Ivoire is a French-speaking country located on the south coast of West Africa. Côte d'Ivoire experienced a coup d'état in 1999 and two civil wars, first between 2002-2007 and again during 2010–2011. Côte d'Ivoire has been stable since then.

Excellent infrastructure

Côte d'Ivoire one of Africa's most developed countries with outstanding infrastructure including an expansive network of high voltage transmission lines distributing hydro-electrical power. There are several high voltage transmission lines in northern Côte d'Ivoire in close proximity to Mako's project area. There are excellent bitumen roads throughout the north part of the country. These roads provide good access to the project areas with only relatively short distances of unsealed roads which are in excellent condition and should provide near all year-round access to the projects.



Mining Code

Côte d'Ivoire introduced a new modern mining code in March 2014 which includes:

- Tax holiday for initial 5 years of production
- Tiered Variable royalty rate based on prevailing gold price. At US\$1,500/oz the royalty would be 3.23%, at US\$1,600/oz the royalty increases to 3.28%. The tiers are:
 - 3.0% up to US\$1,000/oz
 - 3.5% between US\$1,000-1,300/oz
 - 4.0% between US\$1,300-1,600/oz
 - 5.0% between US\$1,600-2,000/oz
 - 6% over US\$2,000/oz.
- 10% government interest in mining companies
- Exemption from VAT and Import Duties for both exploration and mining licences
- Exploration licences valid for initial term of 4 years with the right to further two 3-year renewals and a further 2-years for feasibility (i.e. 12 years in total)
- Mining licences valid up to 20 years with consecutive 10-year renewals
- Right to 12-year Mining Convention (renewable for 10-year periods) to provide long term certainty

INVESTMENT PROPOSITION

This section provides an overview of our valuation assumptions for Mako Gold.

VALUATION

Valuation of a pre-resource junior miner is challenging and requires an estimation of both the near term and longer term resource potential.

Near Term Resource Potential

Based on the drilling to date, in the near term we see potential for:

- **Tchaga to host up to 400-500koz at ~2g/t**, but potentially significantly more

Longer Term Resource Potential

The longer term potential at MKG is much harder to assess, but could potentially be much more substantial given the ~30km of interpreted shear. Based on the high quality of the exploration success to date, **we see no reason why a multi-million-ounce target might not be achievable longer term.**

Valuation Benchmarking

Many investors focus on EV/oz metrics... however, we don't believe this is a particularly useful metric as it makes no allowance for grade and strip and ultimately the potential margin that a mine might be able to generate. As a result, an EV/oz approach often makes large, low grade projects look 'cheap' and smaller, high grade project look expensive. When in reality, the low-grade project might not even be viable.

Given the high grades and good widths MKG's exploration programme has already achieved, we decided to:

- Estimate what a 100kozpa project for 8-10 years might be worth
- Apply an appropriate discount given its early stage based on progress to date
- It's important to note, if MKG's exploration success continues and the resource endowment grows, we may need to reassess the potential scale of the project

How much might a Mining Inventory of 1moz @ 2/gt be worth?

Based on our benchmarking work, if Mako Gold can establish a 1moz mining inventory at 2g/t and a 5:1 strip ratio, on our forecasts a 100kozpa operation might have AISC of ~US\$800/oz and at US\$1,800/oz gold would have:

- **A post-tax NPV of ~A\$300-330m (estimated using a DCF, available on request)**
- And MKG's 75% share would be worth ~A\$225-250m
- The stock would probably trade at 0.5x P/NPV, implying a valuation of ~A\$110-125m
- But the stock would probably trade at a higher valuation if the market thought the resource could still grow materially (and become a larger scale operation)

Given MKG's enterprise value today is only ~A\$15m, we see clear potential for the company's valuation to double or triple (and potentially more) if the recent exploration success continues.

PRICE TARGET & RATING

We initiate coverage of Mako Gold with a Spec Buy recommendation a 28c price target, an implied potential return of 155%.

The basis of our 28c Price Target is outlined on the previous page and assumes Mako Gold is able to delineate a high-grade, shallow gold resource at Tchaga (or elsewhere).

Our valuation of Mako Gold relies on continued exploration success and as such our Spec Buy recommendation carries a higher level of risk relative to our other stocks under coverage.

STRATEGIC TARGET

Our 35c Strategic Target for Mako Gold caters for the possibility that the company is able to delineate a larger gold system than our base case.

KEY RISKS

Mako Gold is exposed to all the normal risks associated with exploring and developing a mining project, including exploration, funding, permitting and construction risks, as well as normal project ramp up and commissioning risks.

In the near term, our valuation of Mako Gold relies on continued exploration success. While we believe the company's success to date bodes well for further success in the future, there can be no guarantee Mako Gold will be able to delineate an economically viable gold project.

Assuming Mako Gold is able to delineate an economically viable project and make the transition into production, its revenues will be derived from the sale of gold. Fluctuations in the prices of gold as well as the Australian dollar could impact the company's reported cash flow (in A\$), profitability and share price.

As Mako Gold's exploration projects are based in Côte d'Ivoire, an investment in Mako Gold also carries Côte d'Ivoire sovereign risk. While Côte d'Ivoire has been relatively stable since 2011, it still carries relatively higher sovereign risk than most Western jurisdictions.

MODEL SUMMARY: FINANCIALS & VALUATION
Stock Details

Recommendation:	SPEC BUY		
Target	\$0.28	Share Price	\$0.110
NAV	\$0.28	52 Week High	\$0.170
Implied Return	155%	52 Week Low	\$0.027

Enterprise Value	\$15m
Diluted MCap	\$19m
Diluted Shares	173m
Free Float	100%
Avg Daily Value	\$0.05m

Macro Assumptions	FY19	FY20E	FY21E	FY22E	FY23E
Gold Price (US\$/oz)	1,263	1,563	1,800	1,800	1,800
Exchange Rate (A\$/US\$)	0.72	0.67	0.68	0.68	0.68

Profit & Loss (A\$m)	FY19	FY20E	FY21E	FY22E	FY23E
Revenue	-	-	-	-	-
Operating Costs	-	-	-	-	-
Operating Profit	-	-	-	-	-
Corporate & Other	(1)	(1)	(1)	(1)	(1)
Exploration Expense	(1)	-	-	-	-
EBITDA	(1)	(1)	(1)	(1)	(1)
D&A	-	(0)	(0)	(0)	(0)
EBIT	(1)	(1)	(1)	(1)	(1)
Net Interest Expense	0	(0)	-	-	-
Pre-Tax Profit	(1)	(1)	(1)	(1)	(1)
Tax Expense	-	-	-	-	-
Minorities	-	-	-	-	-
Underlying Profit	(1)	(1)	(1)	(1)	(1)
Significant Items (post-tax)	-	-	-	-	-
Reported Profit	(1)	(1)	(1)	(1)	(1)

Cash Flow (A\$m)	FY19	FY20E	FY21E	FY22E	FY23E
Operating Cashflow	(1)	(1)	(1)	(1)	(1)
Tax	-	-	-	-	-
Net Interest	0	0	-	-	-
Net Operating Cash Flow	(1)	(1)	(1)	(1)	(1)
Exploration	(3)	(3)	(3)	(3)	(3)
Capex	-	-	-	-	-
Acquisitions / Disposals	-	-	1	-	-
Other	-	-	-	-	-
Net Investing Cash Flow	(3)	(3)	(2)	(3)	(3)
Equity Issue	1	2	13	-	-
Borrowing / Repayments	-	-	-	-	-
Dividends	-	-	-	-	-
Other	-	0	-	-	-
Net Financing Cash Flow	1	2	13	-	-
Change in Cash Position	(3)	(1)	10	(4)	(4)
FX Adjustments	(0)	(0)	-	-	-
Cash Balance	2	1	10	6	3

Balance Sheet (A\$m)	FY19	FY20E	FY21E	FY22E	FY23E
Cash	2	1	10	6	3
Other Current Assets	0	0	0	0	0
PP&E	-	-	-	-	-
Exploration & Development	5	7	10	13	16
Other Non Current Assets	-	0	0	0	0
Total Assets	7	8	20	19	18
Debt	-	-	-	-	-
Other Liabilities	1	0	0	0	0
Net Assets	6	7	20	19	18

Ratio Analysis		FY19	FY20E	FY21E	FY22E	FY23E
Diluted Shares	m	77	112	288	290	290
EPS - Diluted	Ac	(1.8)	(1.0)	(0.6)	(0.4)	(0.4)
P/E	x	n.m.	n.m.	n.m.	n.m.	n.m.
CFPS - Diluted	Ac	(0.8)	(0.9)	(0.6)	(0.3)	(0.3)
P/CF	x	n.m.	n.m.	n.m.	n.m.	n.m.
FCF - Diluted	Ac	(0.7)	(0.8)	(0.3)	(0.3)	(0.3)
P/FCF	x	n.m.	n.m.	n.m.	n.m.	n.m.
Dividends	Ac	-	-	-	-	-
Dividend yield	%	-	-	-	-	-
Payout Ratio	%	-	-	-	-	-
Franking	%	-	-	-	-	-
Enterprise Value	A\$m	17	18	9	13	16
EV/EBITDA	x	(14.9x)	(19.7x)	(8.6x)	(12.5x)	(16.5x)
ROE	%	(20%)	(13%)	(5%)	(6%)	(6%)
ROA	%	(17%)	(13%)	(5%)	(5%)	(6%)
Net Debt or (Cash)	A\$m	(2)	(1)	(10)	(6)	(3)
Gearing (ND/(ND+E))	%	(41%)	(9%)	(108%)	(52%)	(16%)
Gearing (ND/E)	%	(29%)	(9%)	(52%)	(34%)	(14%)

Gold Reserves & Resources

Resource	mt	g/t	koz
Mako is Pre Resource			

Reserve

Earnings Sensitivity		FY20E	FY21E	FY20E	FY21E
Gold Price	US\$/oz +10%	A\$m	A\$m	%	%
FX Translation	A\$/US\$ -10%	n.m.	n.m.	-	-

Valuation	Stake	A\$m	A\$/sh
Napié	75%	40	0.23
Exploration / Other projects		10	0.06
Corporate & Other		(6)	(0.03)
Debt		-	-
Cash*		4.2	0.02
Cash from option strikes		0.4	0.00
Risk adjusted NAV		48	0.28

*As per company presentation on 17 July 2020. Includes receivables of ~A\$1m (US\$0.7m) from the sale of the Niou project as announced 1 May 2020

Source: Company data, Blue Ocean Equities

BOARD & MANAGEMENT

Mark Elliott, Chairman: Dr Elliot is a Chartered Professional geologist with over 40 years' experience in economic geology, exploration, mining, project development and in corporate management roles as chairman and managing director for a number of ASX-listed resource companies. Dr Elliott is a Non-Executive Director of ASX listed Western Australian Archean gold explorers Nexus Minerals Limited and Aruma Resources Limited. Dr Elliot is one of the founders of Mako Gold.



Peter Ledwidge, Managing Director: Mr Ledwidge is a geologist with over 30 years' experience. Most recently he spent six years working for ASX-listed **Orbis Gold** in senior management roles whereby he secured all of the permits in Burkina Faso and Côte d'Ivoire. Mr Ledwidge played a critical role in the discovery of the Nabanga gold deposit in Burkina Faso and contributed geological ideas which helped achieve success for the company including the discovery of the Natougou gold deposit, currently being developed by TSX-listed SEMAFO. Mr Ledwidge is one of the founders of Mako Gold.



Michele Muscillo, Non-executive Director: Mr Muscillo is a Partner specialising in corporate law with HopgoodGanim Lawyers. He has a Bachelor of Laws from Queensland University of Technology and was a recipient of the QUT University Medal. Mr Muscillo experience brings to the Board expertise on corporate regulation, governance and compliance matters. Mr Muscillo was previously a director of ASX-Listed **Orbis Gold** Limited and is a non-executive director of ASX-Listed Aeris Resources and Cardinal Resources.



Paul Marshall, Company Secretary: Mr Paul holds a Bachelor of Law degree, a post Graduate Diploma in Accounting and is a Chartered Accountant. He has over 30 years' experience including 20 years spent in commercial roles as Company Secretary and CFO for a number of listed and unlisted companies mainly in the resources sector. Paul has extensive experience in all aspects of company financial reporting, corporate regulatory and governance areas.



Ann Ledwidge, General Manager-Exploration: Ms Ledwidge is a qualified geologist with over 25 years' experience in mineral exploration. Ms Ledwidge ran her own consultancy for a number of years, based in Yukon, Canada providing technical expertise to junior exploration companies. Ms Ledwidge was previously the General Manager Exploration at **Orbis Gold**. At Orbis she led the team responsible for the Natougou discovery and advanced the Nabanga and Natougou projects to resource estimation. She also oversaw the Scoping Study at Natougou. Ms Ledwidge is a founder of Mako Gold.



Ibrahim Bondo, Operations Manager West Africa: Mr Bondo has over 20 years' experience in exploration in Burkina Faso and has worked for several on gold exploration companies. Most recently Mr Bondo was the Logistics Manager for **Orbis Gold**. He was responsible for the construction and maintenance of camps. He was actively involved in business development and was responsible for liaising with local permit vendors. He was integral in the acquisition of new exploration permits and in maintaining good relationships with the vendors. Mr Bondo is a founder of Mako Gold.



Boukare Guigma, Chief Geologist: Mr Guigma has a Master's degree in Applied Geology and has over 15 years of experience in exploration of the West African Birimian. He has been involved in numerous gold and base metals projects including the Natougou & Nabanga gold deposits (both owned by **Orbis Gold**), the Bissa gold deposit and the Kiaka gold deposit. Mr Guigma has expertise in the fields of geological modelling, interpretation of mineralization, statistical and geostatistical analysis of complex systems.



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Blue Ocean Equities Pty Limited and associates may hold shares in Mako Gold Limited at the date of this report and this position may change at any time without notice.

Stuart McIntyre does not own shares in Mako Gold Limited.