

# ASX ANNOUNCEMENT

8 JULY 2021

ASX:MKG



## STRATEGIC \$10M EQUITY RAISE TO ACCELERATE NAPIÉ EXPLORATION

### HIGHLIGHTS

- ❖ Mako Gold receives **binding commitments to raise \$10 million** (before costs) through a strongly supported Placement at 8.0c per share
- ❖ **Cornerstone support of \$6.3M received** by high quality North American and European strategic investors including Dundee Goodman Merchant Partners, DELPHI and Sparta AG
- ❖ The Placement received **strong support from new and existing institutional investors**
- ❖ Post raising, Mako is **fully funded** to deliver an accelerated exploration program and growth strategy that aims to extend existing high-grade mineralisation, test multiple high priority regional prospects and to support a maiden Mineral Resource Estimate in 2H-CY21
- ❖ Upon completion of the Placement, Mako is well positioned with a strong cash balance of **c.\$15M**
- ❖ Strong near-term news-flow from the ongoing drilling program

**Mako Gold Limited** (“Mako” or “the Company”; ASX:MKG) is pleased to announce that it has received binding commitments for a two tranche Placement to raise \$10M before costs (**Placement**). The Placement will comprise the issue of up to 125M new fully paid ordinary shares in Mako at an issue price of 8.0c per share as follows:

- ❖ Tranche 1 of the Placement, comprising up to 64.3M New Shares (~\$5.1M), is not subject to shareholder approval and will fall within the Company’s placement capacity under ASX Listing Rule 7.1 and 7.1A (“**Tranche 1**”); and
- ❖ Tranche 2 of the Placement, comprising up to 60.7M New Shares (~\$4.9M), will be issued subject to Shareholder Approval at a General Meeting proposed to be held on or around mid-August 2021 (“**Tranche 2**”).

The Placement was strongly supported by existing shareholders and introduced a number of new, high quality international investors to the Mako share register. The significant interest received provides strong validation of the Company’s flagship Napié Project and Tier-1 management and exploration team that has demonstrated a track record of success in West Africa.

Prominent North American resource fund, Dundee Goodman Merchant Partners, cornerstoned the Placement with a binding commitment to subscribe for c.37.8M shares (~\$3.0M) and will emerge with a holding of 9.9% in Mako’s pro-forma issued capital following completion of the Placement.

Mako also secured binding commitments to subscribe for c.41.25M shares from two strategic German Institutions: Delphi Unternehmensberatung AG (“DELPHI”) the parent company of Deutsche Balaton AG and Sparta AG (“Sparta”) a subsidiary of Deutsche Balaton. DELPHI and Sparta will collectively emerge with a holding of 12.7% in Mako’s pro-forma issued capital following completion of the Placement.



Mako Gold Ltd

ASX: MKG

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Together with existing cash and receivables (\$5.4M)<sup>1</sup>, the Placement ensures Mako is well funded to execute its strategic plan. This includes:

- ❖ Accelerate exploration and drilling campaigns at the Company's flagship Napié Gold Project aiming to extend the consistent high-grade, shallow gold mineralisation identified to date at the Tchaga Prospect;
- ❖ Complete infill drilling to underpin a maiden JORC resource at the Tchaga Prospect;
- ❖ Test new and existing high priority regional targets at Napié;
- ❖ Exploration and drilling campaigns at the Korhogo Project located within 30km of Barrick Gold Corporation's (TSX:ABX) Tongon Gold Mine;
- ❖ Acquisition of potential new projects; and
- ❖ Corporate costs and general working capital requirements.

Mako's Managing Director Peter Ledwidge commented:

*"We are extremely pleased by the overwhelming support from quality domestic and international institutional investors. Attracting such high-quality institutional investors speaks to the potential of the project and experience of our team. Proceeds of the Placement will strengthen Mako's balance sheet and provide a pathway to accelerate exploration at the Tchaga Prospect on the Napié Project as we move towards and beyond a Maiden Mineral Resource Estimate. The funds raised will also allow us to implement significant drill programs on other prospects at Napié and to fast-track exploration on our Korhogo Project. We are pleased to welcome a number of new institutional shareholders to our register and sincerely thank our existing shareholders for their continued support."*

## PLACEMENT DETAILS

The issue price of 8.0c represents a 12.1% discount to Mako's last close on 5 July 2021 of 9.1c, a 7.8% discount to the 5-day VWAP of 8.68c and a 7.5% discount to the 15-day VWAP of 8.65c.

Placement Shares will rank equally with existing fully paid ordinary shares. Settlement of Tranche 1 of the Placement is expected to be completed on Wednesday, 14 July 2021. Settlement of Tranche 2 of the Placement is expected to be completed in mid-August 2021 and subject to prior Shareholder Approval at a General Meeting to be scheduled in mid-August 2021.

Tranche 1 of the Placement has been conducted pursuant to the Company's existing Placement capacity under ASX Listing Rules 7.1 and 7.1A. A total of 38,586,240 new shares will be issued under Listing Rule 7.1 and 25,724,160 new shares will be issued under Listing Rule 7.1A.

Discovery Capital Partners and Dundee Goodman Merchant Partners acted as Joint Lead Managers to the Placement.

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<sup>1</sup> As at 30 June 2021, Mako had cash reserves of \$4.5M and receivables of \$0.9M (US\$0.7M) from the divestment of the Niou project as announced 1 May 2020.

Summary of Key Dates	Date/Time
Settlement of New Shares Issued Under Tranche 1	Wednesday, 14 July 2021
Allotment of New Shares Issued Under Tranche 1	Thursday, 15 July 2021
Notice of General Meeting Dispatched	On or around mid-July 2021
Anticipated General Meeting to approve Tranche 2	On or around mid-August 2021
Settlement of New Shares Issued Under Tranche 2	On or around mid-August 2021

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

**This announcement has been approved by the Board of Mako Gold**

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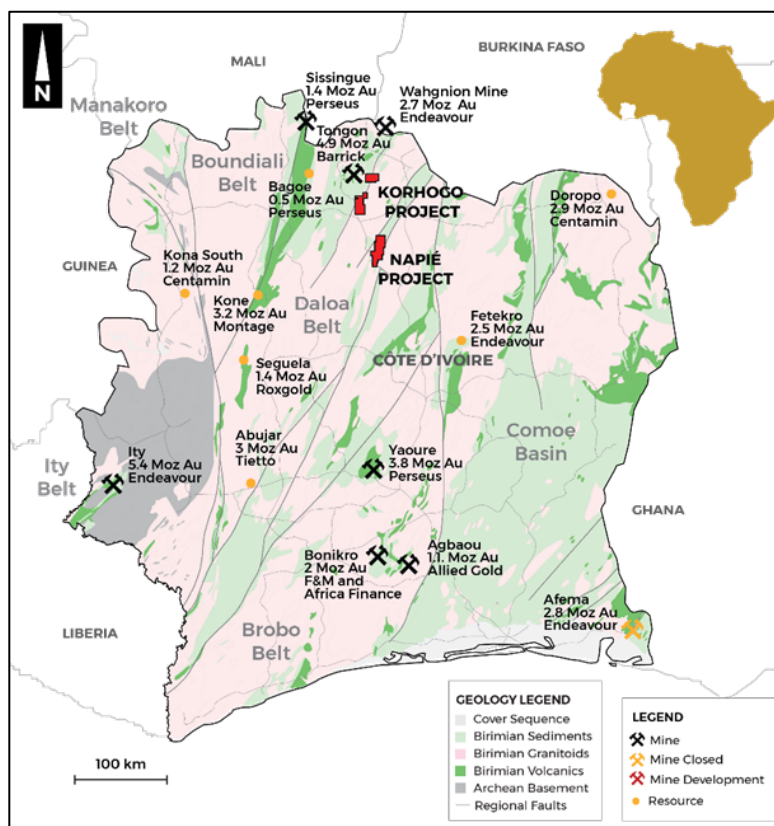
## ABOUT MAKO GOLD

Mako Gold Limited (**ASX:MKG**) is an Australian based exploration Company focused on advancing its flagship Napié Gold Project (224km<sup>2</sup>) in Côte d'Ivoire located in the West African Birimian Greenstone Belts which host more than 70 +1Moz gold deposits. Senior management has a proven track record of high-grade gold discoveries in West Africa and aim to deliver significant high-grade gold discoveries.

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 Study<sup>1</sup>.

**Mako has recently entered into a binding agreement with Perseus Mining (ASX:PRU) to consolidate ownership from 51% to 90%.<sup>2</sup>**

In addition, Mako Gold has 100% ownership of the Korhogo Gold Project comprising two permits (296km<sup>2</sup>) covering 17km of faulted greenstone/ granite contact (high-grade gold targets) located within 30km of Barrick's operating Tongon Gold Mine (4.9Moz Au) in a highly prospective greenstone belt that also hosts Montage Gold's 3.2Moz Kone gold deposit, both located in Côte d'Ivoire, as well as Endeavour's 2.7Moz Wahgnion gold mine across the border in Burkina Faso (Figure 1).



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

<sup>1</sup> 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.

<sup>2</sup> Refer to ASX release dated 29 June 2021.

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