

ASX ANNOUNCEMENT

21 AUGUST 2020

ASX:MKG



MAKO GOLD SECURES \$10 MILLION TO ACCELERATE NAPIÉ GOLD PROJECT EXPLORATION

HIGHLIGHTS

- Mako Gold receives binding commitments for a Placement to raise c.\$10M, that includes an acceptance of oversubscriptions of c.\$5M following strong excess demand
- The Placement received strong support from new and existing institutional and sophisticated investors for Mako's exploration strategy to unlock value from its flagship Napié Gold Project in Côte d'Ivoire
- The Placement positions Mako with a strong cash balance of c.\$13.8M¹ to execute a systematic exploration and growth strategy that aims to extend existing high-grade mineralisation, test multiple high priority regional prospects and to support a future maiden Mineral Resource Estimate
- Strong near-term news flow from the ongoing drilling program that is progressing on budget and schedule

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 c.87M new fully paid ordinary shares in Mako at an issue price of 11.5c per share as follows:

- Tranche 1 of the Placement, comprising up to c.42.04M New Shares (~\$4.83M), 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**")
- Tranche 2 of the Placement, comprising up to c.44.92M New Shares (~\$5.16M), will be issued subject to Shareholder Approval at a General Meeting to be held on or around Monday, 28 September 2020 ("**Tranche 2**")

The Placement was strongly supported by existing shareholders and introduced a number of new, high quality domestic and international investors to the Mako share register. The significant interest received provides strong validation of the Company's flagship Napié Project and Tier-1 exploration team that has demonstrated track record of success in West Africa (discovered in excess of 2.6Moz of gold for ASX-listed Orbis Gold leading to a subsequent c.\$180M takeover by TSX-listed African gold producer SEMAFO).

Together with existing cash reserves (\$2.8M) and the proceeds from the divestment of the Niou Project (\$1.0M)¹, the Placement ensures Mako is well funded to execute its strategic plan. This includes systematic exploration to extend existing high grade, shallow mineralisation identified to date at the Tchaga Prospect and infill drilling to underpin a future maiden JORC resource. Mako will also test multiple high priority regional prospects including the Gogbala prospect and undertake initial exploration on the two exploration permits under application located within 30km of Barrick's Tongon Gold Mine. Drilling is currently progressing on budget and schedule with results to be released as they become available.

¹ As at 31 July 2020, Mako had cash reserves of \$2.8M and receivables of \$1.0M (US\$0.7M) from the divestment of the Niou project as announced 1 May 2020.

Mako's Managing Director Peter Ledwidge commented:

"We are pleased by the overwhelming demand for our capital raise following the outstanding results from our ongoing drilling campaign at Napié which continues to demonstrate shallow, high-grade mineralisation over an extensive strike length. The significant increase to our balance sheet enables Mako to accelerate exploration on Napié by having one drill rig concentrating on advancing the Tchaga Prospect towards a maiden resource and a second drill rig focussing on the high priority regional prospects where we will be following up positive drill results from our 2018 maiden drilling program. In addition, the funds will allow us to start an aggressive exploration program on our permit applications as soon as they are granted. We are pleased to welcome a number of new sophisticated and institutional shareholders to our register and thank our existing shareholders for their continued support."

PLACEMENT DETAILS

The issue price of 11.5c represents a 17.9% discount to Mako's last close on 18 August 2020 of 14c, a 14.2% discount to the 5-day VWAP of 13.4c and a 13.5% discount to the 15-day VWAP of 13.3c.

Placement Shares will rank equally with existing fully paid ordinary shares. Settlement of Tranche 1 of the Placement is expected to be completed on Friday, 28 August 2020. Settlement of Tranche 2 of the Placement is expected to be completed on or around Monday, 5 October 2020 and is subject to Shareholder Approval at a General Meeting to be scheduled on or around Monday, 28 September 2020.

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 25,222,939 new shares will be issued under Listing Rule 7.1 and 16,815,293 new shares will be issued under Listing Rule 7.1A.

Discovery Capital Partners and Blue Ocean Equities acted as Joint Lead Managers to the Placement.

Summary of Key Dates	Date/Time
Notice of General Meeting Dispatched	On or around Friday, 28 August 2020
Settlement of New Shares Issued Under Tranche 1	Friday, 28 August 2020
Allotment of New Shares Issued Under Tranche 1	Monday, 31 August 2020
Anticipated General Meeting to approve Tranche 2	On or around Monday, 28 September 2020
Settlement of New Shares Issued Under Tranche 2	On or around Monday, 5 October 2020
Allotment of New Shares Issued Under Tranche 2	On or around Tuesday, 6 October 2020

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

This announcement has been approved by the Board

For further information please contact:

Mr Peter Ledwidge

Managing Director

Ph: +61 417 197 842

Email: pledwidge@makogold.com.au

Paul Marshall

Company Secretary/CFO

Ph: +61 433 019 836

Email: pmarshall@makogold.com.au

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. 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 Study².

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).

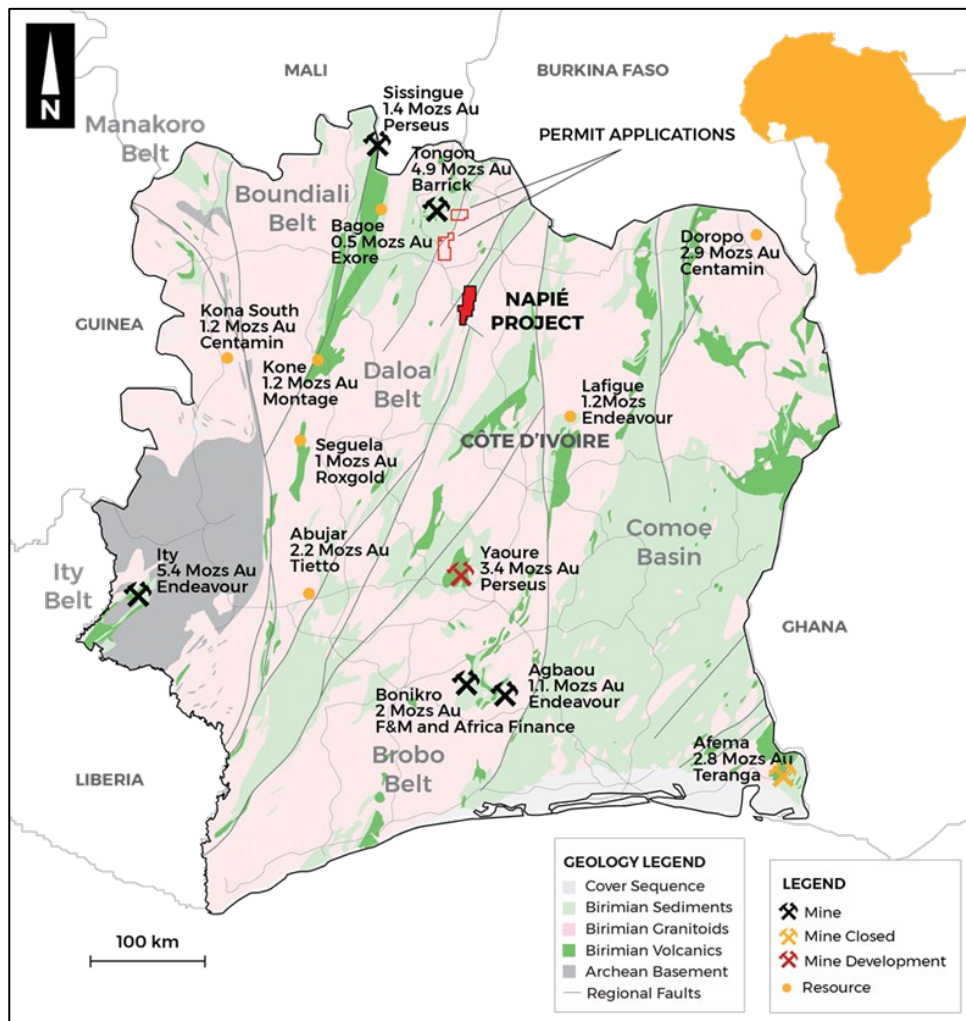


Figure 1: Napié Project and Mako permit applications - Côte d'Ivoire

² 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.

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 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.

Disclaimer

This Announcement ("Announcement") is for informational purposes only and is not a prospectus, disclosure document or offer document under the Corporations Act 2001 (Cth) ("Corporations Act") or any other law. This Announcement does not constitute, and is not to be construed as, an offer to issue or sell, or a solicitation of an offer or invitation to subscribe for, buy or sell securities in Mako Gold Limited ACN 606 241 829 ("Mako"). The material in this announcement has been prepared by the Company and contains summary information about the Company's activities. The truth or accuracy of the information in this announcement cannot be warranted or guaranteed by the Company. The information in this announcement is of a general background nature and does not purport to be complete or contain all the information security holders would require to evaluate their investment in the Company. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements which are available at www.makogold.com.au. Other than to the extent required by law (and only to that extent) the Company and its officers, employees and professional advisors make no reannouncement or warranty (express or implied) as to, and assume no responsibility or liability for, the contents of this announcement.

This Announcement does not purport to contain all information that recipients may require to make an informed assessment of Mako or its securities. Statements in this Announcement are made only as at the date of this Announcement unless otherwise stated and remain subject to change without notice. No reannouncement or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information or opinions contained in this Announcement, or any omission from this Announcement. To the maximum extent permitted by law, Mako disclaims any responsibility to inform any recipient of this Announcement on any matter that subsequently comes to its notice which may affect the information contained in this Announcement, and undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Not financial product advice or offer

Information in this announcement, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities. Before acting on any information, you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice.