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TSX-V: MKO; OTCQX: MAKOF

Mako Mining to Acquire Goldsource Mines Creating a Scalable Diversified Gold Producer with a Platform for Growth

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Mako Mining Corp. (“Mako”) (TSXV: MKO; OTCQX: MAKOF) and **Goldsource Mines Inc.** (“Goldsource”) (TSXV: GXS; OTCQX: GXSFF) are pleased to announce that they have entered into an arrangement agreement (the “**Arrangement Agreement**”), pursuant to which Mako will acquire all of the issued and outstanding common shares of Goldsource (the “**Goldsource Shares**”), in exchange for common shares of Mako (the “**Mako Shares**”), by way of a plan of arrangement (the “**Transaction**”).

The Transaction will create a company that will combine Mako’s highly profitable Nicaraguan gold operations and mine-building team with Goldsource’s 100% owned Eagle Mountain Gold Project (“**Eagle Mountain**”) in Guyana, South America. The combined company will bring together an experienced management team, proven in the construction and operation of scalable mines with low capital intensity profiles, and who have discovered new precious metal deposits across multiple jurisdictions over the last two decades. The new Mako will have the cash flow, project pipeline, proven management team, and district-scale exploration potential that will enhance Mako’s current growth trajectory while creating a platform for rapid growth. Further details of the Transaction are outlined below.

Transaction Highlights

- **Geographic diversification and enhanced growth pipeline by combining Mako’s high-grade and low-cost mining operations with Goldsource’s low capital intensity Eagle Mountain project.** Significant combined mineral endowment with district-scale exploration potential in both Nicaragua and Guyana
- **Leveraging Mako’s proven engineering and construction teams to accelerate the development of Eagle Mountain.** The January 2024 Preliminary Economic Assessment (“PEA”) for Eagle Mountain demonstrated potential for robust economics via a phased development plan with an after-tax internal rate of return (“IRR”) of 57% and an after-tax net present value (“NPV”) discounted at 5% of US\$292 million at US\$1,850 per ounce (“oz”).¹ The shallow open pit plan with an anticipated 15-year mine life is well suited for Mako’s operating team
- **Mako’s robust free cash flow generation and access to capital help accelerate and derisk the development of Eagle Mountain.** Upon completion of the Transaction, it is anticipated that

¹ The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. For additional information see the NI-43101 technical report entitled “Preliminary Economic Assessment for the Eagle Mountain Gold Project, Guyana” dated March 1, 2024, with an effective date of January 16, 2024, which is available under Goldsource’s profile at www.sedarplus.ca.

*cash flow from Mako's San Albino mine ("**San Albino**") in Nicaragua and its access to capital will be utilized to accelerate the development at Eagle Mountain and to reach a production decision as soon as practicable*

- ***Geological similarities between assets leverages recent mine building experience with near term development opportunities.*** Both San Albino and Eagle Mountain benefit from the advantageous geological structure of shallow dipping ore bodies, allowing for streamlined extraction processes and maximizing resource recovery. The plant flow sheet recommended for Eagle Mountain is nearly identical to the plant that Mako designed, engineered and successfully built themselves, which is expected to greatly reduce operational risk and potential for capex overruns
- ***Proven team and Board of Directors unlocking synergies & creating value – Post Transaction, the consolidated company will be led by a strengthened board and management team to be comprised of Eric Fier (Chairman), Akiba Leisman (CEO), Steve Parsons (President) and Jesse Munoz (COO), with a proven track record and in-country expertise, including exploration success, mine building, operations, community engagement and monetization***
- ***Expanded capital markets presence & institutional shareholder base including key strategic investors – Concurrent with the execution of the Arrangement Agreement, funds managed by Wexford Capital LP (collectively, "**Wexford**"), Mako's largest shareholder, have provided Goldsource with a C\$2 million bridge loan (the "**Bridge Loan**") to fund anticipated activities at Eagle Mountain through the completion of the Transaction***

Akiba Leisman, Chief Executive Officer of Mako, commented: "This Transaction is a true "hand-in-glove" partnership. The scalability of Goldsource's Eagle Mountain is a direct analogue to that of Mako's San Albino mine. Both properties have district scale potential, with the ability to unlock that potential through cash flow. The teams have worked together as colleagues going back nearly two decades, which is expected to make integration of the two companies seamless. Lastly, this Transaction is the establishment of a platform for growth. The combined attributes of both companies are significantly better than what each individually brings to the table, and we expect to utilize this platform to grow Mako accretively and significantly."

Goldsource Executive Chairman, **Eric Fier, CPG, P.Eng**, stated, "Mako's successful approach to the development of the San Albino mine is something we watched closely during the 2020-2022 period, due in part because it is analogous to our plans for the development of Eagle Mountain, but also because we know Jesse Munoz and his construction team from prior projects that we've been involved with. This team has a solid track record and many decades of experience building mines, which is a unique offering for a junior gold producer and one that we believe is a great fit for our phased development plans at Eagle Mountain."

Goldsource Chief Executive Officer, **Steve Parsons, P.Eng**, stated, "The business combination with Mako offers Goldsource shareholders direct exposure to gold production and cash flow from the San Albino mine. The significant broadening of technical bandwidth, including Mako's mine development and construction expertise, is expected to expedite the timeline for establishing the Eagle Mountain Project

as a near-term, low capital intensity development opportunity. Additionally, the business combination affords Goldsource shareholders exposure to Mako's aggressive exploration program at the high-grade San Albino mine and to the district-scale exploration potential which covers 28 km of prospective strike."

Benefits to Goldsource Shareholders:

- Meaningful upfront premium of approximately 40.9% based on spot and approximately 52.1% based on Mako's and Goldsource's 20-day volume-weighted average price on the TSX Venture Exchange (the "TSXV") as at March 25, 2024
- Clear path to over 100,000 ounces per year of gold production with a demonstrated record of fiscal discipline and history of shareholder value creation
- Access to a strong balance sheet and robust cash flow generation to rapidly advance Eagle Mountain while funding exploration initiatives
- Exposure to the San Albino-Murra gold district with over 28 km of strike length, with orogenic style gold mineralization across hundreds of targets identified within the ~188 km² land package
- Backing by key strategic investors, notably Wexford, which will be providing the Bridge Loan to fund near-term anticipated activities at Eagle Mountain
- With the consolidation of management and resources, Goldsource's shareholders gain exposure to an accelerated timeline to Eagle Mountain development by securing access to a well-capitalized gold producer with mine building expertise

Benefits to Mako Shareholders:

- Addition of a high-quality gold asset in Guyana, a mining friendly country undergoing rapid growth and development, which is expected to enhance Mako's operating platform
- Exposure to robust project economics from the January 2024 PEA outlining an after-tax IRR of 57% and an after-tax NPV discounted at 5% of US\$292M²
- Jurisdiction diversification reducing risk concentration associated with individual projects or regions
- Exposure to an expected 15-year mine life, with a phased development plan and resources of 1,183,000 ounces of gold grading 1.18 g/t in indicated mineral resources, and an additional 582,000 ounces of gold grading 0.98 g/t in inferred mineral resources³.
- Accretive on key operating and financial per share metrics

Transaction Terms

Pursuant to the terms and conditions of the Arrangement Agreement, the holders of the issued and outstanding Goldsource Shares will receive 0.2200 of a common share of Mako (each whole share, a "Mako Share") for each Goldsource Share held (the "Exchange Ratio"). Goldsource stock options ("Goldsource Options") that are outstanding immediately prior to the completion of the Transaction shall immediately vest and be exchanged for replacement options of Mako exercisable to acquire Mako Shares in accordance with the Exchange Ratio. Outstanding warrants of Goldsource will become exercisable,

² See note 1.

³ For additional information see the technical report entitled "Preliminary Economic Assessment for the Eagle Mountain Gold Project, Guyana" dated March 1, 2024, with an effective date of January 16, 2024, which is available under Goldsource's profile at www.sedarplus.ca.



based on the Exchange Ratio, to purchase Mako Shares on substantially the same terms and conditions. The Transaction will be carried out by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia).

Upon completion of the Transaction, Mako will continue to be listed as a Tier 1 mining issuer on the TSXV under the same name and ticker symbol (**MKO**), and its common shares will continue to be quoted on the OTCQX under the same ticker symbol (**MAKOF**). Upon completion of the Transaction, the existing shareholders of Mako will own approximately 84% of Mako and the existing shareholders of Goldsource will own approximately 16% of Mako. As a result of the Transaction, Wexford's current ownership of Mako will be reduced from approximately 54.5% to approximately 45.6%.

The Arrangement Agreement contains customary deal-protection provisions including mutual non-solicitation covenants and a right of either party to match a superior proposal as defined in the Arrangement Agreement. Under certain circumstances, Mako or Goldsource may be entitled to a termination fee of C\$1,350,000.

Officers and directors of Goldsource which hold approximately 4.5% of the outstanding Goldsource Shares and approximately 67.8% of the outstanding Goldsource Options, have entered into voting support agreements pursuant to which they have agreed, among other things, to vote their Goldsource Shares and Goldsource Options in favour of the Transaction.

Complete details of the Transaction will be included in a management information circular to be prepared by Goldsource and delivered to Goldsource securityholders in the coming weeks.

None of the securities to be issued pursuant to the Transaction have been or will be registered under the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or any state securities laws, and any securities issuable in the Transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Conditions to Completion

The completion of the Transaction is subject to a number of terms and conditions, including without limitation the following: (a) approval of the Goldsource securityholders, as described below; (b) approval of the TSXV; (c) approval of the British Columbia Supreme Court; (d) there being no material adverse changes in respect of either Mako or Goldsource; and other standard conditions of closing for a transaction of this nature. There can be no assurance that all of the necessary approvals will be obtained or that all conditions of closing will be satisfied.

The Transaction is subject to the approval at a special meeting of Goldsource securityholders by (i) 66^{2/3}% of the votes cast by Goldsource shareholders, (ii) 66^{2/3}% of the votes cast by Goldsource shareholders and optionholders, voting as a single class, and (iii) a simple majority of the votes cast by Goldsource shareholders, excluding the votes cast by certain persons as required by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.



Bridge Loan

Concurrent with the execution of the Arrangement Agreement, Wexford, Mako's largest shareholder, provided Goldsource with the Bridge Loan in the amount of C\$2,000,000 to fund anticipated activities of Goldsource at Eagle Mountain between the date hereof and the closing of the Transaction. The Bridge Loan is unsecured and will bear interest at a rate of 12% per annum, payable semi-annually, and will mature on March 26, 2025 (the "**Maturity Date**"). In the event that the Transaction has not been completed prior to the Maturity Date (other than as a result of a superior proposal of Mako or material breach by Mako of its representations, warranties and covenants under the Arrangement Agreement), the Bridge Loan will be repayable by Goldsource at 105% of par value, plus accrued interest.

Board of Directors and Management

Upon closing of the Transaction, the board of directors of Mako (the "**Resulting Board**") is expected to be comprised of seven (7) members, including two (2) nominees from Goldsource. Akiba Leisman will continue in his role as CEO of Mako, and Steve Parsons, current CEO of Goldsource, will become President of Mako. The head office will continue to be in Vancouver, Canada.

The Resulting Board is expected to be led by Eric Fier, as non-executive chairman, and is anticipated to include John Hick, Mario Caron, John Pontius, and a second Goldsource Nominee as independent directors, and Akiba Leisman and Paul Jacobi as non-independent directors. Mako also anticipates the addition of Mr. Ioannis Tsitos (currently President of Goldsource) and Rael Lipson (currently an independent director of Mako) in a technical advisory role.

Transaction Timeline

Pursuant to the Arrangement Agreement and subject to satisfying all necessary conditions and receipt of all required approvals, the parties anticipate completion of the Transaction in Q2 2024. Following completion of the Transaction, Goldsource Shares will be de-listed from the TSXV and Goldsource will become a wholly-owned subsidiary of Mako and cease to be a reporting issuer under Canadian securities laws.

Recommendations by the Boards of Directors and Fairness Opinions

After consultation with its financial and legal advisors, the board of directors of Mako unanimously approved the entering into of the Arrangement Agreement. Eight Capital provided a fairness opinion to the board of directors of Mako, stating that, as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications stated in such opinion, the consideration to be paid by Mako is fair, from a financial point of view, to Mako.

After consultation with its financial and legal advisors, the board of directors of Goldsource (the "**Goldsources Board**") unanimously approved the entering into of the Arrangement Agreement. The Goldsources Board recommends that Goldsource securityholders vote in favour of the Transaction. SCP Resource Finance LP provided a fairness opinion to the Goldsources Board, stating that, as of the date of



such opinion and based upon and subject to the assumptions, limitations and qualifications stated in such opinion, the consideration to be received by Goldsource shareholders under the Transaction is fair, from a financial point of view, to such Goldsource shareholders.

Advisors and Counsel

Eight Capital is acting as financial advisor to Mako, and Cassels Brock & Blackwell LLP is acting as legal counsel to Mako.

SCP Resource Finance LP is acting as financial advisor to Goldsource, and Koffman Kalef LLP is acting as legal counsel to Goldsource.

Qualified Persons

John Rust, SME, is a “qualified person” within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects (“**NI 43-101**”) and has reviewed and approved the scientific and technical information in this news release on behalf of Mako. Mr. Rust has verified the data disclosed in this news release and no limitations were imposed on his verifications process.

Eric Fier, CPG, P.Eng, Executive Chairman of Goldsource, is a “qualified person” within the meaning of NI 43-101 and has reviewed and approved the scientific and technical information in this news release on behalf of Goldsource. Mr. Fier has verified the data disclosed in this news release and no limitations were imposed on his verifications process.

Mr. Fier has also reviewed the technical report entitled “Preliminary Economic Assessment for the Eagle Mountain Gold Project, Guyana” dated March 1, 2024, with an effective date of January 16, 2024, which is available under Goldsource’s profile at www.sedarplus.ca, on behalf of Mako. To the best of Mako’s knowledge, information, and belief, there is no new material scientific or technical information that would make the disclosure of the PEA inaccurate or misleading.

About Mako

Mako Mining Corp. is a publicly listed gold mining, development and exploration company. The Company operates the high-grade San Albino gold mine in Nueva Segovia, Nicaragua, which ranks as one of the highest-grade open pit gold mines globally. Mako’s primary objective is to operate San Albino profitably and fund exploration of prospective targets on its district-scale land package.

About Goldsource

Goldsource Mines Inc. (www.goldsourcemines.com) is a Canadian exploration company focused on the 100%-owned Eagle Mountain gold project in Guyana, South America. The Company is led by an experienced management team, proven in making precious metals exploration discoveries and executing on phased project development in the Americas.

For further information about Mako, please contact Akiba Leisman, Chief Executive Officer, at (917) 558-



5289 or aleisman@makominingcorp.com, or visit our website at www.makominingcorp.com and our profile on SEDAR+ at www.sedarplus.ca.

For further information about Goldsource, please contact Steve Parsons, Chief Executive Officer, at (604) 694-1760 or info@goldsourcemines.com, or visit our website at www.goldsourcemines.com and our profile on SEDAR+ www.sedarplus.ca.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.

Cautionary Note Regarding Forward-Looking Statements

This news release contains “forward-looking information” within the meaning of applicable Canadian securities laws. Forward-looking information may be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects”, “is expected”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “believes”, or variations of such words and phrases or terminology which states that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. Forward-looking information in this news release includes: expected timing and completion of the Transaction; the strengths, characteristics and expected benefits and synergies of the Transaction; receipt of court approval; approval of the Transaction by Goldsource securityholders at the special meeting of Goldsource securityholders; obtaining TSXV acceptance to complete the Transaction; the anticipated timing of the special meeting of Goldsource securityholders to vote on the Transaction and the related management information circular; the expected delisting of the Goldsource Shares from the TSXV; the composition of the post-Transaction Mako board and management team; expectations regarding the potential benefits and synergies of the Transaction and the ability of the combined company to successfully achieve business objectives, including integrating the companies or the effects of unexpected costs, liabilities or delays; expectations regarding mineral resources, results of the PEA and future production; expectations regarding financial strength, free cash flow generation, trading liquidity, and capital markets profile; expectations regarding future exploration and development, growth potential for Mako’s and Goldsource’s operations; availability of the exemption under Section 3(a)(10) of the U.S. Securities Act to the securities issuable in the Transaction; and the companies’ assessments of, and expectations for, future business activities and operating performance. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances, including information in this news release regarding the Transaction, contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent the companies’ expectations, estimates and projections regarding possible future events or circumstances. The forward-looking information included in this news release is based on the companies’ opinions, estimates and assumptions in light of their experience and perception of historical trends, current conditions and expected future developments, their assumptions regarding the Transaction (including, but not limited to, their ability to close the Transaction on the terms contemplated, and to derive the anticipated benefits therefrom), as well as other factors that they currently believe are appropriate and reasonable in the circumstances. The forward-looking information contained in this news release is also based upon a number of assumptions, including the companies’ ability to obtain the required securityholder, court and regulatory approvals in a timely matter, if at all; their ability to satisfy the terms and conditions precedent of the Arrangement Agreement in order to consummate the Transaction; assumptions in respect of current and future market conditions and the execution of the companies’ business strategies, that operations in Mako’s and Goldsource’s properties will continue without interruption, and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated, intended or implied. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Forward-looking information is also subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, but are not limited to, failure to receive the required securityholder, court, regulatory and other approvals necessary to effect the Transaction; the potential for a third party to make a superior proposal to the Transaction; that Mako and its shareholders will not realize the anticipated benefits following the completion of the Transaction; that the special meeting of Goldsource securityholders to vote on the Transaction will not occur at the anticipated timeframe; that Goldsource will be unable to repay the Bridge Loan, and those set forth under the caption “Risk and Uncertainties” in Mako’s management’s discussion and analysis for the nine months ended September 30, 2023, Goldsource’s management’s discussion



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and analysis for the nine months ended September 30, 2023, and other documents filed with or submitted to the Canadian securities regulatory authorities on the SEDAR+ website at www.sedarplus.ca.

Although the companies have attempted to identify important risk factors that could cause actual results or future events to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to them or that they presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this news release represents the companies' expectations as of the date of this news release and is subject to change after such date. Mako and Goldsource each disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities laws. All of the forward-looking information contained in this news release is expressly qualified by the foregoing cautionary statements.