MAKO MINING CORP.

(formerly Golden Reign Resources Ltd.)

MANAGEMENT DISCUSSION AND ANALYSIS

For the three months ended July 31, 2019

(Expressed in Canadian dollars)

This Management Discussion and Analysis ("MD&A") is intended to help the reader understand Mako Mining Corp. (the "Company" or "Mako"), the operations, financial performance, and current and future business environment. This MD&A is intended to supplement and complement our unaudited condensed interim consolidated financial statements for the three months ended July 31, 2019, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards.

Additional information regarding Mako, including the risks related to our business and those that are reasonably likely to affect our financial statements in the future, is contained in our continuous disclosure materials, including our most recent consolidated financial statements and Management Information Circular, which are available on the Company's website at www.makominingcorp.com and under the Company's profile on the SEDAR website at www.sedar.com.

This MD&A has been prepared as of September 30, 2019. All amounts are expressed in Canadian dollars, unless otherwise stated.

BUSINESS OVERVIEW

Mako Mining Corp. (formerly Golden Reign Resources Ltd.) was incorporated on April 1, 2004 under the laws of the Yukon Territory and continued into British Columbia under the *British Columbia Corporations Act.* The Company is listed on the TSX Venture Exchange under the symbol "MKO".

On November 9, 2018, the Company completed the acquisition of Marlin Gold Mining Ltd. (the "Marlin Transaction"). Subsequent to the Marlin Transaction, the Company's principal business activities are the development and exploration of its mineral interests in Nicaragua.
The Company owns a fully permitted open-pit heap leach mine, La Trinidad, located in Sinaloa State, Mexico. Subsequent to January 31, 2019, it was determined through a comprehensive geological/engineering study that a portion of the pit at La Trinidad would not be accessible to continue mining operations as a result of pit instability incurred during the hurricane event in late 2018. As a result, the Company has ceased mining activities. The Company will be processing the remaining ounces on the leach pad during 2020.

In Nicaragua, the San Albino gold deposit, located within the San Albino-Murra Property, is the Company's most advanced project. It was a historical small-scale underground gold producer, commencing production in the early 1900's and operating on and off until approximately 1940, reportedly processing 10 tons per day of 1 oz/t gold material. Development and operation of San Albino is the strategic first step in the establishment of a gold camp potentially hosting multiple high-grade, open-pittable deposits.

The Company will be focusing its operations on further exploration and development of its San Albino deposit. The San Albino deposit is a high-margin gold project with an estimated average mined grade of 8.02 g/t gold equivalent, (April 29, 2015 Preliminary Economic Assessment) and an open pit average mined grade of over 7.00 g/t gold equivalent. Once in production, projected free cash flow from San Albino of approximately $20 million per year is anticipated to fund exploration on Mako's prospective 138 square kilometer ("km") land package in Nicaragua.

On July 23, 2019, the Company completed a rights offering, raising net proceeds of $26.8 million. The Company intends to use the funds to commence development construction at San Albino, fund working capital requirements associated with its development, and for ongoing exploration. Completion of the development of San Albino will require additional capital. The Company plans to pursue additional financing alternatives, which it is currently considering, by December 31, 2019.

HIGHLIGHTS

Significant events and operating highlights for the three months ended July 31, 2019, and up to the date of this MD&A include the following:

- On July 23, 2019, the Company completed a fully-subscribed, $27-million rights offering to fund the majority of construction capital for San Albino. Affiliates of Wexford Capital LP ("Wexford") purchased 72% of the financing, with strong support from existing shareholders. Wexford currently owns approximately 55.3% of the issued and outstanding shares of Mako;
- The Board appointed Paul M. Jacobi, a Managing Director at Wexford, to the board of directors of Mako. At Wexford, Paul was part of the Private Equity team which created Diamondback Energy Inc.;
- The Board approved the construction of the San Albino Property. Ground clearing activities are complete and civil works are well underway. Long lead pieces of equipment are being procured on the secondary market, and the project is on track to begin production by late summer of 2020;
- The Board appointed Akiba Leisman, a director and formerly Interim CEO, as CEO of Mako. Jesse Muñoz will continue to lead the operations as COO, and Frank Powell and Zoran Pudar will continue spearheading our mine and regional exploration programs, respectively. Additionally, Cesar Gonzalez, currently a director of Mako, has been appointed to the newly created role of Vice President of Corporate Development; and
- As at the date of this MD&A the Company has a cash balance of $22.2 million.

	Three months ended July 31,		
Financial Performance	**2019**	**2018**	**Change**
Revenue	$8,230,097	-	n/a
Loss for the period	3,926,285	1,389,292	2,536,993
Operating cash outflow before changes in non-cash working capital	1,993,655	1,403,731	589,924

Financial Condition	**July 31, 2019**	**April 30, 2019**
Cash and cash equivalents	$27,518,987	$4,511,536
Working capital (deficit)[()]	13,776,585	(10,855,145)
Total assets	46,127,038	24,456,386
Equity (deficit)	12,130,019	(12,636,154)

(i) Working capital calculated as current assets less current liabilities

	Three months ended July 31,		
Operating Data	**2019**	**2018**	**Change**
Gold produced (ozs.)	4,695	-	n/a
Gold sold (ozs.)	4,593	-	n/a
Average realized gold price (C$ per oz.)	C$1,792	-	n/a
Average realized gold price (US$ per oz.)	US$1,349	-	n/a

OPERATIONS REVIEW

		2020	2019			
		Q1	FY(1)	Q4	Q3(2)	Nov. 9, 2018
Production						
Gold dore	ozs.	**4,695**	6,025	3,243	2,782	n/a
Inventories(3)						
Estimated recoverable gold in stockpile	ozs.	**-**	1,702	1,702	469	1,500
Estimated recoverable gold on leach pad	ozs.	**6,218**	8,462	8,462	4,706	5,977
Gold dore	ozs.	**742**	335	335	209	590
Sales						
Gold dore	ozs.	**4,593**	6,243	3,080	3,163	n/a

(1) The full-year figure may not equal the sum of the quarters due to rounding.
(2) From the date of the Marlin Transaction (November 9, 2018) through to January 31, 2019.
(3) Recoverable gold calculated using an estimated leach pad/ADR plant recovery rate of 60% and an estimated refining recovery rate of 97%. Actual production may differ from estimates.

EXPLORATION AND DEVELOPMENT UPDATE

The Company has a 100% interest in two mining properties in Nicaragua – the San Albino Property and the El Jicaro Concession, which are located in north-central Nicaragua and cover an aggregate of 13,771 hectares (138 km^2). These properties have a long history of exploration and mining. Hundreds of historical mines and workings exist within the Corona de Oro Gold Belt, which is approximately 3 km wide by 20 km long and spans the entirety of the Company's land package.

San Albino Property, Nueva Segovia, Nicaragua

On September 12, 2017, the Company announced that it had received its environmental permit (the "Environmental Permit") for the development, construction and operation of up to a 500 ton per day operation at the San Albino Property. This permit was the final significant hurdle to moving the project forward. The Company had previously received its water use permit, forestry permit, mill permit, construction permit, soil use permit, road permit and waste disposal permit. Other governmental approvals will be sought as required.

Pre-development work commenced in May 2019 at the San Albino Property, with the objectives of testing the outer boundaries of the starter pits (West and Central Pits); confirming gold mineralization within historic mine dumps; improving the understanding of structural controls; verifying the geometry, grade and thickness of the mineralized zones; providing detailed grade control information; and affirming the continuity and grade of the "in-pit" resources.

On July 23, 2019, Mako completed a fully-subscribed $27 million rights offering to fund the majority of construction capital for San Albino. With the completion of this capital raise, the San Albino Property moved from exploration into development. The Company is rapidly advancing the construction of our San Albino project. Ground clearing activities are nearly complete, and civil works are well underway. Long lead pieces of equipment are being procured on the secondary market, and the project is on track to begin commercial production by late summer of 2020.

A 7,000-meter infill program at San Albino was commissioned and four core rigs are currently operating at San Albino. An additional core rig is focused on exploration drilling at the Las Conchitas property 3 kilometers to the south of San Albino. To date, approximately 5,072 m of infill grade-control drilling has been completed in 115 diamond drill holes focused on the San Albino Zone within the West Pit (*see press release dated September 26, 2019*). Assay results have been received for the first 55 holes, 30 of which intersected the San Albino Zone as projected, 12 holes encountered historic workings where the San Albino Zone was projected, 11 holes intersected historic dump material in the shallow projections of the San Albino Zone and 2 holes did not intersect significant results where the San Albino Zone was projected.

The Company's exploration pit and trenching program has resulted in the discovery of the surface exposure of the Naranjo Zone within the West Pit and its projected continuation outside of the existing planned pit boundary (*see press release dated August 26, 2019*). These trenches have exposed and confirmed the continuity of high-grade, near-surface mineralization in the Naranjo Zone over a strike length of 186 m. Two drill holes were drilled along strike of the Naranjo Zone targeting a down dip extension of the newly identified high-grade mineralization. Results have confirmed 120 m of down dip extension of the Naranjo Zone and, further, suggest that the mineralization may still be open in all directions. Studies are currently underway to determine if this near surface mineralization can be incorporated into the West Pit mine plan.

Drill results will be incorporated into a production model and initial mine plan, where the Company anticipates beginning commercial production by late summer of 2020. The Company does not intend to complete a Prefeasibility or Feasibility Study prior to commencing production.

Once in production, the Company is expected to be the third gold producer within Nicaragua and the high-grade, San Albino Property would be the first newly permitted commercial gold processing operation in the country in several years.

Las Conchitas Area

Las Conchitas is situated between two past-producers, the San Albino Mine and the El Golfo Mine. It lies only 3 km south of the proposed mine site for the San Albino Property.

The conceptual model for the Las Conchitas mineralization consists of multiple parallel quartz veins that dip gently to the northwest, associated with extensive shear and fault systems which represent feeders for mineralized fluids and a favourable environment for precious metal deposition. These characteristics are consistent with the model for orogenic gold-bearing veins, which can extend to depths in excess of a km. Drilling at the San Albino Property has already established down-dip continuity of gold mineralization for over 900 m and it still remains open. Gold mineralization is not restricted solely to quartz veins, but also occurs in the host rock (phyllite/schist) containing quartz veinlets.

Fiscal 2020 Drill Program

For details on all previously-reported drill results, please see the Company's filings on SEDAR.

Following up on the fiscal 2019 drill program at Las Conchitas, an exploration program is planned for fiscal 2020 and is currently underway.

Six drill holes totaling 314 m were drilled around the historic Bayacun mine, approximately three km south of the San Albino gold project (*see press release dated September 10, 2019*). All six holes encountered gold mineralization, with the occurrence of visible gold in several of them. The purpose of the drilling at the historic Bayacun mine was to test an underexplored area along a larger and potentially mineralized trend between the Mango Zone to the north and the Las Dolores Zone to the east. The new Bayacun Zone is trending in a northeast-southwest direction, and as with other mineralization at both San Albino and Las Conchitas, dips shallowly to the northwest, representing a potential southeast extension of the Mango Zone. Further drilling is planned for later this year to confirm whether the Bayacun Zone connects to these surrounding zones, which could significantly expand the strike and dip of the Las Conchitas area.

At the El Limon Zone, the goal of the drill program was to test the strike and dip extension of the Mango Zone, where the Company intersected the highest gold grade drilled to date. To date the Company has completed 13 additional shallow drill holes totaling 1,060 m at the El Limon Zone with positive drill results (*see press release dated August 19, 2019*).

At the Las Dolores Zone, the goal of this drill program was to confirm and extend the near surface, high-grade mineralized shoot previously encountered in trenches and drill holes. To date, the Company has completed eight shallow drill holes totaling 369.75 m within the Las Dolores Zone with positive drill results (*see press release dated July 25, 2019*).

In addition, the Company completed 14 shallow drill holes totaling 827.30 m within the Mango Zone, also part of the Las Conchitas area. The drilling program at the Mango Zone confirmed a near-surface, high-grade zone with a dip continuity of 400 m and a strike continuity of 150 m. The zone is open along strike and down dip. Importantly, drilling at the Mango Zone has intersected the highest gold grade drilled to date (*see press release dated May 6, 2019*).

Central & Northern Districts

The Central and Northern Districts of the San Albino Property host a number of highly prospective targets. Work to date in both areas has been preliminary in nature, however, a number of prospective targets have been identified within the structural corridor that spans our landholdings.

El Jicaro Concession, Nueva Segovia, Nicaragua

El Jicaro encompasses the southwest extension of the mineralized structures identified on the Corona de Oro Gold Belt. It covers an area of 5,071 hectares (51 km^2), nearly doubling the Company's land package in the region to an aggregate of 13,771 hectares (138 km^2). Several good exploration targets have been outlined on El Jicaro. The mapping and prospecting programs completed to date have defined four parallel zones of mineralization.

El Golfo
The Company plans to carry out a preliminary exploration program at the historic El Golfo mine, situated directly south and contiguous to Las Conchitas area, on its wholly-owned El Jicaro Concession. Exploration activities will include soil sampling, geological mapping and limited trenching.

La Trinidad, Sinaloa State, Mexico

The La Trinidad Area consists of nine claims of mineral concessions that are either owned by, or optioned to, the Company. The La Trinidad Area is located in a region having excellent infrastructure and it is less than 100 km southeast of Mazatlán.

Based on a comprehensive geological/engineering study completed during the fourth quarter 2019, it was determined that a portion of the pit at La Trinidad would not be accessible as a result of pit instability incurred during the hurricane event in late 2018. (see Company's press release dated April 1, 2019). The Company ceased mining operations during March 2019. Stockpiled ore was crushed and stacked to the leach pad through to the end of May 2019. The Company intends to process the remaining ounces on the leach pad during fiscal 2020.

Mining operations ceased at the end of March 2019. Most of the crushing plant has been moved from the site and will either be sold or used at San Albino. Any equipment used for Nicaragua will incrementally lower the capital cost of the San Albino project.

To date, the Company has been unsuccessful in receiving any insurance proceeds from the claim made due to the damages sustained at La Trinidad from Hurricane Willa in October 2018. Legal actions have commenced against the insurance provider and their reinsurers.

Discussions are underway with the mining contractor for La Trinidad and the Mexican government regarding significant payables still outstanding at the Company's Mexican subsidiary that holds La Trinidad. The Company believes that it has appropriately structured its Mexican subsidiary such that these liabilities do not extend outside of Mexico, whereby any proceeds from the sale of the equipment, or success in the insurance litigation, will be for the benefit of the Company. Notwithstanding this, constructive discussions are proceeding with the mining contractor with the goal of reaching a mutually acceptable settlement.

TREND ANALYSIS

Summary of Quarterly Results

	Fiscal Year 2020	Fiscal Year 2019				Fiscal Year 2018		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	$8,230,097	$5,320,281	$5,248,706	-	-	-	-	-
Cost of sales	6,747,044	4,635,007	8,797,278	-	-	-	-	-
Gross income (loss)	1,483,053	685,274	(3,548,572)	-	-	-	-	-
E&E expenses	3,565,223	3,464,759	1,588,748	1,209,743	932,983	438,106	1,028,100	892,558
G&A expenses	969,417	1,170,598	1,002,618	389,299	454,134	228,687	159,519	262,195
Other expenses (income)	874,698	9,715,620	12,411,363	505,217	2,175	(4,837)	12,084	(13,538)
Income tax expense	-	100,339	-	-	-	-	-	-
Net loss	3,926,285	13,766,041	18,551,301	2,104,259	1,389,292	661,956	1,199,703	1,141,215
Basic & diluted loss per share	0.01	0.05	0.07	0.01	0.01	0.00	0.01	0.01

The Marlin Transaction was a transformative event for the Company. With the addition of the La Trinidad Mine in Mexico, the Company immediately became a gold producer and began recognizing revenue and cost of sales. In addition, there was an associated increase in total assets, primarily due to acquired inventories and receivables, and an increase in non-current liabilities associated with recognizing a provision for reclamation and remediation. While the restructuring of the gold stream arrangement as part of the Marlin Transaction resulted in a $27.3-million loss during 2019, it removed a substantial encumbrance on the San Albino Property.

During 2019, the Company changed its accounting policy in respect of exploration and evaluation (E&E) expenditures. In accordance with the new accounting policy, all E&E expenditures are expensed, except for costs related to the acquisition of mineral properties, which are capitalized as E&E assets. When technical and commercial viability for a property has been determined, the E&E phase ends and the development phase begins. Development costs are capitalized as part of mineral properties, plant and equipment. During the three months ended July 31, 2019, the Company made the decision to develop the San Albino project, therefore, future development expenditures will be capitalized as part of mineral properties, plant and equipment. Previously, the Company capitalized all E&E expenditures. Management considers this accounting policy to provide more reliable and relevant information and believes that showing E&E expenditures separately on the statement of loss more accurately reflects the Company's activities and is comparable with peer companies. The change in accounting policy has been applied retrospectively, with all relevant figures in the MD&A reflecting the change.

Prior to the Marlin Transaction, the Company was focused on acquiring, exploring and developing exploration and evaluation assets in Nicaragua. With the acquisition of La Trinidad Mine in Mexico as part of the Marlin Transaction, which occurred early in the third quarter 2019, the Company began recognizing revenue and cost of sales. Furthermore, the Company saw an increase in G&A and other expenses associated with operating subsidiaries in multiple jurisdictions and increased corporate activities.

Volatile market conditions and the availability of financing may affect the Company's planned level of activity and development during fiscal 2020. The Company's E&E expenditures depend on the Company's operations and exploration prospects, as well as general market conditions relating to the availability of funding for resource companies. The Company's general and administrative ("G&A") expenditures are also related to the level of financing and development and exploration activities that are being conducted.

Other than as herein disclosed, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon the Company's expenses, income from investing, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

FINANCIAL REVIEW

Financial Results

	Three months ended July 31
Net loss for the fiscal 2019 period	$1,389,292
Increase (decrease) in components of loss:	
Gross profit	(1,483,053)
E&E expenses	2,632,240
G&A expenses	515,283
Other expense (income)	872,523
Net loss for the fiscal 2020 period	$3,926,285

During the three-month period ended July 31, 2019 ("Current Quarter"), the Company recognized a gross profit associated with La Trinidad Mine acquired as part of the Marlin Transaction during the third quarter 2019. There was no gross profit recorded in the three-month period ended July 31, 2018 ("Comparative Quarter").

E&E expenses increased significantly in the Current Quarter over the Comparative Quarter due to a ramp up of drilling activities at the Las Conchitas areas of the San Albino Property.

The increase in G&A expenses reflects the Company's increased corporate activities due in large part to the focus on moving San Albino into development.

Other expenses increased primarily due to a foreign exchange loss of $1.3 million for the Current Quarter, net of $0.4 million of interest income.

Revenue

	Three months ended July 31,		
	2019	**2018**	**Change**
Revenue	$8,230,097	-	n/a
Gold sold (ozs.)	4,593	-	n/a
Average gold price (C$ per oz.)	C$1,792	-	n/a
Average gold price (US$ per oz.)	US$1,349	-	n/a

During the Current Quarter, there was an increase in gold ounces sold and the average realized selling price of gold, both of which positively contributed to revenue compared to prior quarters.

Cost of sales

	Three months ended July 31,		
	2019	**2018**	**Change**
Production costs	$5,601,169	-	n/a
Depreciation, depletion and amortization	27,575	-	n/a
Total cost of production	$5,628,744	-	n/a
Gold produced (ozs.)	4,695	-	n/a
Cost per ounce produced (C$/oz.)	1,199	-	n/a
Change in gold inventories	$969,866	-	n/a
Royalties	81,489	-	n/a
Selling costs	66,945	-	n/a
Total cost of sales	$6,747,044	-	n/a
Gold sold (ozs.)	4,593	-	n/a
Cost per ounce sold (C$/oz.)	1,469	-	n/a

During the Current Quarter, there was a reduction in La Trinidad's cost per ounce produced ($1,199) compared to prior quarters which were negatively impacted by Hurricane Willa. The cost per ounce sold for the Current Quarter ($1,469) is higher than the cost per ounce produced as it reflects the sale of gold dore produced in prior quarters at a higher cost.

Exploration and evaluation expenses

Expenditures by property	Three months ended July 31,		
	2019	**2018**	**Change**
El Jicaro	$35,114	$62,030	($26,916)
San Albino	2,632,068	870,953	1,761,115
La Trinidad	898,041	-	898,041
	$3,565,223	$932,983	$2,632,240

Current Quarter expenses were primarily associated with the 7,000-m infill program at San Albino, as well as exploration drilling at the Las Conchitas property 3 kilometers to the south of San Albino. In addition, Current Quarter expenses at La Trinidad included exploration work performed on the Los Guadalupe, Cimarron, El Salti and El Salto Sur concessions.

General and administrative expenses

	Three months ended July 31,		
	2019	**2018**	**Change**
Management and consulting fees	$662,277	35,000	$627,277
General office expenses	214,224	54,132	160,092
Accounting and legal	44,943	213,805	(168,862)
Directors' fees	42,500	-	42,500
Salaries and benefits	5,473	143,597	(138,124)
Stock-based compensation	-	7,600	(7,600)
	$969,417	$454,134	$515,283

G&A expenses for the Current Quarter increased compared to the Comparative Quarter primarily due to an increase management and consulting fees related to the new chief finance officer, chief operating officer, vice president corporate development and accounting staff and other consultants. General office expenses also increased and are related to the level of financing and development and exploration activities that are being conducted. Beginning in the fourth quarter of fiscal 2019, directors' fees were paid. The above noted increases in G&A expenses were partially offset by a decrease in accounting and legal expenses, as the Comparative Quarter included legal fees relating to the Marlin Transaction, and a decrease in salaries and benefits.

Other (expense) income

	Three months ended July 31,		
	2019	**2018**	**Change**
Accretion expense	(16,363)	-	(16,363)
Foreign exchange loss	(1,292,282)	(11,879)	(1,280,403)
Interest income	433,947	9,704	424,243

Accretion expense for the Current Quarter relates to accretion on the Provision for reclamation and remediation at the La Trinidad Mine.

Foreign exchange gains and losses arise from the translation of foreign-denominated transactions and balances into the relevant functional currencies of the Company and its subsidiaries. There are significant foreign-denominated intercompany balances held by certain subsidiaries of the Company. Fluctuations between the functional currency of the subsidiary and the currency of the intercompany balance result in significant non-cash, unrealized foreign exchange gains and losses. These unrealized gains and losses are recognized in the consolidated net income of the Company.

Interest income primarily relates to the inflationary increase and interest earned on the IVA receivable.

LIQUIDITY AND CAPITAL RESOURCES

Financial condition

	July 31, 2019	April 30, 2019
Cash and cash equivalents	$27,518,987	$4,511,536
Working capital (deficit)	13,776,585	($10,855,145)

Cash and cash equivalents increased by $23.0 million during the Current Quarter, as the Company raised $26.8 million from a rights offering and generated gross income at La Trinidad Mine. These factors were offset by cash outflows associated with the Company's significant exploration program and G&A expenses.

Working capital increased significantly during the Current Period primarily due to the increase in cash as a result of the net proceeds from the rights offering.

Cash flows

	Three months ended July 31,		
	2019	2018	Change
Operating cash flows before changes in working capital	($1,923,763)	($1,403,731)	($520,032)
Changes in working capital	(1,566,255)	146,815	(1,713,076)
Net cash flows used in operating activities	(3,490,018)	(1,256,916)	(2,233,102)
Net cash flows used in investing activities	(255,856)	-	(255,856)
Net cash flows provided by financing activities	26,782,631	4,014,740	22,767,891
Effect of foreign exchange on cash and cash equivalents	(29,306)	118,986	(148,292)
	$23,007,451	$2,876,810	$20,130,641

Prior to completion of the Marlin Transaction, the Company did not derive any gross profit from operations. In the Current Quarter, the Company generated gross profit from La Trinidad Mine in Mexico.

Net cash flows used in operations during the Current Quarter reflect the cash components E&E expenses, G&A expenses and Other expenses, net of cash inflows from the gross profit generated by mining operations at La Trinidad Mine.

The cash used in investing activities during the Current Quarter relates to equipment purchases at the San Albino Property in Nicaragua.

Financing activities during the Current Quarter reflect a rights offering whereby the Company issued 270,017,178 common shares of the Company for net proceeds of $26.8 million.

Liquidity

As at July 31, 2019, the Company's total liquidity was $27.5 million, entirely comprised of cash and cash equivalents. The Company has no "standby" lines of credit. The Company had working capital of $13.8 million and a deficit of $82.6 million as at July 31, 2019, and negative operating cash flows before changes in working capital of $1.9 million and a net loss of $3.9 million for the Current Quarter.

The Company's financial performance is dependent upon many external factors. The Company expects that any revenues it may earn from its operations in the future will be from the sale of minerals. Both prices and markets for metals and minerals are cyclical, difficult to predict, volatile, and impacted by changes in domestic and international political, social and economic environments. In addition, the availability and cost of funds for exploration, development and production are difficult to predict. Changes in events could materially affect the financial performance of the Company.

The Company's mineral exploration activities to date have provided the Company with no sources of income and a history of losses and deficit positions. However, given the nature of its business, the results of operations as reflected in the net losses and losses per share do not provide meaningful interpretation of the Company's performance and valuation.

The Company is dependent on raising funds through the issuance of shares and/or debt instruments or disposing of interests it has in exploration and evaluation assets in order to finance further acquisitions, undertake exploration and development activities and meet G&A expenses in the long term.

Capital resources

During the Current Quarter, $255,856 was spent on fixed assets for use in Nicaragua. There were no acquisitions at La Trinidad Mine in Mexico during the Current Quarter.

The Company's contractual obligations and commitments as at July 31, 2019 relates to an operating lease agreement for its corporate head office premises. The approximate timing of payment is as follows:

	< 1 year	2 – 5 years	> 5 years
Operating leases	$25,704	-	-

Mako's primary objective is to bring the San Albino Property into production quickly and efficiently. To this end, the Company completed a rights offering on July 23, 2019, raising net aggregate gross proceeds of $27 million. The Company intends to use the net proceeds, after deducting expenses of $247,087 associated with the rights offering), as follows:

Intended use of available funds listed in order of priority	Proposed	Actual to date
To commence the construction at San Albino	$23,000,000	-
Working capital associated with the development of San Albino	1,269,000	-
Ongoing exploration at San Albino	2,500,000	-
Total	$26,769,000	-

As the funds were only received at the end of the Current Quarter, no significant amounts have yet been deployed.

The Company will reallocate funds only for sound business reasons.

Outstanding securities

As of the date of this MD&A, the Company had 583,701,484 common shares issued and 50,160,000 options outstanding.

TRANSACTIONS WITH RELATED PARTIES

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and comprise the Company's Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, VP Exploration and Directors. The compensation to key management was as follows:

For the three months ended	July 31, 2019	July 31, 2018
Director fees	$ 79,223	$ -
Salaries, consulting and management fees	121,500	201,000
Total	$ 200,723	$ 201,000

As at July 31, 2019, $40,274 (April 30, 2019 - $76,773) is owing to key management and is included in accounts payables and accrued liabilities.

Other related party transactions

Tes-Oro Mining Group, LLC (“Tes-Oro”) is a private company controlled by the Company’s Chief Operating Officer. Tes-Oro is a full-service engineering, procurement and construction management firm working exclusively with the Company. During the Current Quarter, the Company expensed fees relating to consulting services of $839,452 (2018 - $Nil). Amounts payable to Tes-Oro as at July 31, 2019 were $341,047 (April 30, 2019 - $129,064).

RDLGEO Consulting, Inc (“RDLGEO”) is a private company controlled by a director of the Company that provides geological technical advice services. During the Current Quarter, the Company incurred fees relating to consulting services of $Nil (2018 - $Nil). There were no amounts payable to RDLGEO as at July 31, 2019 (April 30, 2019 - $Nil).

FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS

Transactions in currencies other than the entity’s functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the financial reporting date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statements of profit or loss.

The financial statements of entities that have a functional currency different from that of the Company (“foreign operations”) are translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the statement of financial position, and income and expenses – at the average rate for the period (as this is considered a reasonable approximation to actual rates). All resulting changes are recognized in other comprehensive income as currency translation differences and taken into a separate component of equity. The Company’s Mexican and Nicaraguan subsidiaries functional currency is the US dollar.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses in accumulated other comprehensive income related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses in accumulated other comprehensive income related to the subsidiary are reallocated between controlling and non-controlling interests.

ACCOUNTING CHANGES AND CRITICAL ESTIMATES

Estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant assumptions and judgments about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following areas:

- Fair value of business acquisitions;
- Estimated mineral resources;
- Ore in process;
- Deferred income taxes;
- Impairment of non-current assets;
- Reclamation and remediation provision;
- Capitalization of costs; and
- Functional currency determination.

See Note 4 of the annual audited consolidated financial statements for the year ended April 30, 2019 for a detailed discussion of these accounting estimates and judgments, which are available on the Company's website and on SEDAR.

Changes in accounting policies

As a result of the application of IFRS 16 – Leases, the Company has amended the relevant accounting policies. Refer to Note 3 of our condensed interim consolidated financial statements for the three months ended July 31, 2019 for additional details.

CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and the respective accompanying Management's Discussion and Analysis.

DISCLOSURE CONTROLS

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

TSX-V listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in NI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making.

RISK AND UNCERTAINTIES

The Company's principal activity of mineral exploration and exploitation is generally considered to have high risk. It is exposed to a number of risks and uncertainties that are common to other mining exploration and development companies. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, inflation and other risks. Until completion of the Marlin Transaction in early November 2018, the Company had no source of revenue other than interest income. Moving forward, the San Albino Property is expected to be largely financed by equity financings. The Company's mineral properties are located in Mexico and Nicaragua, which exposes the Company to risks associated with possible political or economic instability, changes to applicable laws, and impairment or loss of mining title or other mineral rights.

Some of the other significant risks are:

- Maintaining the Company's operating and development permits in good standing.
- Mineral resource amounts are estimates only and may be unreliable. The Company cannot be certain that any specified level of recovery of minerals from mineralized material will, in fact, be realized or that any of its mineral property interests or any other mineral deposit will ever qualify as a commercially mineable ore body that can be economically exploited. Material changes in the quantity of mineralization, grade or stripping ratio or mineral prices may affect the economic viability of the properties;
- The junior resource market where the Company raises funds is extremely volatile, companies are subject to high level of competition for the same pool of investment dollars, and there is no guarantee that the Company will be able to raise adequate funds in a timely manner to conduct its business;
- Although the Company has taken steps to verify title to its exploration and evaluation assets there is no guarantee that the exploration and evaluation assets will not be subject to title disputes or undetected defects.
- The Company is subject to laws and regulations related to environmental matters, including provisions for reclamation, discharge of hazardous material and other matters. The Company conducts its activities in compliance with applicable environmental legislation and is not aware of any existing environmental problems related to its mineral property interests that may be the cause of material liability to the Company.
- There is no assurance that any countries in which Mako operates or may operate in the future will not impose restrictions or taxes on the repatriation of earnings to foreign entities.

An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described above and the other information filed with the Canadian securities regulators before investing in the Company's common shares. The risks described are not the only ones faced. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business. If any of these risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed, and investors may lose all of their investment.

FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" (also referred to as "forward-looking statements") within the meaning of applicable Canadian securities legislation. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. All statements, other than statements of historical fact, are forward-looking statements.

In this MD&A, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: regulatory and permitting considerations, financing of the Company's acquisitions and other activities, exploration, development and operation of mining properties and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information as well as other risks and uncertainties referenced under "Risks and Uncertainties" in this MD&A.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out below and including those referenced in the "Risks and Uncertainties" section of this MD&A, and, as a result they may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements.

Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation:

- financing, capitalization and liquidity risks;
- mineral exploitation and exploration program cost estimates;
- the nature and impact of drill results and future exploration;
- regulatory risks relating to mineral tenure, permitting, environmental protection, taxation, and royalties;
- volatility of currency exchange rates, metal prices and metal production;
- other factors referenced under "Risks and Uncertainties"; and
- other risks normally incident to the acquisition, exploration, development and operation of mining properties.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this report that would warrant any modification of any forward-looking statements made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's website. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which can be viewed online at www.sedar.com.