MAKO
MINING CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2021

(Expressed in United States 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 position, and current and future business environment. This MD&A is intended to supplement and complement Mako's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2021, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting.

Additional information regarding Mako, including the risks related to the business and those that are reasonably likely to affect Mako's financial statements in the future, is contained in the continuous disclosure materials, including the most recent audited consolidated financial statements and Management Information Circular for the year ended December 31, 2020, which is 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 November 26, 2021. All amounts are expressed in United States (US) dollars, unless otherwise stated.

BUSINESS OVERVIEW

Mako Mining Corp. 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 ("TSX-V") under the symbol "MKO". The Company's principal business activities are the production of gold and the exploration of its mineral interests in Nicaragua.

The Company's main asset is the San Albino gold deposit, located within the San Albino-Murra Property, located in Nueva Segovia, Nicaragua ("San Albino"). It was a historical small-scale underground gold producer, commencing production in the early 1900's and operating on and off until approximately 1940. Mako's management brought the San Albino mine back into commercial production on July 1, 2021.

The projected free cash flow from the San Albino Mine is anticipated to fund exploration on Mako's prospective 188 square kilometer ("km") land package in Nicaragua.

In March 2019, the Company ceased mining activities and processed the remaining ounces ("oz.") on the leach pad during 2019 at La Trinidad mine, located in Sinaloa State, Mexico. All of the mining and process plant equipment was moved to the United States and sold, with the exception of the laboratory equipment, which was moved to Nicaragua.

On March 31, 2021, the Company completed the transaction with GR Silver Mining Ltd ("GR Silver") pursuant to which GR Silver acquired 100% of the common shares of Mako's wholly-owned subsidiary, Marlin Gold Mining Ltd ("Marlin"), from the Company. Refer to section *"GR Silver Mining Ltd"*.

FINANCIAL HIGHLIGHTS, MAJOR ACTIVITIES AND SIGNIFICANT SUBSEQUENT EVENTS

- Revenues of $14.3 million for the three months ended September 30, 2021 ("Q3 2021").
- Sale of 8,280 ounces ("oz.") of gold in Q3 2021 from the San Albino Mine.
- Net income of $1.8 million for Q3 2021.
- Production of 7,534 oz. of gold at the San Albino Mine for Q3 2021.
- Ore stockpile containing an estimated 10,200 oz. of gold at the San Albino Mine as at September 30, 2021.
- Cash was $0.8 million at September 30, 2021.

- On July 13, 2021, the Company declared commercial production effective July 1, 2021, the Company also provided a summary of its production operating results for May and June 2021, which indicated that the plant in

San Albino had been fully operational since the beginning of May, and that 3,405 oz. of gold were shipped to the third party refinery in the second quarter.

- On August 9, 2021, the Company provided an operations update and reported that since May 12th, an average of 560 tpd of diluted vein, historical dump material and other mineralized material above cutoff grade have been mined, with a strip ratio of 16.3.
- On August 18, 2021, the Company provided a regional exploration update, which included further confirmation of up to 850 m of strike potential at Las Conchitas and multiple high-grade channel samples across four prospects at La Segoviana yielding grades of up to 82.5 g/t gold over 1.0 m.
- On August 27, 2021, the Company entered into a loan agreement with Sailfish pursuant to which Sailfish provided an $8 million unsecured gold-linked term loan to the Company (the "Sailfish Loan"). The proceeds of the Sailfish Loan were used by the Company to refinance existing short-term debt, specifically, the repayment of all outstanding principal and accrued interest owing on the Nebari Loan and the repayment of a portion of the principal owing on the Wexford Loan.
- On September 8, 2021, the Company announced positive drill results from infill and expansion beyond the resource pit shell at the Arras Zone, located within the San Albino West Pit.

Subsequent to September 30, 2021:

- On October 4, 2021, the Company announced that the "Wexford loan" had been extended. The extension is from August 20, 2022 to February 21, 2023 (the "Fourth Waiver"). No fees, or other additional compensation, was provided to the Lenders for this six-month extension, however, interest does continue to accrue with this extension.
- On October 12, 2021, the Company reported its third quarter 2021 production results from its San Albino gold mine in northern Nicaragua, this is the first full quarter of production results since declaring commercial production on July 1, 2021.
- On October 13, 2021, the Company announced that the TSX-V had accepted its normal course issuer bid to purchase up to an aggregate of 32,965,449 common shares of the Company, representing 5% of the 659,308,984 Common Shares issued and outstanding on the date hereof.

COVID-19 ESTIMATION UNCERTAINTY

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. The current and expected impacts on global commerce are anticipated to be far reaching. To date there has been significant volatility in stock, commodity and foreign exchange markets and the global movement of people and some goods has become restricted. While the Company continues to operate its business, there is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on future production, future cash flows in 2021, estimates regarding deferred income taxes and valuation allowances and on global financial markets. The impact of COVID-19 on the global economic and political environment, and the local jurisdictions in which the Company operates, could result in changes to the way the Company runs its mine. These changes could result in revenues or costs being different from the Company's expectations. This impact could be material. The impact of COVID-19 on the Company has been the delay in the commencement of production.

Financial Performance (in $000's)	Three months ended September 30			Nine months ended September 30		
	2021	2020	Change	2021	2020	Change
Revenue	$ 14,287	$ 433	$ 13,854	$ 14,287	$ 985	$ 13,302
Income (loss) for the period	1,830	(4,791)	6,621	5,942	(7,587)	13,529
Operating cash outflow before changes in non-cash working capital	4,052	(1,678)	5,730	(2,955)	(6,433)	3,478
Net cash used in operating activities	(2,417)	(3,533)	1,116	(7,218)	(8,411)	1,193

Financial Condition (in $000's)	As at September 30, 2021	As at December 31, 2020	Change
Cash and cash equivalents	787	2,633	(1,846)
Working capital deficit (i)	(3,591)	(13,169)	9,578
Total assets	55,544	49,429	6,115
Equity	22,006	16,910	5,096

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

RESULTS OF OPERATIONS

San Albino Property, Nueva Segovia, Nicaragua

The Company holds 100% of four mineral concessions in Nueva Segovia, Nicaragua for a total land package of approximately 18,817 hectares (188 km^2). The San Albino gold deposit, located within the San Albino-Murra Property, is the Company's new mine located in Nueva Segovia, Nicaragua. It was a historical small-scale underground gold producer, commencing production in the early 1900's and operating on and off until approximately 1940.

On August 24, 2020, the Nicaraguan Ministry of Environmental and Natural Resources ("MARENA") has amended the environmental permit granted to the Company in 2017 (see press release dated September 12, 2017) to allow for the processing of up to 1,000 tpd at the San Albino-Murra Property. The amendment is initially effective for a period of five years and can be renewed indefinitely so long as the Company complies with the conditions set forth by MARENA. All other provisions contained in the environmental permit granted in 2017 remain in force and are fully applicable apart from the increased throughput from 500 tpd to 1,000 tpd; total capacity of the two mills on site is 1,000 tpd.

Pre-development work commenced in May 2019 at the San Albino Property, the objective of achieving a thorough understanding of the geology of the area and affirming the continuity and grade of the "in-pit" resources.

On October 19, 2020, the Company reported the results of an updated mineral resource estimate (*Technical Report and Estimate of Mineral Resources* for The San Albino Project, Nueva Segovia, Nicaragua), which confirmed San Albino's rank among the highest-grade open pit gold projects in the world. In addition, Mine Development Associates, A division of RESPEC ("MDA"), led by Principal Geologist Steve Ristorcelli, has conservatively reflected the selective open pit mining methods presently being utilized at San Albino, such that management has confidence that the fully diluted open pit grade of 9.54g/t gold ("Au") in the Measured and Indicated categories can be met or exceeded when mined.

On February 1, 2021, the crushing circuit, grinding circuit and gravity circuit were operational at San Albino. Gravity concentrates were being produced, and a small amount of gold had been recovered. The carbon-in-leach ("CIL") tanks were full, cyanide and other consumables were being delivered to site, and gold was being extracted from the CIL circuit to supplement the gold being recovered from the gravity circuit.

Subsequently, on July 13, 2021 the Company provided pre-commercial production operating results for May and June 2021 and declared commercial production effective July 1, 2021; the table below shows the main variables used by management to measure operating performance of the mine: throughput, grade, recovery metal production and cost.

Operating data	Jul-21	Aug-21	Sep-21	Total
Tonnes Mined	15,536	19,393	16,280	51,210
Tonnes Milled	10,914	11,517	11,010	33,441
Availability	86%	87%	81%	85%
Avg Tonnes per day	407	426	456	429
Gold sold (ounces)	2,958	2,921	2,402	8,280
Average realized gold price ($/oz sold)	$ 1,744	$ 1,743	$ 1,694	$ 1,729
Cash Cost ($/oz sold)[1]	$ 710	$ 571	$ 705	$ 660
Total Cash Cost ($/oz sold)[1]	$ 948	$ 1,023	$ 859	$ 949
AISC ($/oz sold)[1]	$ 939	$ 1,254	$ 1,062	$ 1,086
EBITDA (in $000's)				$ 5,086
Adjuted EBITDA (in $000's)				$ 6,698

(1) Refer to *Non-IFRS Measures*

Earnings before interest (including non-cash accretion of financial obligations and lease obligations), income taxes and depreciation, depletion, and amortization ("EBITDA") Calculations:

Amounts in 000's	Three months ended Sept 30, 2021
Net Income (loss)	$ 1,830
Income tax Expense (Recovery)	15
Finance Cost, net of finance income	828
Depreciation and Amortization	2,413
EBITDA [1]	$ 5,086
Share-Based Compensation (recovery) expense	127
Exploration activities	1,526
Change in provision for reclamation and rehabilitation	(41)
ADJUSTED EBITDA [1]	$ 6,698

(1) Refer to *Non-IFRS Measures*

EXPLORATION UPDATE

On the exploration front, there are two active exploration drill rigs at the San Albino deposit, and one in the Las Conchitas area. During the three months ended September 30, 2021, 2,909 meters ("m") were drilled in the Las Conchitas Area and 3,767 m in the San Albino Deposit. Available results have been news released.

Las Conchitas Area

Las Conchitas is situated between two past-producers, the San Albino Mine and the El Golfo Mine. It lies only 2 km south of the mine site for the San Albino Property.

As with the San Albino deposit, 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 possible 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 Las Conchitas has confirmed down-dip continuity of highly mineralized zones identified by trenching; as demonstrated by results of drilling reported on August 18, 2021; Gold mineralization is not restricted solely to quartz veins, but also occurs in the host rock (phyllite/schist) containing quartz veinlets.

Considerable progress has been made on resource definition drilling at Las Conchitas. Since 2019, 30,328.6 m have been drilled on the property. The Company's goal is to produce a maiden resource at Las Conchitas in 2022.

El Jicaro Concession

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 ha (51 km^2). Several good exploration targets have been outlined there. The mapping and prospecting programs completed to date have defined four parallel zones of mineralization.

Potrerillos Concession

In December 2019, the Company purchased the Potrerillos exploration and exploitation concession ("Potrerillos Concession") formerly owned by a subsidiary of Condor Gold Plc ("Condor"). The Potrerillos Concession comprises 12 km^2 of subsurface mineral rights and is contiguous to and along strike from the San Albino gold project. The Potrerillos Concession is valid until December 2031 with the ability to renew for an additional 25 years by the Company.

The property was explored by Condor between 2007 and 2009, with a number of channel samples taken on trenches and former mine adits. Recent drilling at San Albino indicates that the Potrerillos mineralization is an extension of the San Albino deposit. The Company plans to begin exploration work to evaluate its ability to expand San Albino, unless constrained by finances or COVID-19.

La Segoviana Concession

On April 7, 2020, the Company announced that its wholly-owned Nicaraguan subsidiary, Nicoz Resources, S.A., was granted a new concession by Nicaraguan Ministry of Mines and Energy ("MEM"). The new concession, called La Segoviana, covers an area of 3,845.80 ha (approximately 38.5 km^2) and is contiguous to the north and northwest of the Company's San Albino-Murra concession in Nueva Segovia, Nicaragua. The La Segoviana concession allows for both exploration and exploitation and is valid for a period of 25 years, until March 12, 2045.

On May 3, 2021, the Company reported initial results from a reconnaissance exploration program. The initial mapping and sampling have identified four prospects within La Segoviana concession. A total of 35 channel samples were collected with 23 samples representing the in-situ vein and 12 samples representing dump material. The assays range in value from 0.02 to 43.5 g/t Au, with 12 samples reporting over 10 g/t Au and 15 samples reporting 1-10 g/t Au.

On August 18, 2121, the Company reported the results of initial mapping and sampling which have identified at least four prospects, initial channel sampling across the four prospects yielded grades of up to 82.5g/t gold.

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

TREND ANALYSIS

Summary of Quarterly Results

	2021			2020				Eight months ended Dec 31, 2019
(in $000's)	Jul - Sept	Apr - Jun	Jan - Mar	Oct - Dec	Jul-Sept	Apr-Jun	Jan-Mar	Nov-Dec
Revenue	14,287	-	-	413	433	52	500	532
Cost of sales	(9,750)	-	-	(85)	(2)	(82)	(501)	(7,093)
Gross profit (loss)	4,537	-	-	328	431	(30)	(1)	(6,561)
E&E expenses	(1,526)	(1,139)	(1,356)	(131)	(1,265)	(1,526)	(2,305)	(700)
G&A expenses	(1,262)	(1,444)	(2,294)	(1,036)	(1,498)	(1,666)	(1,120)	(704)
Other income (expenses)	96	(355)	10,789	(3,656)	(2,460)	(2,875)	6,729	160
Income taxes	(15)	(89)	-	(48)	-	-	-	(68)
Net income (loss)	1,830	(3,026)	7,138	(4,543)	(4,791)	(6,098)	3,303	(7,873)
Basic & diluted income (loss) per share	0.00	(0.00)	0.01	(0.01)	(0.01)	(0.01)	0.01	(0.01)

The sum of the quarters may not equal the annual results due to rounding.

The Company changed its year end from April 30 to December 31, beginning with December 31, 2019.

During the eight months ended December 31, 2019, mining operations at the La Trinidad Mine in Mexico were wound up. The Company ceased mining activities at the La Trinidad Mine in March 2019 but continued to process the remaining oz. on the leach pad through to the end of 2019. A small amount of gold dore inventory remained at December 31, 2019, and was sold during the first quarter of 2020. The last of the La Trinidad Mine gold dore inventory was sold during Q2 2020. The Company sold gold in carbon at the La Trinidad Mine and realized revenues of $0.9 million during FY 2020. As a result, there was a trend of decreasing revenue and cost of sales over the four quarters in 2020 compared to the eight months ended December 31, 2019.

In the quarter ended March 31, 2020, the weakening of the Canadian dollar against the US dollar resulted in an unrealized foreign exchange gain in other income. Whereas the strengthening of the Canadian dollar against the US dollar during Q4 2020 resulted in unrealized foreign exchange loss in other expenses.

The increase in general and administrative ("G&A") expenses in the quarter ended June 30, 2020 relate to share-based compensation expenses associated with the issuance of stock options to the directors.

On March 31, 2021, the Company completed the sale of the Marlin Group to GR Silver and recorded a gain on disposal of $12 million.

During Q3 2021, the Company sold 8,280 ounces of gold for gross proceeds of $14.3 million.

During Q3, 2021, other income (expenses) includes $0.6 million gain on the gold stream derivative asset.

The Company is focused on acquiring, exploring and developing exploration and evaluation assets in Nicaragua. At the end of July 2019, the Company made the decision to develop the San Albino project. Beginning in August 2019, development expenditures were capitalized as part of mineral properties, plant and equipment and resulted in a decrease in exploration and evaluation ("E&E") expenses. Expenditures related to exploration outside of the San Albino development project continue to be expensed.

The Company's planned level of activity and development during fiscal 2020 was impacted by the COVID-19 Pandemic, and the start of the operation had to be rescheduled for Q1 2021. 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 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

Revenue

(in $000s)	Three months ended			Nine months ended		
	September 30, 2021	September 30, 2020	Change	September 30, 2021	September 30, 2020	Change
Revenue	14,287	433	13,854	14,287	552	13,735
Gold sold (ozs.)	8,280	318	7,962	8,280	349	7,931
Average realized gold price ($ per oz.)	1,726	1,359	367	1,726	1,581	144

The Company's revenue for 2021 came entirely from the San Albino Mine, following the commercial production declaration on July 1, 2021. The sales proceeds prior to July 1, 2021 have been recorded against Construction in Progress in Property Plant and Equipment.

The Company's revenue for 2020 came entirely from the La Trinidad Mine, which was acquired as part of the Marlin Transaction in November 2018. The Company ceased mining activities at La Trinidad in March 2019 but continued to process the remaining oz. on the leach pad through to the end of 2019.

Exploration and evaluation expenses

Expenses by property	Three months ended September 30			Nine months ended September 30		
(in $000s)	2021	2020	Change	2021	2020	Change
El Jicaro	24	31	(7)	61	61	-
San Albino	1,004	833	184	2,488	3,697	(1,209)
Las Conchitas	498	-	497	1,185	-	1,185
La Trinidad	-	401	(401)	287	1,338	(1,051)
	1,526	1,265	273	4,021	5,096	(1,075)

During Q3 2021, expenses continued to be primarily associated with the drilling program at the San Albino deposit and the Las Conchitas property 2 km to the South of San Albino.

General and administrative expenses

(in $000s)	Three months ended September 30 2021	2020	Change	Nine months ended September 30 2021	2020	Change
Accounting and legal	(112)	458	(570)	1,035	1,041	(6)
Consulting fees	18	206	(189)	161	439	(278)
Directors' fees	92	39	53	187	115	72
General office expenses	195	145	52	606	666	(60)
Rent	16	62	(46)	44	199	(155)
Salaries and benefits	827	393	434	2,316	1,065	1,251
Stock-based compensation	127	97	30	361	384	(23)
Telephone and IT services	57	39	17	140	216	(76)
Travel	42	58	(17)	150	158	(8)
	1,262	1,497	(236)	5,000	4,283	717

The most significant G&A expenses for Q3 2021 are salaries and benefits which increased during the current quarter with a corresponding decrease in consulting fees as a result of replacing consultants with salaried employees. Stock-based compensation expense for Q3 2021 is comprised of stock options granted during the quarter and grants made in previous periods. The accounting and legal expense for Q3 2021 is a recovery of previously accrued legal expenses that did not materialize.

The most significant G&A expenses for the nine months ended September 30, 2021 ("YTD Q3 2021") comprise accounting and legal expenses and salaries and benefits expenses. The magnitude of these expenses are related to the level of financing and development and exploration activities that were conducted during YTD Q3 2021. During YTD Q3 2021, accounting and legal expenses included legal fees of $0.6 million (YTD Q3 2020 - $0.6 million) and accounting and tax consulting fees of $0.4 million (YTD Q3 2020 - $0.4 million); salaries and benefits include bonuses of $0.7 million (YTD Q3 2020 - $Nil) granted to 3 senior officers. During the nine months ended September 30, 2020 ("YTD Q3 2020") the rent expense included storage costs of equipment that was moved from the La Trinidad mine in Mexico before it was disposed and the telephone and IT services expenditure included Mexico costs and additional licenses.

Other (expense) income

(in $000s)	Three months ended September 30 2021	2020	Change	Nine months ended September 30 2021	2020	Change
Accretion and interest expense	765	75	690	908	123	785
(Gain) /loss on change in provision for reclamation and rehabilitation	(41)	984	(1,025)	309	1,453	(1,144)
Change in fair value of Sailfish Loan	(4)	-	(4)	(4)	-	(4)
Gain on gold stream derivative asset	(637)	-	(637)	(637)	-	(637)
Financing costs	63	-	63	63	-	63
Foreign exchange gain (loss)	(318)	1,395	(1,713)	841	(2,921)	3,762
Gain on disposal of subsidiaries	76	-	76	(12,007)	-	(12,007)
Interest income	-	(13)	13	(3)	(66)	63
	(96)	2,460	(2,556)	(10,530)	(1,392)	(9,138)

Accretion and interest expense primarily relates to accretion on the Nebari Loan, provision for reclamation and remediation at the San Albino and La Trinidad Mine and the accretion on the final instalment of the settlement agreement entered into in October 2019 with the Company's mining contractor in Mexico. At the time of the GR Silver sale the outstanding $1 million liability was still the responsibility of the Company. This liability was paid on September 29, 2021.

During YTD Q3 2021, with the ramp up in the development at the San Albino mine, the provision for reclamation and remediation increased.

The gain on the gold stream derivative asset of $0.6 million arises from the amended gold stream agreement the Company entered into with Sailfish in November 2018 whereby the Company received $1.1 million (the "Gold Stream Advance") which was recorded as a credit to the mineral property. At that time, it was determined to be a disposition of mineral interest. In return for the Gold Stream Advance, the Company is required to deliver 4% of gold production to Sailfish and is to receive a payment at 25% of the market price of the gold delivered. Effectively the Company sold 4% of the property and is being paid for services relating to the processes required to obtaining the finished metal. As The price of gold is not closely related to the price of the services being provided, the contract to provide these services contains an embedded derivative that requires separation from the host contract.

The contract to deliver to Sailfish its 4% of gold production, in return for 25% of the market value of the gold delivered, contains an embedded derivative that was previously of minimal value. This derivative consists of a "swap" of the variable payment based on the price of gold for the fixed price implied by the contract. As at September 30, 2021 this derivative was determined to be an asset of $571,934 based on current spot and future gold prices, and projected deliveries under the contract

During Q3 2021, the Company went into commercial production at San Albino mine, delivering a total of 443 oz. of gold to Sailfish, pursuant to this agreement, in exchange for $0.2 million and resulting in a fair value movement on the derivative of $0.6 million during the quarter.

On March 31, 2021, the Company completed the sale of the Marlin Group to GR Silver and recorded a gain on disposal of $12 million.

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.

LIQUIDITY AND CAPITAL RESOURCES

Financial condition

(in $000s)	September 30, 2021	December 31, 2020	Change
Cash and cash equivalents	787	2,633	(1,846)
Working capital (deficit)	(3,591)	(13,169)	9,578

Cash and cash equivalents decreased by $1.8 million during YTD Q3 2021 due to funds being invested in bringing the San Albino Mine to commercial production, payment of accounts payable and making principal repayments on the Wexford Loan and repaying the Nebari Loan in full.

Working capital deficit decreased during YTD Q3 2021 primarily due an increase in current assets, including gold inventory.

Cash flows

(in $000s)	Three months ended September 30 2021	2020	Change	Nine months ended September 30 2021	2020	Change
Operating cash flows before changes in working capital	4,052	(1,679)	5,731	(2,955)	(6,434)	3,479
Changes in working capital	(6,469)	(1,855)	(4,614)	(4,263)	(1,978)	(2,285)
Net cash flows used in operating activities	(2,417)	(3,534)	1,117	(7,218)	(8,411)	1,193
Net cash flows (used in) provided by investing activities	3,622	(6,944)	10,566	(1,095)	(20,387)	19,292
Net cash flows provided by financing activities	(259)	20,150	(20,409)	6,217	35,417	(29,200)
Effect of foreign exchange on cash and cash equivalents	(1,938)	225	(2,163)	250	102	148
Change in cash and cash equivalents	(992)	9,897	(10,889)	(1,846)	6,721	(8,567)

Net cash flows used in operations during Q3 2021 reflect the cash components of exploration and evaluation expenses, general and administrative expenses and other expenses.

Net cash flows used in operations during YTD Q3 2021 includes $12 million, a non-cash gain on the disposal of subsidiaries to GR Silver.

The cash used in investing activities during Q3 2021 relates to the development activities at the San Albino Property in Nicaragua, which was offset by pre-production revenues of $4.6 million.

Financing activities during Q3 2021 primarily reflect the drawdown of the Sailfish Loan of $8 million; offset by the full repayment of the Nebari Loan of $6.2 million and principal repayments of $2.2 million on the Wexford Loan.

Financing activities during YTD Q3 2021 primarily reflect the drawdown of the Nebari and Sailfish Loans of $14 million; offset by the full repayment of the Nebari Loan of $6.2 million and principal repayments of $2.2 million on the Wexford Loan.

Liquidity and Risks

As at September 30, 2021, the Company had cash and cash equivalents of $0.8 million, a working capital deficit of $3.6 million and an accumulated deficit of $79.7 million. For YTD Q3 2021, the Company had operating cash outflows before changes in working capital of $3.0 million and generated net income of $5.9 million.

During 2020, the Company secured a credit arrangement from its controlling shareholder for $15.15 million ("Wexford Loan"). The Wexford Loan matures on February 21, 2023 (per the Fourth Waiver) and may be prepaid at any time, in whole or in part, at par plus accrued but unpaid interest, without penalty or premium. The Wexford Loan bears interest at the rate of 8.0% per annum until the first anniversary of the closing date, increasing to 10% per annum thereafter, which interest is payable semi-annually on June 30th and December 31st each year. The Company paid a non-refundable up-front fee of $150,000 to the Lenders on the closing of the Wexford Loan. As at September 30, 2021, the Wexford Loan is fully drawn.

In addition, if the Wexford Loan is not repaid in full on or prior to the first anniversary of the closing date, February 20, 2021, then the Company must pay to the Lenders a cash bonus interest on the first anniversary of the closing date and on each successive anniversary in an amount equal to the cash equivalent of 500 oz. of gold calculated based on the average Gold Fixing Price in the London Bullion Market during the most recently completed calendar month at the time the payment is made, in accordance with the applicable formula set out in the Wexford Loan agreement.

On February 20, 2021, the Company received a second waiver from the Lenders deferring the cash bonus interest payment to the earlier of June 30, 2021 and the date on which the Wexford Loan is repaid in full (such earlier date, the "Deferred Payment Date") and the following additional conditions: that the Company shall pay to the Lenders, an additional cash bonus interest on the Deferred Payment Date in an amount equal to the price of 178.75 ounces of gold calculated in accordance with the applicable formula set out in the term loan agreement; and if the Obligations Termination Date does not occur on or before February 20, 2022, then the cash bonus interest payment that will become due and payable on February 20, 2022 will be calculated in accordance with the applicable formula set out in the Wexford Loan agreement, except that, for purposes of this payment only, the amount will be the cash equivalent of 321.25 ounces of gold rather than 500 ounces of gold.

On June 30, 2021, the Company received a third waiver from the Lenders to defer the accrued interest of $1.7 million and the cash bonus interest of $1.3 million, a total of $3.0 million ("Further Deferred Payment Amount"), on the conditions that the Company shall make a voluntary prepayment of a portion of the outstanding Wexford Loan in an aggregate principal amount equal to the Further Deferred Payment Amounts on or before July 30, 2021; the Further Deferred Payment Amount shall be due and payable on the earlier of the maturity date and the date that demand therefor is made by the Lender; and the Further Deferred Payment Amount shall accrue interest from and after June 30, 2021 at the applicable interest rate compounded monthly and, unless sooner paid by the Company, shall become due and be paid on the earlier of the maturity date and the date on which payment of the Further Deferred Payment Amounts is demanded by the Lender.

On July 29, 2021, a principal repayment of $0.5 million was made and on August 30, 2021 an additional principal prepayment of $1.8 million was made. On November 24, 2021, a further principal repayment of $2 million was made.

In February 2021, the Company completed a credit facility with Nebari to provide financing of US$6.34 million ("Nebari Loan"). The interest rate on the principal amount is 8% with an original issue discount of 5.3% and a maturity date of March 31, 2022. There are no prepayment penalties. As at June 30, 2021, the Company had drawn down a total of $6 million. On July 29, 2021, a principal repayment of $0.2 million was made. On August 26, 2021 the Nebari loan was fully repaid.

On August 27, 2021, the Company entered into a loan agreement with Sailfish pursuant to which Sailfish provided an $8 million unsecured gold-linked term loan to the Company (the "Sailfish Loan"). The proceeds of the Sailfish Loan were used by the Company to pay off Nebari ($ 6.2 million) and to pay $ 1.8m of the Wexford Loan. The Sailfish Loan is to be repaid with 24 monthly payments, with each monthly payment equal to the cash equivalent of 205 ounces of gold at the average market gold price with a minimum price of $1,750 and a maximum price of $2,000.

The Company's financial performance is dependent upon many external factors, exploration, development and mining precious metals involve numerous inherent risks included but not limited to metal price risk as the Company derives its revenue from the sale of gold and silver, currency risks as the Company reports its financial statements in US dollars whereas the Company operates in jurisdictions that conducts its business in other currencies. Although the Company minimizes these risks by applying high operating standards, including careful planning and management of its facilities, hiring highly qualified personnel and giving adequate training these risks cannot be eliminated.

GR SILVER MINING LTD ("GR SILVER")

On March 31, 2021, the Company completed the transaction with GR Silver pursuant to which GR Silver acquired 100% of the common shares of Mako's wholly-owned subsidiary, Marlin, from the Company. Marlin (incorporated in Canada) is the parent company of Marlin Gold Trading Inc (incorporated in Barbados) and of Oro Gold de Mexico, S.A. de C.V. (incorporated in Mexico) ("Oro Gold"), that owns the La Trinidad mine facilities, which are currently being reclaimed (collectively, the "Marlin Group"). Oro Gold also controls 100% of nine concessions totaling 104,094.5 hectares ("ha") located adjacent to GR Silver's existing portfolio of properties. The Company will continue to be responsible for (1) all necessary reclamation obligations until it receives an acknowledgement from SEMARNAT (the Mexican environmental authority) that Oro Gold's closure plan is complete and (2) the final instalment of the settlement agreement entered into in October 2019 with the Company's mining contractor in Mexico (paid on September 29, 2021). In consideration for the sale of the common shares of Marlin to GR Silver, Mako received C$50,000 in cash, a 1% net smelter return royalty ("NSR") on all concessions currently owned by Oro Gold and the assumption of liability by GR Silver of approximately US$9.5 million in unpaid concession taxes. GR Silver will be granted the right to purchase the NSR at any time upon making a one-time payment of US$2 million. The Company recorded a gain of U$12 million on the disposal of the Marlin Group.

Nearly all of Oro Gold's mining and process plant equipment was moved to the United States and subsequently sold to a third party (Minera Alamos Inc), with the exception of the laboratory equipment which was moved to Nicaragua. The majority of the noncurrent liabilities relates to a provision for reclamation and remediation for the La Trinidad Mine.

Outstanding securities

As of the date of this MD&A, the Company had 659,308,984 common shares issued, 37,000,000 warrants and 44,985,000 options outstanding.

TRANSACTIONS WITH RELATED PARTIES

Key management compensation

Except as disclosed in other areas, 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 Corporate Development and Directors. The compensation to key management was as follows:

	Three months ended September 30			Nine months ended September 30		
(in $000s)	**2021**	**2020**	**Change**	**2021**	**2020**	**Change**
Director fees	$ 92	$ 39	$ 53	$ 187	$ 115	$ 72
Salaries, consulting and management fees	208	256	(48)	1,523	775	748
Share-based compensation	79	97	(18)	212	384	(172)
Total	$ 379	$ 392	($ 13)	$ 1,922	$ 1,274	$ 648

As at	**September 30, 2021**	**December 31, 2020**
Amount included in accounts payable	$ 636	$ 44

During the three months ended March 31, 2021, the Company granted bonuses of $0.7 million to three senior members of management. Salaries, consulting, and management fees includes a severance payment of $0.2 million to the former Chief Financial Officer.

Other related party transactions

(a) Tes-Oro Mining Group, LLC ("Tes-Oro")

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 three and nine months ended September 30, 2021, the Company expensed fees relating to consulting services of $12,554 and $82,501 (September 30, 2020 - $2,141,832 and $379,586) and $28,507 and $91,639 (September 30, 2020 - $12,392 and $112,671) in general office expenses, respectively. Amounts payable to Tes-Oro as at September 30, 2021 were $598 (December 31, 2020 were $29,130).

(b) Wexford LP(“Wexford”)
Wexford is the Company’s controlling shareholder. Except as noted elsewhere in the financial statements, during the three and nine months ended September 30, 2021, the Company expensed fees of $1,273 and $16,757 related to legal fees (September 30, 2020 were $nil). Amounts payable to Wexford as at September 30, 2021 were $1,172 (December 31, 2020 were $342).

(c) Sailfish Royalty Corp. (“Sailfish”)
Sailfish is a publicly traded company related by common shareholders, officers and directors. In addition to the Sailfish Loan , during the nine months ended September 30, 2021, the Company’s subsidiary Nicoz:

i. received an advance of $143,338 for the purchase of gold ounces;
ii. sold 443 ounces of gold to Sailfish for $199,121; of which $134,246 is recorded as production services revenue and $64,875 is included in the gain on gold stream derivative asset disclosed in the statement of income and comprehensive income.

As at September 30, 2021, a balance of $32,849 remained from the advance received and is recorded in prepaid expense.

PROPOSED TRANSACTIONS

None.

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.

The determination of when a mine is in the condition necessary for it to be capable of operating in the manner intended by management (referred to as “commercial production”) is a matter of significant judgement. In making this determination, management will consider several factors, including:

- when the mine is substantially complete and ready for its intended use;
- the mine has the ability to sustain ongoing production at a steady or increasing level;
- the mine has reached a level of predetermined percentage of design capacity;
- mineral recoveries are at or near the expected production level, and;
- a reasonable period of testing of the mine plant and equipment has been completed.

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:

- Estimated mineral resources;
- Ore in process;
- Deferred income taxes;

- Impairment of non-current assets;
- Reclamation and remediation provision;
- Going concern;
- Capitalization of costs; and
- Functional currency determination.

Refer to Note 4 of our audited consolidated financial statements for the year ended December 31, 2020 for a detailed discussion of these accounting estimates and judgments.

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.

NON-IFRS MEASURES

The Company has included non-IFRS measures in this MD&A such as adjusted EBITDA, cash cost per ounce sold, total cash cost per ounce sold, AISC per ounce sold. These non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to other issuers. In the gold mining industry, this is a common performance measure but does not have any standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's underlying performance of its core operations and its ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

“Adjusted EBITDA” represents earnings before interest (including non-cash accretion of financial obligations and lease obligations), income taxes and depreciation, depletion and amortization (“EBITDA”), adjusted to exclude exploration activities, share-based compensation and change in provision for reclamation and rehabilitation.

“Cash costs per ounce sold” is calculated by deducting revenues from silver sales and dividing the sum of mining, milling and mine site administration costs.

“Total cash costs per ounce sold” is calculated by deducting revenues from silver sales from production cash costs, production taxes and royalties and then dividing the sum by the number of gold ounces sold. Production cash costs include mining, milling, mine site security and mine site administration costs.

“AISC per ounce sold” includes total cash costs (as defined above) and adds the sum of G&A, sustaining capital and certain exploration and evaluation (“E&E”) costs, sustaining lease payments, provision for environmental fees, if applicable, and rehabilitation costs paid, all divided by the number of ounces sold. As this measure seeks to reflect the full cost of gold production from current operations, capital and E&E costs related to expansion or growth projects are not included in the calculation of AISC per ounce. Additionally, certain other cash expenditures, including income and other tax payments, financing costs and debt repayments, are not included in AISC per ounce.

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 debt and equity financings. The Company’s mineral properties are located in 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.
- Uncertainties of the impact created by the COVID-19 pandemic.
- Nicaragua is susceptible to hurricanes, earthquakes and volcanoes which could materially impact the Company’s operations in the future.

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, future effect of the COVID-19 pandemic 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;
- future effect of the COVID-19 pandemic;
- 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.