MANAGEMENT DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2022

(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 six months ended June 30, 2022, which have been 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, 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 August 12, 2022. 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 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.

FINANCIAL HIGHLIGHTS, MAJOR ACTIVITIES AND SIGNIFICANT SUBSEQUENT EVENTS

- Revenues of $16.2 million and $33.4 million (Q2 2021 - $0.5 million and YTD Q2 2021 – $0.5 million) for the three and six months ended June 30, 2022 ("Q2 2022" and "YTD Q2 2022"), respectively.
- Sales of 9,027 ounces ("oz") and 18,607 oz (Q2 2021 – 2,586 oz and YTD Q2 2021 – 2,586 oz) of gold in Q2 2022 and YTD Q2 2022, respectively from the San Albino Mine.
- Net loss of $3.2 million and $4.2 million (Q2 2021 – $2.2 million and YTD Q2 2021 – net income of $5.0 million) for Q2 2022 and YTD Q2 2022, respectively.
- Production of 9,018 oz and 18,537 oz (Q2 2021 – 3,486 oz and YTD Q2 2021 – 3,486 oz) of gold at the San Albino Mine for Q2 2022 and YTD Q2 2022, respectively.
- Ore stockpile containing an estimated 10,000 oz of gold at the San Albino Mine as at June 30, 2022.
- Cash generated from operating activities $12.2 million (YTD Q2 2021 – used in operating activities $9.7 million) in YTD Q2 2022.
- Three monthly repayment installments totaling $1.2 million were made on the Sailfish Loan during Q2 2022.
- Principal repayments of $0.5 million were made on the Wexford Loan during Q2 2022.

Subsequent to June 30, 2022:

- Two monthly repayment installments totaling $0.7 million were made on the Sailfish Loan.

- On July 19, 2022, the Company completed the purchase of 0.6 million common shares of the Company, under the Normal Course Issuer Bid, for total consideration of $0.1 million (C$0.1 million).
- The Company has entered into an agreement that modifies the Wexford Loan Agreement extending the maturity date of the Wexford Loan from February 21, 2023 to March 31, 2024.

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 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 2022, estimates regarding deferred income taxes and valuation allowances and on global financial markets. The impact of COVID-19 on the global economic 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 current impact of COVID-19 on the Company has been the delay in delivery and shortage of supplies and spare parts and the continued enhancement of health and safety protocols.

The Company continues its enhanced COVID-19 health and safety protocols, including social distancing, mask wearing, and preventative communication campaigns, while working closely with local communities, the respective health authorities, employees and contractors to minimize the spread of COVID-19.

RESULTS OF OPERATIONS

Financial Performance (in $000's)	Three months ended June 30, 2022	Three months ended June 30, 2021	Change	Six months ended June 30, 2022	Six months ended June 30, 2021	Change
		(Restated)			*(Restated)*	
Revenue	$ 16,373	$ 4,562	$ 11,811	$ 33,652	$ 4,562	$ 29,090
Income (loss) for the period	(3,203)	(2,178)	(1,025)	(4,189)	4,962	(9,151)
Operating cash inflows (outflow) before changes in non-cash working capital				9,548	(4,229)	13,777
Net cash from (used in) operating activities				12,174	(9,684)	21,858

Financial Condition (in $000's)	As at June 30, 2022	As at December 31, 2021	Change
		(Restated)	
Cash and cash equivalents	2,486	1,944	542
Working capital deficit [i]	(13,564)	(77)	(13,487)
Total assets	52,452	54,972	(2,520)
Equity	21,647	25,968	(4,321)

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

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 July 1, 2021, the Company declared commercial production.

On June 21, 2022, the Company announced that drilling has confirmed gold mineralization over an area of approximately 530m x 470m (strike x dip) in an area that was initially identified in the 2020 Mineral Resource Estimate as the SW Pit which at the time measured approximately 50m x 50m.

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		**Three months ended June 30, 2022**		**Six months ended June 30, 2022**
Tonnes Mined		1,297,146		2,863,435
Tonnes Milled		49,332		96,201
Availability		93%		90%
Avg Tonnes per day		586		591
Gold sold (ounces)		9,027		18,607
Average realized gold price ($/oz sold)	$	1,814	$	1,809
Cash Cost ($/oz sold)[(1)]	$	860	$	827
Total Cash Cost ($/oz sold)[(1)]	$	903	$	868
AISC ($/oz sold)[(1)]	$	1,121	$	1,098
EBITDA (in $000's)[(1)]	$	4,521	$	10,828
Adjusted EBITDA (in $000's)[(1)]	$	7,353	$	15,683

(1) Refer to *Non-IFRS Measures*

EXPLORATION UPDATE

On the exploration front, during Q2 2022, there were seven active diamond drill rigs and one RC rig at the San Albino-Murra Concession and on the Potrerillos Concession for a total of eight drill rigs. At the San Albino- Murra concession two of them conducted drilling on the SW area of the San Albino deposit. One of those two diamond drill rigs has completed seven drill holes at Potrerillos concession and eight drill holes at the prospect known as San Albino North. RC drill rig completed a total of nine drill holes at San Albino North prospect. The remaining five diamond drill rigs conducted drilling at the 3 areas of Las Conchitas (North, Central and South) .

During Q2 2022, 216 meters ("m") were drilled at the San Albino North prospect, 4,555 m within the San Albino deposit, 1,009 m of condemnation drilling and 2,257 m of exploration drilling at San Pablo. In the Las Conchitas South Area, 2,437m was completed for a grand total of 10,475 m of the 2022 drilling campaign. 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.

The Las Conchitas area covers approximately 3.75km2 and is situated immediately to the south of San Albino, where the Company is currently operating a 500 tonne per day ("tpd") mining and milling operation and immediately to the north of the historical El Golfo Mine located within the Company's El Jicaro Concession.
Las Conchitas contains numerous mineralized structures over a 1,700m by 800m area and it has been subdivided into three primary areas: Las Conchitas north ("LC-North"), Las Conchitas central ("LC-Central") and LC-S. Each of these areas are comprised of multiple subparallel, northeast-southwest striking and gently dipping mineralized veins.

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 2011, 55,070 m have been drilled on the property as of June 30, 2022. On March 17, 2022; the Company reported positive drill results from Las Conchitas-South, highlighting that it had intersected 138.29 g/t Au over 1.3 m estimated true width.

On July 28th, 2022, the Company announced the Discovery of "Crucita" which consists of gold bearing structures containing 37.28 g/t of Au and 34.94 g/t of Ag over 2.5 m. Crucita is located approximately 1.44 km south of the San Albino gold mine.

Details of this and other intercepts can be found in the respective press releases. The Company's goal is to produce a maiden resource at Las Conchitas in 2023.

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; 1,109 m have been drilled as of June 30, 2022. The Company plans to begin exploration work to evaluate whether the San Albino mine can be expanded into this area, 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 the 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, 2021, the Company reported the results of initial mapping and sampling which identified at least four prospects. Initial channel sampling across the four prospects yielded grades of up to 82.5g/t gold.

On March 24, 2022, the Company reported the results from a follow-up reconnaissance exploration program. A total of 367 channel and grab samples were collected within the concession from quartz veins exposed in prospects and historical workings with 169 samples yielding more than 1.0 g/t gold, and one of them yielding 105.7 g/t Au over 1.5 m estimated true width; details can be found in the respective press release.

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

TREND ANALYSIS

Summary of Quarterly Results

	2022		2021				2020	
(in $000's *excluding per share*)	Apr - Jun	Jan-Mar	Oct - Dec	Jul - Sept	Apr - Jun	Jan - Mar	Oct - Dec	Jul-Sept
					(Restated)	*(Restated)*		
Revenue	16,373	17,279	16,647	14,288	4,562	-	413	433
Cost of sales	(14,537)	(12,701)	(9,664)	(9,750)	(3,623)	-	(85)	(2)
Gross profit (loss)	1,836	4,578	6,982	4,538	940	-	328	431
E&E expenses	(2,718)	(1,864)	(1,667)	(1,525)	(1,139)	(1,356)	(131)	(1,265)
G&A expenses	(1,596)	(1,744)	(1,332)	(1,262)	(1,444)	(2,294)	(1,036)	(1,498)
Other income (expenses)	(113)	(1,416)	(403)	95	(382)	10,714	(3,656)	(2,460)
Income taxes	(610)	(542)	(397)	(15)	(89)	-	(48)	-
Net income (loss)	(3,200)	(989)	3,184	1,829	(2,113)	7,064	(4,543)	(4,791)
Basic & diluted income (loss) per share	(0.00)	(0.00)	0.01	0.00	(0.01)	0.01	(0.01)	(0.01)

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

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. 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 during 2020.

During Q2 2022, the cost of sales increased as the recoveries on the tonnage were lower than previous quarters.

During Q1 2021, management fees, included in G&A expenditures, included bonus payments of $0.7 million declared to the senior executives and a $0.2 million severance payment paid to the former CFO.

The Company recorded its first sale of gold from the San Albino mine in Q2 2021 and declared commercial production on July 1, 2021.

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 in other income.

During Q1 2022, other expenses includes a $0.6 million accrual for the cash bonus interest being the cash equivalent of 321.25 oz of gold on the Wexford Loan gain on the gold stream derivative asset.

The Company's planned level of activity and development during fiscal 2020 was impacted by the COVID-19 Pandemic, and the start-up of the San Albino pre-production 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.

Revenue

	Three months ended			Six months ended		
(in $000s)	June 30, 2022	June 30, 2021	Change	June 30, 2022	June 30, 2021	Change
Revenue	16,373	4,562	11,811	33,652	4,562	29,090
Gold sold (ozs.)	9,027	2,586	6,441	18,607	2,586	16,020
Average realized gold price ($ per oz.)	1,814	1,764	50	1,809	1,764	45

The Company's revenue for 2022 and 2021 came entirely from the San Albino Mine. The first sale took place in May 2021.

Exploration and evaluation expenses

Expenses by property	Three months ended			Six months ended		
(in $000s)	June 30, 2022	June 30, 2021	Change	June 30, 2022	June 30, 2021	Change
El Jicaro	-	4	(4)	30	37	(7)
San Albino	1,013	829	184	2,373	1,471	902
Las Conchitas	1,559	295	1,264	1,989	688	1,301
Other	131	(1)	132	172	-	172
La Trinidad	15	-	15	18	287	(269)
	2,718	1,127	1,591	4,582	2,483	2,099

During Q2 2022 and Q2 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

	Three months ended			Six months ended		
(in $000s)	June 30, 2022	June 30, 2021	Change	June 30, 2022	June 30, 2021	Change
Accounting and legal	158	299	(141)	234	1,147	(913)
Consulting fees	49	82	(33)	154	99	55
Directors' fees	51	54	(3)	102	95	7
Depreciation	3	-	3	5	-	5
General office expenses	96	59	37	138	91	47
Insurance	116	67	49	214	152	62
Investor relations and communications	83	61	22	128	86	42
Rent	15	14	1	27	28	(1)
Salaries and benefits	814	542	272	1,873	1,534	339
Stock-based compensation	144	113	31	279	234	45
Telephone and IT services	18	55	(37)	62	83	(21)
Transfer agent fees and regulatory fees	10	44	(34)	55	78	(23)
Travel	42	54	(12)	69	109	(40)
	1,599	1,444	155	3,340	3,736	(396)

Accounting and legal fees decreased in Q2 2022 as there were no transactions in the current period compared to the prior period. Q2 2021 included legal and accounting services for the GR Silver transaction (Refer to section "GR Silver Mining Ltd") and an accrual of $0.4 million for anticipated damages against the insurance company that declined the claim at the La Trinidad mine.

The most significant G&A expenses for Q2 2022 are salaries and benefits which increased during the current quarter as a result of an increase in the number of employees during Q2 2022 compared to Q2 2021, reflecting the increased activity levels at the Company.

Insurance expenses increased in Q2 2022 with the increase of premiums.
Investor relations and communications expenses increased in Q2 2022 driven by the increased fees on dissemination of press releases and updates to the website and related promotional material

Other (expense) income

(in $000s)	Three months ended June 30, 2022	June 30, 2021	Change	Six months ended June 30, 2022	June 30, 2021	Change
Accretion and interest expense	279	88	191	1,194	143	1,051
(Gain) /loss on change in provision for reclamation and rehabilitation	(30)	(37)	7	(4)	350	(354)
Change in fair value of Sailfish Loan	(5)	-	(5)	(88)	-	(88)
Gain on gold stream derivative asset	36	-	36	(35)	-	(35)
Financing costs	57	-	57	278	-	278
Foreign exchange gain (loss)	(225)	406	(631)	184	1,261	(1,077)
Gain on disposal of subsidiaries	-	-	-	-	(12,083)	12,083
Interest income	-	-	-	-	(2)	2
	112	457	(345)	1,529	(10,331)	11,860

Accretion and interest expense primarily relates to interest on the Wexford Loan. In YTD Q2 2021, the Wexford Loan interest was capitalized to the mineral property.

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)	June 30, 2022	December 31, 2021	Change
Cash and cash equivalents	2,486	1,944	542
Working capital (deficit)	(13,564)	(77)	(13,487)

Cash and cash equivalents increased by $0.5 million during YTD Q2 2022, funds generated from operating activities were utilized to make principal repayments of $4.0 million on the Wexford Loan and repayment installments of $2.3 million were made on the Sailfish Loan.

Working capital deficit increased during Q2 2022 primarily due the Wexford Loan and the related accrued interest being recorded as a current liability with the loan maturing in February 21, 2023 and an increase in accounts payable and accrued liabilities due to the increase in supplies purchases and the timing of paying creditors.

Cash flows

(in $000s)	Six months ended		
	June 30, 2022	June 30, 2021	Change
Operating cash flows before changes in working capital	9,548	(4,229)	13,777
Changes in working capital	2,626	(5,455)	8,081
Net cash flows provided by (used in) operating activities	12,174	(9,684)	21,858
Net cash flows (used in) provided by investing activities	(4,969)	2,304	(7,273)
Net cash flows provided by (used in) financing activities	(6,671)	6,477	(13,148)
Effect of foreign exchange on cash and cash equivalents	8	46	(38)
Change in cash and cash equivalents	542	(857)	1,399

The Company generated positive cash flow from operations of $12.2 million during YTD Q2 2022 which resulted from cash flows from operating activities improving greatly over the prior period following the start of commercial production at the San Albino mine on July 1, 2021.

The cash used in investing activities during YTD Q2 2021 relates to the development activities at the San Albino Property in Nicaragua.

Financing activities during YTD Q2 2022 primarily reflect principal repayments of $4.0 million on the Wexford Loan and installment payments of $2.3 million on the Sailfish Loan.

Financing activities during YTD Q2 2021 primarily reflect the drawdown of the Nebari Loans of $6 million.

Liquidity risk

While the condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that it will be able to meet its existing obligations and commitments and fund ongoing operations in the normal course of business for at least twelve months from June 30, 2022. As at June 30, 2022, the Company has cash and cash equivalents of $2.5 million, a working capital deficiency of $13.6 million and anticipates the need for further funding or to renegotiate or extend its existing obligations with its Lenders (see Wexford Loan). On August 12, 2022, the Company has entered into an agreement that modifies the Wexford Loan Agreement extending the maturity date of the Wexford Loan from February 21, 2023 to March 31, 2024.
For YTD Q2 2022, the Company had operating cash inflows before changes in working capital of $9.5 million and generated a net loss of $3.2 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 repaid at any time, in whole or in part, at par plus accrued but unpaid interest, without penalty or premium. The Wexford Loan has an interest at the rate of 8.0% per annum until February 23, 2021, increasing to 10% per annum thereafter, and 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 December 31, 2021, the Wexford Loan was fully drawn.

In addition, because the Wexford Loan was 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. The applicable formula set out in the Wexford Loan Agreement is the principal amount less any principal repayments divided by the total loan facility multiplied by the price of gold based on the closing London Bullion Market monthly average.

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 was 8% with an original issue discount of 5.3% and a maturity date of March 31, 2022, no prepayment penalties. 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.

During Q2 2022 and YTD Q2 2022, instalment payments totaling $1.2 million and $2.3 million were made on the Sailfish Loan, respectively. Subsequent to June 30, 2022, two installments totaling $0.7 million were paid.

During Q2 2022 and YTD Q2 2022, the Company recorded $0.3 million and $1.2 million of accrued interest and cash bonus interest, respectively, on the Wexford Loan all of which has been expensed.

During Q2 2022 and YTD Q2 2022, the Company made voluntary principal repayments of $0.5 million and $4.0 million on the Wexford Loan, respectively.

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 (collectively, the "Marlin Group"). 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 S$2 million. The Company recorded a gain of $12 million on the disposal of the Marlin Group.

Outstanding securities

As of the date of this MD&A, the Company had 657,308,384 common shares issued, 1,503,800 RSU, 1,318,400 DSU and 34,075,000 options outstanding.

TRANSACTIONS WITH RELATED PARTIES

Key management compensation

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Director fees	$ 51	$ 55	$ 51	$ 41
Salaries, consulting and management fees	232	268	586	1,047
Share-based compensation	174	59	59	73
Total	$ 457	$ 382	$ 696	$ 1,161

As at	June 30, 2022	December 31, 2021
Amount included in accounts payable	$ 60	$ 216

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:

During Q2 2022 and YTD Q2 2022, the Company granted bonuses of $nil and $0.4 million to three senior members of management and is disclosed in general and administrative expenses, respectively. During Q2 2021 and YTD Q2 2021, the Company granted bonuses of $nil and $0.7 million to three senior members of management and paid severance of $nil and $0.2 million to the former Chief Financial Officer, respectively.

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 with the Company. During Q2 2022 and YTD Q2 2022, the Company expensed fees relating to consulting services of $687 and $4,773 (2021 - $18,421 and $69,947) and $24,668 and $53,910 (2021 - $25,288 and $63,132) in general office expenses, respectively. Amounts payable to Tes-Oro as at June 30, 2022 were $490 (December 31, 2021 - $nil).

(b) Sonoran Resources, LLC ("Sonoran")
Sonoran is a private company controlled by the Company's Chief Operating Officer. Sonoran is a management, scientific, and technical consulting services industry firm which leases office equipment to the Company. During Q2 2022 and YTD Q2 2022, the Company expensed fees relating to general office expenses of $1,007 and $2,581 (2021 - $nil and $nil). Amounts payable to Sonoran as at June 30, 2022 were $nil (December 31, 2021 - $nil).

(c) Wexford LP ("Wexford")
Wexford is the Company's controlling shareholder. Except as noted elsewhere in the financial statements, during Q2 2022 and YTD Q2 2022, the Company expensed fees of $nil and $3,070 related to transaction costs (2021 - $nil and $15,484). Amounts payable to Wexford as at June 30, 2022, were $238 (December 31, 2021 - $2,874).

(d) Sailfish Royalty Corp. ("Sailfish")
Sailfish is a publicly traded company related by common shareholders, officers (till December 17, 2021) and directors. In addition to the Sailfish Loan, during Q2 2022 and YTD Q2 2022, the Company's subsidiary Nicoz:

i. received advances of $0.3 million and $0.4 million for the purchase of gold ounces, respectively;
ii. sold 330 and 703 oz of gold to Sailfish for $0.2 million and 0.3 million; of which $0.2 million and $0.2 million is recorded as production services revenue and $3,272 and $0.1 million is included in the gain on gold stream derivative asset disclosed in the statement of income and comprehensive income, respectively.

As at June 30, 2022, $0.1 million is payable to Sailfish (December 31, 2021 – receivable of $5,543).

PROPOSED TRANSACTIONS

None.

ACCOUNTING CHANGES AND CRITICAL ESTIMATES

(a) Adoption of new accounting policy

On January 1, 2022, the Company adopted Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16). The amendments prohibit an entity from deducting from the cost of an item of property, plant, and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

These condensed interim consolidated financial statements now reflect the reversal of the pre-commercial revenue of $4.6 million and related cost of sales of $3.6 million which was previously recorded against mineral property, plant and equipment during the year ended December 31, 2021.

The adoption of this accounting policy is made retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

There was no impact on the consolidated statement of financial position as at January 1, 2021.

Impact on the consolidated statement of financial position as at December 31, 2021 is as follows:

($'000s)	As previously reported	Adjustment	Restated
Mineral property, plant and equipment	42,912	850	43,762
Total assets	54,122	850	54,972
Accumulated other comprehensive income	1,751	12	1,763
Deficit	(76,495)	838	(75,657)
Total shareholder's equity	25,118	850	25,968
Total liabilities and shareholder's equity	54,122	850	54,972

There was no impact on the condensed interim consolidated statement of loss and comprehensive loss and the condensed interim consolidated statement of cash flows for the three months ended June 30, 2021, related to the adoption of IAS 16.

Impact on the condensed interim consolidated statement of loss and comprehensive loss for the three months ended June 30, 2021, is as follows:

	As previously reported	Adjustment	Restated
Revenue	-	4,562	4,562
Cost of sales	-	(3,623)	(3,623)
Loss for the period	2,290	(939)	2,178
Comprehensive loss for the period	1,922	(124)	1,798

Impact on the condensed interim consolidated statement of loss and comprehensive loss and the condensed interim consolidated statement of cash flows for the six months ended June 30, 2021, is as follows:

	As previously reported	Adjustment	Restated
Revenue	-	4,562	4,562
Cost of sales	-	(3,623)	(3,623)
Income for the period	5,326	(364)	4,962
Comprehensive income for the period	3,953	(351)	3,602

	As previously reported	Adjustment	Restated
Net income for the period	5,326	364	4,962
Changes in non-cash working capital	993	(4,462)	(5,455)
Net cash provided (used by) operating activities	(4,801)	(4,883)	(9,684)

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:

- Determination of commercial production
- Estimated mineral resources;
- Ore in process;
- Deferred income taxes;
- Impairment of non-current assets;
- Reclamation and remediation provision; and
- Functional currency determination.

Refer to Note 4 of our unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2022 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 production costs, 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 summing the numerator used to calculate cash costs, G&A from the sister subsidiaries supporting the production activities, production taxes and royalties and then dividing the sum by the number of gold ounces sold.

"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 gold 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.

The following table provides a reconciliation of production costs to cash costs and AISC:

(in $000's)		***Three months ended June 30, 2022***		***Six months ended June 30, 2022***
Production costs (GAAP)	**$**	**7,761**	**$**	**15,393**
Supporting general and administrative expenses		*394*		*756*
Cash costs (non-GAAP)	**$**	**8,154**	**$**	**16,149**
General and administrative expenses		*921*		*1,965*
Sustaining capital expenditures		*378*		*1,121*
Accretion of the asset retirement costs (ARO) (Non-cash)		*28*		*35*
Deferred stripping expenses		*641*		*1,162*
Total AISC ($)	**$**	**10,123**	**$**	**20,432**
Ounces of gold sold		*9,027*		*18,607*
Production cost per gold ounce sold	$	860	$	827
Total cash cost per gold ounce sold	$	903	$	868
AISC per gold ounce sold	$	1,121	$	1,098

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 June 30, 2022**		**Three months ended June 30, 2021**		**Six months ended June 30, 2022**		**Six months ended June 30, 2021**
				(Restated)				*(Restated)*
Net loss (income) after taxes	$	(3,200)	$	(2,178)	$	(3,037)	$	4,962
Income tax expense		610		89		1,152		89
Finance cost, net of finance income		335		88		1,472		143
Depreciation and amortization		6,776		1,591		11,840		1,591.00
EBITDA (1)	$	4,521	$	(410)	$	11,427	$	6,785
Gain on disposal of subsidiaries		-		-		-		(12,083)
Share-based compensation (recovery) expense		144		113		279		234
Exploration activities		2,718		1,127		4,582		2,483
Change in provision for reclamation and rehabilitation		(30)		(37)		(4)		350
ADJUSTED EBITDA (1)	$	7,353	$	793	$	16,284	$	(2,231)

(1) Refer to *Non-IFRS Measures*

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.