



MANAGEMENT DISCUSSION AND ANALYSIS

*For the three and nine months ended September 30, 2023
(Expressed in United States dollars)*



For the three and nine months ended September 30, 2023

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 condensed interim consolidated financial statements for the three and nine months ended September 30, 2023, 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.sedarplus.com.

This MD&A has been prepared as of November 10, 2023. All amounts are expressed in United States (US) dollars (“\$”), unless otherwise stated. References to “C\$” are to the Canadian dollar.

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 \$10.7 million and \$39.5 million (Q3 2022 - \$13.6 million and YTD Q3 2022 - \$47.3 million) for the three and nine months ended September 30, 2023 (“Q3 2023” and “YTD Q3 2023”), respectively.
- Sales of 5,767 ounces (“oz”) and 21,214 oz (Q3 2022 – 8,327 oz and YTD Q3 2022 – 26,934 oz) of gold in Q3 2023 and YTD Q3 2023, respectively from the San Albino Mine.
- Net loss of \$1.5 million and \$2.7 million (Q3 2022 –\$7.0 million and YTD Q3 2022 \$11.2 million) for Q3 2023 and YTD Q3 2023, respectively.
- Production of 7,937 oz and 23,195 oz (Q3 2022 – 8,370 oz and YTD Q3 2022 – 26,907 oz) of gold at the San Albino mine respectively; 7,694 oz and 23,053 oz. (Q3 2022 – 12,399 oz and YTD Q3 2022 – 31,138 oz) of silver were produced at the San Albino Mine for Q3 2023 and YTD Q3 2023, respectively.
- Cash generated from operating activities of \$2.8 million (YTD Q3 2022 – \$13.4 million) in YTD Q3 2023.
- Three monthly repayment installments totaling 50,274 oz of silver (\$1.2 million) (Q3 2022 - \$1.1 million) were made on the Sailfish Loan during Q3 2023. On September 8, 2023, the Sailfish Loan was fully repaid.
- Delivered 13,500 oz of silver on the Sailfish Silver Loan in Q3 2023.

Subsequent to September 30, 2023:

- Delivered 67,500 oz of silver on the Sailfish Silver Loan.
- On October 16, 2023, the Company granted 975,000 restricted share units (“RSU”) and 275,000 deferred share units (“DSU”). The RSUs vest annually over three years commencing on October 13, 2024.



For the three and nine months ended September 30, 2023

RESULTS OF OPERATIONS

Financial Performance (in \$000's)	Three months ended			Nine months ended		
	Sept 30, 2023	Sept 30, 2022	Change	Sept 30, 2023	Sept 30, 2022	Change
Revenue	\$ 10,707	\$ 13,637	(\$ 2,930)	\$ 39,478	\$ 47,288	\$ (7,810)
Income (loss) for the period	(1,472)	(6,990)	5,518	(2,716)	(11,179)	8,463
Operating cash inflows (outflow) before changes in non-cash working capital	1,774	(1,380)	3,154	10,515	8,537	1,978
Net cash from (used in) operating activities	(1,663)	818	(2,481)	\$ 2,835	\$ 13,361	\$ (10,526)

Financial Condition (in \$000's)	As at		Change
	Sept 30, 2023	Dec 31, 2022	
Cash and cash equivalents	\$ 660	\$ 523	\$ 137
Working capital (deficit) ⁽ⁱ⁾	5,832	(3,252)	9,084
Total assets	43,821	45,171	(1,350)
Equity	\$ 11,371	\$ 13,670	\$ (2,299)

(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 km²). The San Albino gold deposit, located within the San Albino-Murra Property, is the Company's 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") 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 tonne per day ("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 9.54 grams per tonne ("g/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 530 meters ("m") x 470 m (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 50 m x 50 m. On October 13, 2022, the Company reported intersects



For the three and nine months ended September 30, 2023

containing 36.65 g/t Au and 29.5 g/t Ag over 3.1 m (Estimated True Width ("ETW")) in the same area, an updated resource comprising the SW Pit was delivered on October 31, 2023.

On October 13, 2022, the Company announced intersects of 36.65 g/t Au and 29.5 g/t silver ("Ag") over 3.1 m at the SW Pit area.

On January 5, 2023, the Company announced that it intersected 98.50 g/t Au and 66.3 g/t Ag over 1.9 m ETW 39 m from surface at the SW Pit.

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		Nine months ended	
	Sept 30, 2023	Sept 30, 2022	Sept 30, 2023	Sept 30, 2022
Tonnes Mined	1,154,143	1,242,326	4,488,558	4,105,761
Tonnes Milled	51,578	44,452	155,536	140,655
Availability	94%	94%	94%	91%
Avg Tonnes per day	598	512	604	564
Recoverability	78%	77%	77%	81%
Gold sold (ounces)	5,767	8,327	21,214	26,934
Average realized gold price (\$/oz sold)	1,857	\$ 1,638	\$ 1,861	\$ 1,756
Cash Cost (\$/oz sold) ⁽¹⁾	\$ 979	\$ 1,018	\$ 907	\$ 886
Total Cash Cost (\$/oz sold) ⁽¹⁾	\$ 1,063	\$ 1,102	\$ 985	\$ 940
AISC (\$/oz sold) ⁽¹⁾	\$ 1,370	\$ 1,367	\$ 1,371	\$ 1,181
EBITDA (in \$000's) ⁽¹⁾	\$ 1,679	\$ (820)	\$ 9,722	\$ 9,466
Adjusted EBITDA (in \$000's) ⁽¹⁾	\$ 2,996	\$ 3,961	\$ 14,663	\$ 19,107

⁽¹⁾ Refer to *Non-IFRS Measures*

The decrease in the cash costs per gold ounce sold of \$39 to \$979 and the total cash costs per gold ounce sold of \$39 to \$1,063 is driven by the decrease in the stripping ratio which resulted in lower mining costs in Q3 2023, reducing the production costs combined with the increase in recoveries. In addition, processing costs decreased in Q3 2023 as the preg-robbing issue encountered in the prior year is now better managed.

The increase in the Company's AISC per gold ounce sold of \$190 to \$1,371 for YTD Q3 2023 is driven by the increase in corporate general and administrative costs which included the withholding taxes on the Sailfish Loan that was extinguished during the current quarter.

YTD Q3 2023, the increase in the cash costs per gold ounce sold of \$21 to \$907 is driven by reduced recoveries on material processed for the period as the gold grade was lower than expected.

EXPLORATION UPDATE

During Q3 2023, there was one operating reverse circulation ("RC") drill rig at the San Albino-Murra Concession, 2,446 m were drilled in the Las Conchitas South area as part of the infill drilling program to gain better understanding of Las Conchitas geology.

RC drilling was performed at Las Conchitas South with objectives of the near-surface, infill drilling campaign to gain a higher level of confidence of the geometry of the mineralization within areas of interest where the Company has received a permit to process material through the plant. The second objective is to test possible extensions of the high-grade



mineralized blocks and mineralization trends identified in the 2022 drilling campaign. The Company completed 65 RC drill holes totaling 2,446 m.

The Company also completed 26 RC drill holes, totaling 2,028 meters, testing near surface, high grade gold mineralization in the SW Pit area within and proximal to the currently permitted pit limits.

During the same period the Company conducted regional and detailed mapping and sampling at all four concessions (San Albino-Murra, Potrerillos, La Segoviana and El Jicaro).

A regional exploration program on all four concessions had been conducted and a total of 1,220 samples were collected. The program consisted of prospecting and surface and underground mapping. Channel sampling and mapping of the veins underground (reopened historical workings by locals) and on the surface have assisted in determining grade potential and extent. The goal of this program is to validate the width and consistency of each vein or prospect at depth to determine mineralization and mining potential and to help in prioritizing targets. A subsequent exploration program will include a RC drilling program to examine the potential at depth and extent of the outlined veins; additional diamond drilling of the veins would be required to validate the RC drilling results.

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 3.75 km² and is situated immediately to the south of San Albino, where the Company is currently operating a 500 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 1,700 m by 800 m area and it has been subdivided into three primary areas: Las Conchitas norte ("LC-North"), Las Conchitas central ("LC-Central") and Las Conchitas sur ("LC-South"). 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 favorable 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.

On July 28, 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 and is part of LC- North.

The Company has released results for LC-North, LC-South and LC-Central, these results show intercepts with high grade mineralization over minable widths and shallow depths, which may indicate the potential for a significantly larger resource.

On August 18, 2022, the Company announced that it intersected 85.10 g/t Au and 153.0 g/t Ag over 0.8 m (ETW) at LC-Central connecting Mina Bonanza and Cruz Grande and expanding the known strike length to over 295 m in this zone.

On September 8, 2022, the Company reported that it intersected 15.36 g/t Au and 16.0 g/t Ag over 6.7 m (ETW) at LC-Central with additional intercepts at LC-North and LC-South.



On October 24, 2022, the Company announced that it intersected 42.59 g/t Au over 2.1 m (ETW) at LC-North, 25.07 g/t Au over 2.2 m (ETW) at LC-Central and 65.45 g/t Au over 1.8 m (ETW) at LC-South.

On January 24, 2023, the Company announced results which indicated intercepts of 33.91g/t Au over 1.7 m (ETW) at LC-Central, 12.73 g/t Au over 4.2m (ETW) at LC-South and multiple high grade silver intercepts up to 3,792.0 g/t Ag over 1.0 m across Las Conchitas.

On June 19, 2023, the Company announced that it received approval to begin processing material from Las Conchitas, this material will be processed at the Company's San Albino plant.

On July 27, 2023, the Company announced that it had intersected 30.45 g/t Au over 4.5 m at Las Conchitas, 13 m from surface; at the same time the Company announced that materials from Las Conchitas were starting to be processed at the San Albino plant.

On August 2, 2023, the Company announced additional results from the RC infill drilling at Las Conchita, reporting intersects of 12.09 g/t Au over 11.5 m, 15 m from surface.

On October 31, 2023, the Company announced an updated and extended mineral resource for the San Albino Project which includes the Las Conchita deposit.

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 km²). Several good exploration targets have been outlined there. The mapping and prospecting programs completed to date have defined four parallel zones of mineralization. During Q4 2022, 410 m were drilled at El Jicaro.

Potreros 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 km² 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 during the 2022 drilling campaign. The Company plans to begin exploration work to evaluate whether the San Albino mine can be expanded into this area.

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. The new concession, called La Segoviana, covers an area of 3,845.80 ha (approximately 38.5 km²) 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.



For the three and nine months ended September 30, 2023

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 Au.

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 Au, and one of them yielding 105.7 g/t Au over 1.5 m ETW; details can be found in the respective press release.

On May 30, 2023, the Company reported a discovery in the La Segoviana Concession, specifically 17 km from the San Albino area, highlighting intercepts of 41.99 g/t Au and 28.7 g/t Ag over 1.4 m, 34 m from surface, confirming the orogenic nature of gold mineralization across the 28 km of strike contained within the Company's 188 km² land package in Northern Nicaragua.

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

TREND ANALYSIS

Summary of Quarterly Results

(in \$000's excluding per share)	2023			2022				2021
	Jul - Sept	Apr - Jun	Jan - Mar	Oct - Dec	Jul - Sept	Apr - Jun	Jan-Mar	Oct - Dec
Revenue	10,707	12,853	15,916	16,086	13,637	16,373	17,279	16,647
Cost of sales	(8,057)	(10,951)	(11,424)	(11,693)	(14,608)	(14,537)	(12,701)	(9,664)
Gross profit (loss)	2,650	1,902	4,492	4,393	(971)	1,836	4,578	6,983
E&E expenses	(1,178)	(1,498)	(692)	(3,056)	(3,878)	(2,718)	(1,865)	(1,667)
G&A expenses	(1,895)	(2,235)	(1,491)	(1,285)	(1,613)	(1,593)	(1,741)	(1,332)
Other income (expenses)	(719)	(360)	(423)	(404)	(36)	(113)	(1,416)	(403)
Income taxes	(330)	(438)	(499)	(451)	(492)	(610)	(542)	(397)
Net income (loss)	(1,472)	(2,629)	1,387	(803)	(6,990)	(3,198)	(986)	3,184
Basic & diluted income (loss) per share	(0.02)	(0.04)	0.02	(0.01)	(0.01)	(0.05)	(0.01)	0.06
<i>The sum of the quarters may not equal the annual results due to rounding.</i>								
Gold ounces produced	7,937	6,575	8,683	10,010	8,370	9,018	9,519	9,572
Gold ounces sold	5,767	6,727	8,721	9,956	8,327	9,027	9,580	9,588
Average realized gold price (\$/oz)	\$ 1,857	\$ 1,911	\$ 1,829	\$ 1,616	\$ 1,665	\$ 1,814	\$ 1,804	\$ 1,736
Ore Mined (tonnes)	47,731	46,452	47,239	50,883	52,084	47,220	49,780	44,160
Ore Milled (tonnes)	51,578	54,284	49,675	49,204	44,452	49,332	46,869	38,313
Grade milled (g/t Au)	6.86	5.27	5.74	7.34	7.66	7.36	7.05	9.01
Recovery %	78.1%	71.8%	80.7%	82.3%	76.5%	74.8%	85.3%	92.6%

Revenue: During Q3 2023, decrease in revenue is as a result of a decrease in ounces sold during the quarter offset with a increase in the average realized gold price per ounce sold when compared to the previous quarters.

Cost of sales: During Q3 2023, the cost of sales decreased, as the ounces of gold sold was lower when compared to previous quarters. Decrease of the depreciation, depletion and amortization expense during Q3 2023, is attributed to the majority of mine asset being fully depleted as of Q2 2023 and the extension of the useful life of the plant asset as the Company began processing from the Las Conchitas mining operation.



For the three and nine months ended September 30, 2023

E&E expenses: During Q3 2023, the expansion drilling program at the Las Conchitas area was coming to an end as the Company prepared the data to develop the resource model.

G&A expenses: During Q3 2023, the decrease in G&A is mainly attributed to the decrease in headcount due to staff turnover and legal advice sought on corporate matters which is offset by the withholding taxes incurred on the Sailfish Loan payments.

Revenue: During Q2 2023, decrease in revenue is as a result of a decrease in ounces produced and ounces sold during the quarter offset with an increase in the average realized gold price per ounce sold when compared to the previous quarters.

Cost of sales: During Q2 2023, the cost of sales increased, although the production costs and depreciation and depletion and amortization remained consistent with the prior quarter, the ounces of gold sold was lower when compared to previous quarters. Write-down of inventories increased during Q2 2023, arising from the higher costs of mining to access phase 3 of the West Pit, resulting in higher levels of depletion. The higher costs related to phase 3 of the West Pit were incurred as the Company transitions and prepares for the Las Conchitas mining operation.

E&E expenses: During Q2 2023, the expansion drilling program at the Las Conchitas area was coming to an end as the Company prepares the data to develop the resource model.

G&A expenses: During Q2 2023, increase in G&A is mainly attributed to the increase in salaries and benefits expenditure for bonuses and an increase in legal fees as legal advice was sought on corporate matters.

Revenue: During Q1 2023, decrease in revenue is as a result of a decrease in ounces produced and ounces sold during the quarter offset with an increase in the average realized gold price per ounce sold when compared to the previous quarters in 2022.

Cost of sales: During Q1 2023, the cost of sales decreased partially due to a lower depreciation charge on the mineral property asset as it nears the end of its useful life and a decrease in production costs largely due to deferred stripping costs of \$3.8 million related to the West Pit phase 3. During Q2 2023, the Company started extracting ore in phase 3 of the West Pit and stopped deferring stripping costs.

E&E expenses: During Q1 2023, the expansion drilling program at the Las Conchitas area was coming to an end as the Company prepares the data to develop the resource model.

G&A expenses: During Q1 2023, decrease in G&A is mainly contributed to the decrease in salaries and benefits expenditure and stock-based compensation offset by an increase in legal fees as legal advice sought on corporate matters increased.

Revenue: During Q4 2022, increase in revenue is as a result of an increase in ounces produced and ounces sold during the quarter together with the decrease in the average realized gold price per ounce sold when compared to the previous quarters in 2022.

Cost of sales: During Q4 2022, the cost of sales decreased partially due to a lower depreciation charge and a decrease in production costs largely due to deferred stripping costs related to the West Pit phase 3 which is expected to start extracting ore in the second quarter of 2023 when compared to previous quarters.

G&A expenses: Decrease during Q4 2022 is contributed by the reversal of an accrual of \$0.5 million for non-executive staff bonuses.



For the three and nine months ended September 30, 2023

Other income (expenses): Decrease during Q4 2022, arises from the change in the provision for reclamation and rehabilitation and the increase in the foreign exchange loss weakening of the exchange rate between the Canadian dollar and US dollar.

Revenue: During Q3 2022, decrease in revenue is related to the decrease in ounces produced and the ounces sold during the quarter together with the decrease in the average realized gold price per ounce sold when compared to the previous quarters in 2022.

Cost of sales: During Q3 2022, the cost of sales increased due largely to a combination of mining costs, with increased hauling costs, as the distances covered are now longer, and mill processing costs increases following the metal recovery issues experienced during the quarter where preg-robbing material going through the mill was high, the Company conducted a number of tests using different methodologies, reagent quantities and studies, that resulted in a considerable increase in cost of sales, compared to previous quarters in 2022.

The Q3 2022 cost of sales includes a write-down of stockpiled ore of \$0.8 million related to historical dump material containing 2.75 g/t of gold that is not being utilized in the current mine plan but management anticipates incorporating this historical dump material in the revised expanded San Albino mine plan expected to be released in 2023.

During Q3 2022, the expansion drilling program at the Las Conchitas area contributed to the increase in exploration and evaluation expenses.

Revenue

	Three months ended			Nine months ended		
	Sept 30, 2023	Sept 30, 2022	Change	Sept 30, 2023	Sept 30, 2022	Change
Revenue (in \$000s)	\$10,707	\$13,637	(\$2,930)	\$39,478	\$47,288	(\$7,810)
Gold sold (ozs.)	5,767	8,327	(2,560)	21,214	26,934	(5,720)
Average realized gold price (\$ per oz.)	\$1,857	\$1,638	\$219	\$1,861	\$1,756	\$105

The Company's revenue for 2023 and 2022 came entirely from the San Albino Project. The decrease in revenue of \$3.0 million (decrease of 22.0%) for Q3 2023 compared to Q3 2022 is a result of selling 2,560 fewer ounces in Q3 2023 offset by realizing a higher average gold price by \$219 (increase of 13.4%) per ounce.

The Company sells gold at the spot rate. The average spot gold price for Q3 2023 was \$1,928 (Q3 2022 - \$1,729), up 11.5% over Q3 2022, and closed on September 30, 2023, at \$1,871 per oz, up 13.9% from the closing price on September 30, 2022.

Exploration and evaluation expenses

Expenses by property (in \$000s)	Three months ended			Nine months ended		
	Sept 30, 2023	Sept 30, 2022	Change	Sept 30, 2023	Sept 30, 2022	Change
El Jicaro	74	-	74	181	3	178
San Albino	367	1,423	(1,056)	770	3,784	(3,014)
Las Conchitas	719	2,282	(1,563)	2,038	4,271	(2,233)
Other	18	173	(155)	380	405	(25)
	1,178	3,878	(2,700)	3,369	8,463	(5,094)

During Q3 2023 and Q3 2022, expenses continued to be primarily associated with the expansion drilling program at the Las Conchitas property 2 km to the South of San Albino.



For the three and nine months ended September 30, 2023

During Q3 2023, the expansion drilling program at the Las Conchitas area was coming to an end as the Company prepared the data to develop the resource model.

General and administrative expenses

(in \$000s)	Three months ended			Nine months ended		
	Sept 30, 2023	Sept 30, 2022	Change	Sept 30, 2023	Sept 30, 2022	Change
Accounting and legal	\$187	\$202	(\$15)	\$651	\$436	\$215
Consulting fees	7	19	(12)	31	68	(37)
Directors' fees	91	51	40	273	153	120
Depreciation	25	21	4	77	26	51
General office expenses	26	39	(13)	114	171	(57)
Insurance	109	97	12	379	312	67
Investor relations and communications	41	80	(39)	104	208	(104)
Rent	1	(1)	2	3	26	(23)
Salaries and benefits	822	898	(76)	2,965	2,877	88
Stock-based compensation	119	111	8	395	390	5
Telephone and IT services	37	41	(4)	99	103	(4)
Transfer agent fees and regulatory fees	11	25	(14)	62	80	(18)
Travel	48	30	18	97	100	(3)
Withholding taxes on Sailfish Loan	371	-	371	371	-	371
	\$1,895	\$1,613	\$282	\$5,621	\$4,950	\$671

Accounting and legal fees: YTD Q3 2023 increased compared to YTD Q3 2022, increase arises from additional legal advice sought on corporate matters.

Director fees: increase compared to prior period arises from the special committee, which was set up in November 2022, is comprised of two directors with each member of this committee receiving \$8,000 per month.

Insurance expenses: increase compared to prior period is in line with the increase of premiums.

Salaries and benefits: Q3 2023 decreased compared to Q3 2022 resulting from a decrease in headcount.

Increase in stock-based compensation during Q3 2023 compared to Q3 2022 is as a result of 540,000 options that were granted in the quarter ended June 30, 2023 ("Q2 2023"), that are being expensed using the graded vesting method. No stock-based compensation was granted during Q3 2023. During Q2 2023, 38,829 RSU were granted.



For the three and nine months ended September 30, 2023

Other (expense) income

(in \$000s)	Three months ended			Nine months ended		
	Sept 30, 2023	Sept 30, 2022	Change	Sept 30, 2023	Sept 30, 2022	Change
Accretion and interest expense	387	298	89	1,082	1,770	(688)
Change in provision for reclamation and rehabilitation	20	60	(40)	8	56	(48)
Change in fair value of derivative liability	191	16	175	281	(70)	351
Gain (loss) on gold stream derivative asset	14	(5)	19	(32)	(40)	8
Foreign exchange gain (loss)	113	(332)	445	179	(152)	331
Interest income	(6)	(1)	(5)	(14)	(1)	(13)
	719	36	683	1,504	1,563	(59)

Accretion and interest expense primarily relates to interest on the Wexford Loan and finance costs on derivative liability. The Company accrued for the cash equivalent of the remaining cash bonus interest of 321.25 oz of gold at the price of gold based on the closing London Bullion Market monthly average. This cash bonus interest is revalued at each quarter end.

The decrease in the change in provision for reclamation and rehabilitation arises from the asset retirement obligation on the La Trinidad mine in Mexico which was retained following the disposal of the Marlin Group to GR Silver.

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)	Sept 30, 2023	Dec 31, 2022	Change
Cash and cash equivalents	660	523	137
Working capital (deficit)	5,832	(3,252)	9,084

Cash and cash equivalents increased by \$0.1 million during YTD Q3 2023, funds generated from operating activities, the additional advance of \$2.0 million received from the Wexford Loan Lenders and the Sailfish Silver Loan of \$6.0 million were utilized to make principal repayments of \$4.0 million on the Wexford Loan, repayment installments of \$3.0 million on the Sailfish Loan and \$0.4 million on the Sailfish Silver Loan and fund the investing and operating activities.

The working capital increased during YTD Q3 2023 primarily due to increased inventory levels and the Wexford Loan extending the maturity to March 31, 2025.



For the three and nine months ended September 30, 2023

Cash flows

(in \$000s)	Three months ended			Nine months ended		
	Sept 30, 2023	Sept 30, 2022	Change	Sept 30, 2023	Sept 30, 2022	Change
Operating cash flows before changes in working capital	1,774	(1,782)	3,556	10,515	8,537	1,978
Changes in working capital	(3,437)	2,199	(5,636)	(7,680)	4,824	(12,504)
Net cash flows provided by (used in) operating activities	(1,663)	417	(2,080)	2,835	13,361	(10,526)
Net cash flows provided by (used in) investing activities	(18)	(1,686)	1,668	(3,250)	(6,654)	3,404
Net cash flows provided by (used in) financing activities	611	(1,204)	1,815	530	(7,876)	8,406
Effect of foreign exchange on cash and cash equivalents	(9)	(78)	69	22	(71)	93
Change in cash and cash equivalents	(1,079)	(2,551)	1,472	137	(1,240)	1,377

The Company used cash flow from operations of \$1.7 million during Q3 2023. The increase in cash flows used in operating activities is primarily driven by the decrease in revenue and the changes in working capital, specifically inventory.

The cash used in investing activities during Q3 2022 relates to development activities at the San Albino Property in Nicaragua including the purchase of equipment.

Financing activities during Q3 2023 primarily reflect the advance of \$2.0 million received from the Wexford Loan Lenders, offset by installment payments of \$1.0 million on the Sailfish Loan and \$0.4 million on the Sailfish Silver Loan.

The Company generated positive cash flow from operations of \$2.8 million during YTD Q3 2023 however, cash flows from operating activities reduced over the prior period. This was primarily driven by the decrease in revenue and changes in non-cash working capital.

The cash used in investing activities during YTD Q3 2023 relates to deferred stripping activities and development activities at the San Albino Property in Nicaragua including the purchase of equipment.

Financing activities during YTD Q3 2023 primarily reflect the \$6.0 million funds received from the Sailfish Silver Loan and \$2.0 million from the Wexford Loan Lenders, principal repayment of \$4.0 million on the Wexford Loan and installment payments of \$3.0 million on the Sailfish Loan and \$0.4 million on the Sailfish Silver Loan.

Liquidity risk

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 September 30, 2023. As at September 30, 2023, the Company has cash and cash equivalents of \$0.6 million and working capital of \$5.8 million.

For YTD Q3 2023, the Company generated operating cash inflows from operating activities of \$2.8 million and generated a net loss of \$2.7 million.

During 2020, the Company secured a credit arrangement from its controlling shareholder for \$15.15 million ("Wexford Loan"). The Wexford Loan matures on March 31, 2025 (per the Sixth Waiver) and may be repaid at any time, in whole or in part, at par plus accrued unpaid interest, without penalty or premium. The Wexford Loan had an interest rate of 8.0% per annum until February 23, 2021, increasing to 10% per annum thereafter. The Company paid a non-refundable up-front fee of \$150,000 to the Lenders on the closing of the Wexford Loan. On August 23, 2023, an additional \$2.0 million was advanced to the Company.



As the Wexford Loan was not repaid in full on or prior to the first anniversary of the closing date, February 20, 2021, the Company is required to 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.

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 loans. 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.

On March 2, 2023, the Sailfish Loan was modified whereby the remaining seven payments will be made in physical silver in lieu of cash. During YTD Q3 2023, the Company delivered 118,514 oz of silver (totaling \$2.8 million) and paid cash of \$1.1 million to extinguish the Sailfish Loan.

On May 24, 2023, the Company entered into an agreement with Sailfish, whereby Sailfish advanced \$6 million (received) for the delivery of a fixed number of ounces of silver (13,500), on the last day of the month or the gold equivalent, for a period of 24 months ("Silver Loan"). Interest on the Silver Loan is accrued at US Prime (8.25%) plus four percent per annum, calculated daily on the undelivered ounces. Sailfish also has the option, exercisable after 12 months from entering the Silver Loan, to purchase all remaining future silver production from all of the Company's concessions for an additional \$1 million. As at September 30, 2023, the Company delivered 13,500 ounces of silver. Subsequent to September 30, 2023, the Company delivered an additional 67,500 ounces of silver.

During YTD Q3 2023, the Company made voluntary principal repayments of \$4.0 million on the Wexford Loan; the Company recorded \$0.7 million of accrued interest and cash bonus interest on the Wexford Loan all of which has been expensed.

During YTD Q3 2022, the Company made voluntary principal repayments of \$4.0 million on the Wexford Loan and instalment payments totaling \$3.0 million were made on the Sailfish Loan and \$0.4 million were made on the Sailfish Silver Loan.

The Company's financial performance is dependent upon many external factors. Exploration, development and mining precious metals involve numerous inherent risks including 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 where it 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 all necessary reclamation obligations until it receives an acknowledgement from SEMARNAT (the Mexican environmental authority) that Oro Gold's closure plan is complete.

Outstanding securities



For the three and nine months ended September 30, 2023

As of the date of this MD&A, the Company had 65,818,593 common shares issued and outstanding, plus 1,050,190 RSUs, 386,264 DSUs and 3,744,004 options outstanding.

TRANSACTIONS WITH RELATED PARTIES

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, and Directors. The compensation to key management was as follows:

Key management compensation

(in \$000s)	Three months ended			Nine months ended		
	Sept 30, 2023	Sept 30, 2022	Change	Sept 30, 2023	Sept 30, 2022	Change
Director fees	\$ 90	\$ 51	\$ 39	\$ 273	\$ 153	\$ 120
Salaries, consulting and management fees	87	221	(134)	935	1,039	(104)
Share-based compensation	52	112	(60)	160	345	(185)
Total	\$ 229	\$ 384	(\$ 155)	\$ 1,368	\$ 1,537	(\$ 169)

As at	Sept 30, 2023	Dec 31, 2022
Amount included in accounts payable	\$ 200	\$ 56

During Q2 2023, the Company granted bonuses of \$0.4 million to three senior members of management.

During Q1 2022, the Company granted bonuses of \$0.4 million to three senior members of management whose bonuses are disclosed in general and administrative expenses.

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 Q3 2023 and YTD Q3 2023, the Company expensed fees relating to consulting services of \$706 and \$2,073 (2022 - \$684 and \$5,457), reclamation and rehabilitation expenses of \$1,166 and \$8,555 (2022 - \$37,202 and \$37,202) and \$8,837 and \$25,922 (2022 - \$23,311 and \$77,221) in general office expenses, respectively. Amounts payable to Tes-Oro as at September 30, 2023, were \$nil (December 31, 2022 - \$nil).

(b) Wexford LP ("Wexford")

Wexford is the Company's controlling shareholder. Except as noted elsewhere in the financial statements, during Q3 2022 and YTD Q3 2023, the Company expensed fees of \$430 and \$3,308 related to transaction costs (2022 - \$238 and \$3,308), respectively. Amounts payable to Wexford as at September 30, 2023, were \$3,430 (December 31, 2022 - \$nil).

(c) Sailfish Royalty Corp. ("Sailfish")

Sailfish is a publicly traded company related by common shareholders and directors. In addition to the Sailfish Loan, during Q3 2023 and YTD Q3 2023, the Company's subsidiary Nicoz:

- i. received advances of \$50,000 and \$0.4 million (2022 - \$0.1 million and \$0.6 million) for the purchase of gold ounces;
- ii. sold 254 and 860 (2022 - 347 and 1,050) oz of gold to Sailfish for \$0.1 million and \$0.4 million (2022 - \$0.2 million and \$0.5 million); of which \$45,476 and \$0.1 million (2022 - \$0.1 million and \$0.3 million) is recorded as



For the three and nine months ended September 30, 2023

production services revenue and \$13,765 and \$31,746 (2022 - \$40,831 , 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 September 30, 2023, a balance of \$14,505 was receivable from Sailfish (December 31, 2022 –\$23,556).

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.

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 and withholding taxes;
- Estimation of the fair value of the Sailfish Silver Loan;
- Judgement in determining that the Sailfish Silver Loan is a derivative;
- Impairment of non-current assets;
- Reclamation and remediation provision; and
- Functional currency determination.

Refer to Note 4 of the consolidated financial statements for the year ended December 31, 2022 and Note 3 of the condensed consolidated interim financial statements for the three and nine months ended September 30, 2023 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



For the three and nine months ended September 30, 2023

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.



For the three and nine months ended September 30, 2023

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

(in \$000's)	Three months ended		Three months ended		Nine months ended		Nine months ended	
	Sept 30, 2023		Sept 30, 2022		Sept 30, 2023		Sept 30, 2022	
Production costs (GAAP)	\$	5,647	\$	8,480	\$	19,251	\$	23,873
Supporting general and administrative expenses		488		698		1,650		1,454
Cash costs (non-GAAP)	\$	6,135	\$	9,178	\$	20,901	\$	25,327
General and administrative expenses		1,543		854		3,855		2,819
Sustaining capital expenditures		170		546		438		1,667
Accretion of the asset retirement costs (ARO) (Non-cash)		54		(8)		99		27
Deferred stripping expenses		0		816		3,798		1,978
Total AISC (\$)	\$	7,902	\$	11,386	\$	29,091	\$	31,818
Ounces of gold sold	\$	5,767	\$	8,327	\$	21,214	\$	26,934
Cash cost per gold ounce sold	\$	979	\$	1,018	\$	907	\$	886
Total cash cost per gold ounce sold	\$	1,063	\$	1,102	\$	985	\$	940
AISC per gold ounce sold	\$	1,370	\$	1,367	\$	1,371	\$	1,181

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

(in 000's)	Three months ended		Three months ended		Nine months ended		Nine months ended	
	Sept 30, 2023		Sept 30, 2022		Sept 30, 2023		Sept 30, 2022	
Net (loss) income after taxes	\$	(1,472)	\$	(6,990)	\$	(2,716)	\$	(11,179)
Income tax expense		330		492		1,267		1,644
Finance cost, net of finance income		387		298		1,082		1,770
Depreciation and amortization		2,434		5,380		10,089		17,231
EBITDA⁽¹⁾	\$	1,679	\$	(820)	\$	9,722	\$	9,466
Share-based compensation expense		119		111		395		390
Exploration activities		1,178		3,878		3,369		8,463
Write-down of inventories		0		769		1,169		769
Change in provision for reclamation and rehabilitation		20		23		8		19
ADJUSTED EBITDA⁽¹⁾	\$	2,996	\$	3,961	\$	14,663	\$	19,107

⁽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:



For the three and nine months ended September 30, 2023

- Implementation of additional directives, following the October 24, 2022, announcement by the United States Department of the Treasury's Office of Foreign Assets Controls relating to new U.S. sanctions imposed on the General Directorate of Mines in Nicaragua pursuant to Executive Order 13851, as well as the issuance of EO 14088.
- Maintaining the Company's operating and development permits, title, rights and licenses 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 gold price volatility and foreign exchange risks 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, including delays in delivery and shortage of supplies and spare parts.
- Nicaraguan political and economic risks including social unrest.
- Communication and customs risk associated with working in Nicaragua,
- Loss of key personnel and dependence on key personnel.
- 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



For the three and nine months ended September 30, 2023

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.sedarplus.com.