MAKO MINING CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024

(Expressed in United States dollars)

(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in thousands of United States dollars
(Unaudited)

As at	Note		March 31, 2024		December 31, 2023
ASSETS					
Current					
Cash and cash equivalents		$	4,523	$	1,498
Receivables	4		3,230		511
Inventories	5		16,168		13,849
Gold stream derivative asset	6		274		265
Prepaid expenses, and other advances			497		591
Total current assets			24,692		16,714
Inventories	5		4,136		4,274
Advances and other prepaid expenses			199		289
Exploration and evaluation assets	7		765		765
Mineral property, plant and equipment	8		20,278		19,767
TOTAL ASSETS		**$**	**50,070**	**$**	**41,809**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	9	$	9,312	$	6,506
Term loans and derivative liabilities	10		3,277		3,152
Total current liabilities			12,589		9,658
Accrued liabilities	9		983		943
Provision for reclamation and rehabilitation	11		2,680		3,064
Term loans and derivative liabilities	10		4,856		7,516
Total liabilities			21,108		21,181
Shareholders' equity					
Share capital	12		88,723		87,869
Contributed surplus	12		14,648		12,552
Accumulated other comprehensive income			1,418		1,324
Deficit			(75,827)		(81,117)
Total shareholders' equity			28,962		20,628
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**50,070**		**41,809**

Approved by the Audit Committee of the Board of Directors on May 17, 2024

"John Hick", Audit Committee Chair

"Akiba Leisman", Director

Events after the reporting period (Note 19)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
Expressed in thousands of United States dollars, except per share amounts
(Unaudited)

For the three months ended	Note		March 31, 2024		March 31, 2023
Revenue		$	19,162	$	15,814
Production services revenue	6 & 13(d)(ii)		49		102
			19,211		15,916
Cost of sales					
Production costs			(7,950)		(6,911)
Write-down of inventories			-		(816)
Depreciation, depletion and amortization			(2,198)		(3,697)
			(10,148)		(11,424)
Mine operating profit			9,063		4,492
Exploration and evaluation expenses			(696)		(692)
General and administrative expenses	16		(1,794)		(1,491)
Other income (expense)					
Accretion and interest expense	17		(131)		(443)
Change in provision for reclamation and rehabilitation	11		-		(4)
Change in fair value of derivative liability	10(b)(c)		(375)		(3)
Gain (loss) on gold stream derivative asset	6		10		38
Loss on settlement of reclamation liability	11 (b)		(94)		-
Foreign exchange gain (loss)			(87)		(13)
Interest income			13		2
Income before income taxes			5,909		1,886
Income tax expense			(560)		(499)
Income for the period		**$**	**5,349**	**$**	**1,387**
Other comprehensive income					
Income for the period			5,349		1,387
Items subject to reclassification into statement of income:					
Foreign currency translation adjustment			94		3
Other comprehensive income for the period			94		3
Comprehensive income for the period		**$**	**5,443**	**$**	**1,390**
Basic and diluted income per common share		$	0.08	$	0.02
Weighted average common shares outstanding - basic (thousands)			65,711		65,757
Weighted average common shares outstanding - diluted (thousands)			67,010		65,885

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Expressed in thousands of United States dollars
(Unaudited)

	Number of shares (000s)	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total
Balance at December 31, 2022	**65,743**	**$ 88,021**	**$ 12,087**	**$ 1,402**	**$ (87,840)**	**$ 13,670**
Common shares issued on RSU vesting	76	185	(185)	-	-	**-**
Share-based compensation	-	-	71	-	-	**71**
Net loss	-	-	-	-	1,387	**1,387**
Other comprehensive loss	-	-	-	3	-	**3**
Balance at March 31, 2023	**65,819**	**$ 88,206**	**$ 11,973**	**$ 1,405**	**$ (86,453)**	**$ 15,131**
Shares cancelled (NCIB)	(268)	(337)	-	-	(76)	**(413)**
Share-based compensation	-	-	579	-	-	**579**
Net income	-	-	-	-	5,412	**5,412**
Other comprehensive loss	-	-	-	(81)	-	**(81)**
Balance at December 31, 2023	**65,551**	**$ 87,869**	**$ 12,552**	**$ 1,324**	**$ (81,117)**	**$ 20,628**
Shares cancelled (NCIB)	(118)	(152)	-	-	(59)	(211)
Shares issued on exercise of options	287	472	(127)	-	-	345
Common shares issued on RSU vesting	30	74	(74)	-	-	-
Common shares issued to settle reclamation liability	297	460	-	-	-	460
Capital contribution (Note 10 (a))	-	-	2,050	-	-	2,050
Share-based compensation	-	-	247	-	-	247
Net income	-	-	-	-	5,349	5,349
Other comprehensive income	-	-	-	94	-	94
Balance at March 31, 2024	**66,047**	**$ 88,723**	**$ 14,648**	**$ 1,418**	**$ (75,827)**	**$ 28,962**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in thousands of United States dollars
(Unaudited)

For the three months ended	Note		March 31, 2024		March 31, 2023
Operating activities					
Income (loss) for the period		$	5,349	$	1,387
Interest received					
Non-cash items:					
Accretion and interest expense			127		437
Depreciation, depletion and amortization			2,241		3,740
Change in provision for reclamation and rehabilitation			-		4
Writedown of inventory			-		816
Lease interest			4		5
Loss on settlement of liability			94		-
Change in fair value of derivative liability			375		3
Gain on gold stream derivative asset			(10)		19
Share-based payments			246		71
Unrealized foreign exchange loss			93		(4)
		$	8,519	$	6,478
Changes in non-cash working capital	15		(3,284)		(5,039)
Net cash provided by operating activities			5,235		1,439
Investing activities					
Expenditures on mineral property, plant and equipment			(989)		(365)
Net cash used in investing activities		$	(989)	$	(365)
Financing activities					
Purchase of common shares - NCIB			(211)		-
Common shares issued on exercise of options			346		-
Repayment of Sailfish Silver Loan			(818)		-
Repayment of Sailfish Loan Derivative Liability			-		(947)
Payment to GR Silver on settlement of ARO			(500)		-
Payments on lease liability			(25)		(24)
Net cash used in financing activities		$	(1,208)	$	(971)
Effect of foreign exchange on cash and cash equivalents			(13)		15
Change in cash and cash equivalents			3,025		118
Cash and cash equivalents, beginning of the period			1,498		523
Cash and cash equivalents, end of period		**$**	**4,523**	**$**	**641**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS

Mako Mining Corp. ("Mako" or the "Company") 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 address of the Company's corporate office and principal place of business is Suite 700 – 838 West Hastings Street, Vancouver, BC, V6C 0A6, Canada.

Mako is a gold mining and exploration company. The Company's primary asset is the San Albino mine, an open pit mine located in Nicaragua, which commenced commercial production on July 1, 2021. In addition to its mining operation, Mako continues to explore its other concessions in Nicaragua.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), as applicable to the preparation of interim financial statements including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. Accordingly, they do not include all the information and notes to the consolidated financial statements required by IFRS Accounting Standards for annual financial statements and should be read in conjunction with the Company's most recent audited consolidated financial statements for the year ended December 31, 2023.

These condensed interim consolidated financial statements were approved for issuance by the Board of Directors on May 17, 2024.

(b) Basis of presentation

The accounting policies and methods used in the preparation of these condensed interim consolidated financial statements are the same as those applied in the Company's most recent audited consolidated financial statements for the year ended December 31, 2023 except for:

Amendments to IAS 1 – Presentation of Financial Statements

In October 2022, the IASB issued amendments to *IAS 1* titled *Non-current Liabilities with Covenants*. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override and incorporate the previous amendments, *Classification of Liabilities as Current or Non-current*, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2024, and the adoption of these amendments did not have an effect on our financial statements.

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value.

(c) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions, balances, revenues and expenses have been eliminated upon consolidation.

Subsidiaries are included in the condensed interim consolidated financial statements from the date of acquisition or control until the date of disposition or until control ceases. Control exists when the Company has exposure or rights to variable returns from its involvement with an entity, and the ability to affect those returns through its power over the entity.

The condensed interim consolidated financial statements of the Company include the following subsidiaries:

Subsidiary	Referred to as	Place of incorporation	Ownership interest	Principal activity
Gold Belt, S.A.	"Gold Belt"	Nicaragua	100%	Holds mineral interest in Nicaragua, exploration activities.
Nicoz Resources, S.A.	"Nicoz"	Nicaragua	100%	Holds mineral interest in Nicaragua, San Albino mine and exploration activities.
Mako US Corp.	"Mako US"	United States	100%	Incorporated on June 19, 2019, service company

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim consolidated financial statements 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 judgments 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.

Outlined below are the key areas which require management to make significant judgements, estimates and assumptions in determining carrying values.

(a) Estimated mineral resources

Mineral resources are estimates of the amount of metal that can be extracted from the Company's properties, considering both economic and legal factors. The Company estimates the quantity and/or grade of its mineral resources based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and requires judgments to interpret the complex geological data. Calculating mineral resources is based upon factors such as estimates of metallurgical recoveries along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the mineral resources may affect the Company's financial position in a number of ways, including:

- asset carrying values may be affected due to changes in estimated future cash flows;
- depreciation charges in the Company's consolidated statement of comprehensive income (loss) may change when such charges are determined by the unit-of-production basis, or when the useful lives of assets change; and

- provision for reclamation liabilities balances may be affected as the estimated timing of reclamation activities is adjusted for changes in the estimated mine life as determined by the available mineral resources.

(b) Silver obligations

The carrying value of the Sailfish Silver Loan represents management's best estimate of the fair value of the arrangement. The fair value incorporates estimates of silver prices and discount rates. Judgment was made in determining that it is a derivative. (Refer to note 12(c)).

(c) Wexford Loan

The Wexford Loan is measured at amortized cost and will be accreted to maturity over the term using the effective interest method. The Company used an effective interest rate of 18%, the estimated market interest rate for non-related parties based on comparable debt, when valuing the Revised Wexford Loan upon initial recognition.

(d) Deferred income taxes

The determination of income tax expense and deferred income tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretation of laws in the countries in which the Company operates. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred income taxes or the timing of tax payments.

(e) Impairment of non-current assets

Management applies significant judgment in its assessment and evaluation of asset or cash generating units at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral properties, plant and equipment. External sources of information considered are changes in the Company's economic, legal and regulatory environment, which it does not control, but affect the recoverability of its mining assets. Internal sources of information the Company considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets. Calculating the fair value less costs of disposal of cash generating units for impairment tests requires management to make estimates and assumptions with respect to future production levels, operating, capital and closure costs, future metal prices and discount rates. Changes in any of the assumptions or estimates used in determining the fair values could impact the impairment analysis.

(f) Reclamation and remediation provisions

Reclamation and remediation provisions represent the present value of estimated future costs for the reclamation of the Company's mines and properties. These estimates include assumptions as to the cost of services, timing of the reclamation work to be performed, inflation rates, foreign exchange rates and interest rates. The reclamation and closure estimates are more uncertain the further into the future the activities are to be performed.

The actual cost to reclaim a mine may vary from the estimated amounts because there are uncertainties in factors used to estimate the cost and potential changes in regulations or laws governing the reclamation of a mine. Management periodically reviews the reclamation requirements as new information becomes available and will assess the impact of new regulations and laws as they are enacted. Any changes to assumptions will result in an adjustment to the provision which affects the Company's liabilities and either its mineral property, plant and equipment or statement of income.

All tabular amounts are in thousands of United States dollars unless otherwise stated

(g) Depreciation, depletion and amortization

The Company uses the units of production method to deplete mineral properties and the straight-line method to amortize plant and equipment. The calculation of the unit of production rate and the useful life and residual values of plant and equipment, and therefore the annual depletion and depreciation expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of changes in the Company's mine plans, changes in the estimation of mineral resources and changes in the estimated remaining life or residual value of plant and equipment.

(h) Stockpiled ore and ore in-circuit net realizable value

Management applies significant judgment in developing the NRV of stockpiled ore and ore in-circuit inventory, including assumptions related to estimated recoverable ounces of gold within stockpiled ore and ore in-circuit inventory, the estimated forecasted gold price per ounce, estimated costs of completion and selling expenses.

4. RECEIVABLES

As at		March 31, 2024		December 31, 2023
Trade receivable	$	2,984	$	304
Other		246		207
	$	3,230	$	511

5. INVENTORIES

As at		March 31, 2024		December 31, 2023
Stockpiled ore	$	10,466	$	9,265
Ore in-circuit		1,595		1,232
Finished metal		401		278
Supplies and spare parts		3,706		3,074
		16,168		13,849
Disclosed as non-current:				
Stockpiled ore		4,136		4,274
	$	20,304	$	18,123

As at March 31, 2024, ore in-circuit, finished metal and stockpiled ore was recorded at cost. As at December 31, 2023, ore in-circuit and finished metal were recorded at cost, and stockpiled ore was recorded at NRV. During the three months ended March 31, 2023, stockpiled ore was written down by $816,000.

All tabular amounts are in thousands of United States dollars unless otherwise stated

6. GOLD STREAM DERIVATIVE ASSET

Gold stream derivative asset arises from the amended gold stream agreement the Company entered into with Sailfish Royalty Corp ("Sailfish") (also refer to note 13(c)) in November 2018 whereby the Company received $1,096,051 (the "Gold Stream Advance") which was recorded as a credit to the mineral property. At that time, it was determined to be a disposition of mineral interest. In return for the Gold Stream Advance, the Company is required to deliver 4% of gold production to Sailfish and is to receive a payment at 25% of the market price of the gold delivered. Effectively the Company sold 4% of the gold mineralization relating to the mineral property and is being paid for services relating to the processes required to obtain the finished metal. As the price of gold is not closely related to the price of the services being provided, the contract to provide these services contains an embedded derivative that requires separation from the host contract.

The contract to deliver to Sailfish its 4% of gold production, in return for 25% of the market value of the gold delivered, contains an embedded derivative that was previously of minimal value. This derivative consists of a "swap" of the variable payment based on the price of gold for the fixed price implied by the contract. As at March 31, 2024, this derivative was determined to be an asset of $274,484 (December 31, 2023 - $264,900) based on current spot and future gold prices, and projected deliveries under the contract, all of which is disclosed as a current asset in the statement of financial position.

For the three months ended March 31, 2024, the Company delivered a total of 91 (2023 –338) ounces of gold to Sailfish, pursuant to this agreement. In exchange the Company received $48,509 (2023 - $159,691) and there was a change in fair value on the derivative of $9,584 for the three months ended March 31, 2024 (2023 – $37,737).

7. EXPLORATION AND EVALUATION ASSETS

The following exploration and evaluation assets (acquisition costs) are located in Nicaragua:

	Potrerillos	El Jicaro	Total
Balance, March 31, 2024 and December 31, 2023	$ 645	$ 120	$ 765

All tabular amounts are in thousands of United States dollars unless otherwise stated

8. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Mineral property	Plant	Land and Building	Equipment	Right-of-use asset	Total
Cost						
As at December 31, 2022	$ 14,808	$ 38,742	$ 5,391	$ 3,578	$ 353	$ 62,872
Additions	-	77	244	461	-	782
Reclass assets	220	(220)	-	-	-	-
Asset retirement obligation	161	131	-	-	-	292
Deferred stripping	3,798	-	-	-	-	3,798
As at December 31, 2023	**$ 18,987**	**$ 38,730**	**$ 5,635**	**$ 4,039**	**$ 353**	**$ 67,744**
Additions	394	-	322	24	371	1,111
Asset retirement obligation	424	28	-	-	-	452
As at March 31, 2024	**$ 19,805**	**$ 38,758**	**$ 5,957**	**$ 4,063**	**$ 724**	**$ 69,307**
Accumulated depreciation						
As at December 31, 2022	$ 9,159	$ 20,151	$ 146	$ 1,888	$ 29	$ 31,373
Depreciation	9,671	6,210	39	596	88	16,604
As at December 31, 2023	**$ 18,830**	**$ 26,361**	**$ 185**	**$ 2,484**	**$ 117**	**$ 47,977**
Depreciation	72	773	11	174	22	1,052
As at March 31, 2024	**$ 18,902**	**$ 27,134**	**$ 196**	**$ 2,658**	**$ 139**	**$ 49,029**
Net book value as at December 31, 2022	$ 5,649	$ 18,591	$ 5,245	$ 1,690	$ 324	$ 31,499
Net book value as at December 31, 2023	$ 157	$ 12,369	$ 5,450	$ 1,555	$ 236	$ 19,767
Net book value as at March 31, 2024	$ 903	$ 11,624	$ 5,761	$ 1,405	$ 585	$ 20,278

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	**March 31, 2024**	**December 31, 2023**
Accounts payable and accrued liabilities	$ 8,837	$ 5,924
Lease liability (Note 9 (a))	91	88
Income taxes payable	298	271
Surface rights acquisitions	-	200
Due to related parties (Note 13)	86	23
Total current liabilities	$ 9,312	$ 6,506
Non-current liability		
Surface rights acquisitions	-	-
Lease liability (Note 9 (a))	144	168
Accrued liabilities (Note 9 (b))	839	775
Total non-current liabilities	983	943
Total accounts payable and accrued liabilities	$ 10,295	$ 7,449

All tabular amounts are in thousands of United States dollars unless otherwise stated

(a) Lease liability

As at	**Match 31, 2024**	**December 31, 2023**
Opening balance	256	337
Additions	-	-
Lease payments made	(25)	(99)
Finance charges	4	18
Closing balance	235	256
Less: current portion	(91)	(88)
	144	168

The lease liability was discounted at a discount rate of 6%.

	$
Total lease payments payable for the next twelve months	101
Total lease payments payable for the next 1-3 years	176
Total lease payments payable for the next 4-5 years	-

(b) Severance Obligation

Non-current accrued liabilities as at March 31, 2024, include severance obligation for employees at the Company's operations in Nicaragua of $602,073 (December 31, 2023 - $602,073). The severance is computed based on the years of service at the average salary of the last six months of employment. Employees that work less than six years have a maximum benefit of five months' salary. The calculation is in line with labor regulations in Nicaragua.

All tabular amounts are in thousands of United States dollars unless otherwise stated

10. TERM LOANS AND DERIVATIVE LIABILITIES

As at		March 31, 2024		December 31, 2023
Wexford Loan (Note 10 (a))				
Principal	$	15,150	$	15,150
Additional advance		2,000		2,000
Principal repayments made		(17,150)		(17,150)
Wexford Loan - principal balance	$	-	$	-
Accrued interest and cash bonus interest accrual		6,369		6,287
Total Wexford Loan	$	6,369	$	6,287
Extinguishment of the original financial liability and replacement with the Revised Wexford Loan		(2,039)		-
Revised Wexford Loan		4,330		-
Sailfish Silver Loan (Note 10 (c))		3,803		4,381
Total Term Loans	**$**	**8,133**	**$**	**10,668**
Disclosed as follows:				
Current liabilities	$	3,277	$	3,152
Non-current liabilities		4,856		7,516
	$	8,133	$	10,668

(a) Wexford Loan

On February 20, 2020, the Company entered into a $15,150,000 unsecured loan facility (the “Wexford Loan”) from Wexford Catalyst Trading Limited, Wexford Spectrum Trading Limited, Debello Trading Limited and from August 22, 2023, Wexford Focused Trading Limited (collectively, the “Lenders”), each private investment fund is managed by the Company’s controlling shareholder, Wexford Capital LP (“Wexford Loan Agreement”). The Wexford Loan may be prepaid at any time, in whole or in part, at par plus accrued but unpaid interest, without penalty or premium. The Wexford Loan bears interest at the rate of 10% per annum. The Company paid a non-refundable up-front fee of $150,000 to the Lenders on the closing of the Wexford Loan.

On August 22, 2023, the Lenders agreed to increase the loan facility by an additional $2,000,000 and advanced an additional $2,000,000 to the Company.

As at December 31, 2023, the principal of $17,150,000 was repaid and the remaining amounts owing all represented interest. Those interest amounts in turn accrue interest at 10% per annum.

During the three months ended March 31, 2024, the Company recorded $84,009 (2023 - $256,112) of accrued interest and $1,944 (2023 - $37,262) cash bonus interest, representing the change in gold price associated with 321 ounces of gold, on the Wexford Loan all of which has been expensed.

On March 27, 2024, the Company entered into an eighth amending agreement for the Wexford Loan wherein the Company and the Lenders agreed to further extend the maturity date from March 31, 2025 to March 31, 2029 and to transfer the existing facility comprised of accrued interest and cash bonus interest into a new term loan with a balance of $6,369,938. The new loan accrues interest at a rate of 10% per annum compounded semi-annually and matures on March 31, 2029. Due to the substantial modification of the terms of the agreement, management accounted for this transaction as an extinguishment of the original financial liability and replacement with a new financial liability (the "Revised Wexford Loan").

All tabular amounts are in thousands of United States dollars unless otherwise stated

The Company used an effective interest rate of 18.0%, the estimated market interest rate for non-related parties based on comparable debt when valuing the Revised Wexford Loan upon initial recognition; as a result, the Company recorded a capital contribution from a related party of $2,050,288 directly in contributed surplus during the three months ended March 31, 2024 arising from the difference between the actual rate and the estimated market rate. The Revised Wexford Loan is measured at amortized cost and will be accreted to maturity over the term using the effective interest method.

As at March 31, 2024, the accrued interest and cash bonus interest accrual, after the Company having received eight waivers was as follows:

	$
Accrued interest and cash bonus interest accrual as at December 31, 2022	5,405
Accrued interest	808
Cash Bonus Interest – cash equivalent of 321.25 ounces of gold	74
Accrued interest and cash bonus interest accrual as at December 31, 2023	6,287
Accrued interest	84
Cash Bonus Interest – change in the cash equivalent of 321.25 ounces of gold	(2)
Accrued interest and cash bonus interest accrual as at March 26, 2024	6,369
Extinguishment of the original financial liability and replacement with the Revised Wexford Loan	
Capital contribution	(2,050)
Accretion	11
Revised Wexford Loan	4,330

(b) Sailfish Loan and Derivative Liability

On August 27, 2021, the Company entered into a $8,000,000 unsecured gold-linked two-year term loan with Sailfish, a company related by common shareholders and a common director (the "Sailfish 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 subject to a minimum price of $1,750 and a maximum price of $2,000 (the "Price Parameters").

Management determined that the Sailfish Loan was a debt contract with an embedded derivative. By fixing the number of ounces that would have to be repaid to satisfy the debt obligation, the Company is essentially entering into a commodity forward. As the price of gold is not closely related to the host debt contract, the forward is required to be separated from the host contract and accounted for at fair value, with any movements going through the statement of income.

The embedded derivative reflects the fact that the cash payment is variable as it is linked to the fluctuating price of gold with the Price Parameters of a cap at $2,000 and a floor at $1,750 acting as call and put options, respectively.

On March 2, 2023, the Sailfish Loan was modified whereby the remaining seven payments were to be made in physical silver in lieu of cash.

As at December 31, 2023, the Sailfish Loan was fully repaid.

All tabular amounts are in thousands of United States dollars unless otherwise stated

During the three months ended March 31, 2023, the Company recorded $115,422 of finance expense accretion on the Sailfish Loan, and $2,857 of fair value adjustment on the Sailfish Loan.

(c) Sailfish Silver Loan Derivative Liability

On May 24, 2023, the Company entered into an agreement with Sailfish, whereby Sailfish advanced $6,000,000 (received, May 25, 2023) for the delivery of a fixed amount 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 undelivered ounces when due. 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 $1,000,000.

The Company determined that the stream obligation is a derivative liability, and as such, the stream obligation is recorded at fair value through profit or loss ("FVTPL") at each statement of financial position date.

The fair value of the stream obligation was valued using a discounted cash flow model. The significant assumptions developed by management used in the model included: the silver forward price curve and a discount rate of 32.16%.

During the three months ended March 31, 2024, the Company delivered three installments totaling 40,500 ounces of silver.

During the three months ended March 31, 2024, a change in the fair value of the Silver Loan of $374,840 was recorded in change in fair value of derivative liability in the statement of income (loss).

As at March 31, 2024, there are 13 remaining installments owed by the Company totaling 175,500 ounces of silver. Refer to Note 19(a).

	Total
	$
As at December 31, 2022	-
Funds received	6,000
Cost to deliver 108,000 oz of silver	(2,549)
Fair value adjustment	930
As at December 31, 2023	4,381
Cost to deliver 40,500 oz of silver	(953)
Fair value adjustment	375
As at March 31, 2024	3,803

All tabular amounts are in thousands of United States dollars unless otherwise stated

11. RECLAMATION AND REHABILITATION OBLIGATIONS

		San Albino Mine		La Trinidad Mine		Total
Balance, December 31, 2022	$	1,820	$	813	$	2,633
Cash outflows for reclamation and rehabilitation activities		-		(3)		(3)
Changes in estimate		291		31		322
Accretion expense		87		25		112
Balance, December 31, 2023	**$**	**2,198**	**$**	**866**	**$**	**3,064**
Cash outflows for reclamation and rehabilitation activities		-		-		-
Changes in estimate		453		-		453
Accretion expense		29		-		29
Liability extinguished		-		(866)		(866)
Balance, March 31, 2024	**$**	**2,680**	**$**	**-**	**$**	**2,680**

(a) The Company has recognized liabilities relating to the San Albino Project and has determined that no significant closure and reclamation liabilities exist in connection with the activities on its other properties. The Company has calculated the present value of the closure and reclamation provision as at March 31, 2024, using the undiscounted estimate of cash outflows associated with reclamation activities as $3,110,923 (December 31, 2023 - $$3,509,405), with $nil (December 31, 2023 - $890,744) associated to the La Trinidad mine and $3,110,923 (December 31, 2023 - $2,618,661) associated with the San Albino Project. The provision was determined using discount rates ranging between 4.31% - 4.40% (December 31, 2023 – 3.93% - 4.51%) and an inflation rate of 2.50% (December 31, 2023 – 2.43%).

(b) Extinguishment of La Trinidad Mine ARO

On February 15, 2024, the Company entered into an agreement with GR Silver Mines Ltd. ("GR Silver") to settle all liabilities and responsibilities, including but not limited to the reclamation and rehabilitation obligations, of the Company, related to the sale of the Company's Mexican operations to GR Silver in March 2021 (Settlement and Release Agreement).

Pursuant to the terms of the Settlement and Release Agreement, Mako made a cash payment of $500,000 to GR Silver and issued 296,710 common shares of Mako for a total payment of $960,000. A loss of $94,077 on the disposition of the liability was recognized in the statement of income and comprehensive income.

12. SHARE CAPITAL

(a) Issued

(i) On March 27, 2024, 296,710 common shares of the Company were issued to GR Silver with a value of $460,000. Refer to Note 11 (b).

(ii) On January 26, 2024, 287,150 options were exercised with an exercise price of C$1.625 per option and the fair value of $126,607 (C$167,703) was transferred from contributed surplus to share capital.

All tabular amounts are in thousands of United States dollars unless otherwise stated

(iii) During the three months ended March 31, 2024, the Company purchased 118,100 common shares of the Company, under the normal course issuer bid ("NCIB") for $211,097 (C$282,617) and allocated $59,007 (C$78,942) to deficit. These common shares were cancelled.

(iv) During the three months ended March 31, 2024, 30,030 common shares of the Company were issued on the vesting of 30,030 restricted share units and the fair value of $74,071 (C$94,595) was transferred from contributed surplus to share capital.

(v) On March 8, 2023, the Company consolidated its shares on a ten-for-one basis. All share and per share amounts in these consolidated financial statements have been adjusted retroactively to reflect this change.

(vi) During the three months ended March 31, 2023, 75,190 common shares of the Company were issued on the vesting of 75,190 restricted share units and the fair value of $185,462 was transferred from contributed surplus to share capital.

(b) Share options

	For the three months ended March 31, 2024		For the year ended December 31, 2023	
	Number of options	WAEP	Number of options	WAEP
Opening balance	3,736,504	C$2.62	3,370,004	C$2.68
Granted	-	-	540,000	2.13
Exercised	(287,150)	1.625	-	-
Forfeited	(45,000)	2.13	(22,500)	2.13
Expired	(15,000)	2.13	(151,000)	2.27
Ending balance	**3,389,354**	**C$2.63**	**3,736,504**	**C$2.62**
Options exercisable	3,009,354	C$2.68	3,294,004	C$2.66
Weighted average remaining contractual life (in years)	0.98		1.23	

WAEP = Weighted average exercise price

On May 12, 2023, the Company granted 540,000 stock options to employees and consultants of the Company exercisable to acquire one common share of the Company at an exercise price of C$2.13 per share for a term of five years, expiring on May 12, 2028. The options vest as to 25% on the date of grant, and as to 25% on each of the first, second and third anniversary of the date of grant. The fair value of these options was calculated as $488,691 (C$656,567) using the Black-Scholes model.

During the year ended December 31, 2023, 7,500, 15,000 and 128,500 stock options with an exercise price of $2.13, $5.10 and $1.95 per option, respectively, expired unexercised; additionally, 22,500 stock options with an exercise price of $2.13 per option were forfeited.

During the three months ended March 31, 2024, the Company recorded share-based payments expense of $126,607 (2023 - $72,045), all of which is included in general and administrative expenses.

All tabular amounts are in thousands of United States dollars unless otherwise stated

(c) Restricted share units ("RSU")

On October 16, 2023, the Company granted 975,000 restricted share units ("RSU") to officers of the Company. The RSUs vest annually over three years commencing on October 13, 2024. Once vested, each RSU is exercisable into one common share entitling the holder to receive the common share for no additional consideration. The fair value was C$1.36 per RSU with a total fair value of $973,039 (C$1,326,000) based on the market value of the underlying shares at the date of issuance.

On May 12, 2023, the Company granted 38,829 RSU to officers of the Company. Each RSU will vest 50% on the first anniversary of the grant date (being May 12, 2024), 25% on the one year and sixth month anniversary of the grant date (being November 12, 2024) and the remaining 25% on May 12, 2025. Once vested, each RSU is exercisable into one common share entitling the holder to receive the common share for no additional consideration. The fair value was C$2.04 per RSU with a total fair value of $58,957 (C$79,211) based on the market value of the underlying shares at the date of issuance.

For the three months ended March 31, 2024, total share-based compensation relating to RSUs was $171,306 (2023 - $35,181) of which all is included in general and administrative expenses.

As at March 31, 2024, there were 1,051,424 (December 31, 2023 – 1,089,019) RSUs outstanding.

(d) Deferred share units ("DSU")

On October 16, 2023, the Company granted 275,000 deferred share units ("DSU") to the Company's directors. Each DSU will vest on the director's termination of service and is exercisable into one common share entitling the holder to receive the common share for no additional consideration or receive the cash equivalent or a combination thereof. The fair value was C$1.36 per DSU with a total fair value of $274,445 (C$374,000) based on the market value of the underlying shares at the date of issuance.

For the three months ended March 31, 2024, total share-based compensation relating to DSUs was $38,689 (2023 - $17,257) of which all is included in general and administrative expenses.

At March 31, 2024, there were 386,240 (December 31, 2022 - 386,240) DSUs outstanding.

13. RELATED PARTY TRANSACTIONS

(a) Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and comprise the Company's Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Directors.

For the three months ended		**March 31, 2024**		**March 31, 2023**
Director fees	$	57	$	93
Salaries, consulting and management fees		212		221
Share-based compensation		195		57
Total	$	464	$	371

As at		**March 31, 2024**		**December 31, 2023**
Amount included in accounts payable	$	86	$	23

A special committee was set up in November 2022, comprised of two directors and each member of this committee receives $8,000 per month. Effective January 1, 2024, the rate was reduced to $2,000 per month.

(b) 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 the three months ended March 31, 2024, the Company expensed fees relating to consulting services of $501 (2023 - $683), reclamation and rehabilitation expenses of $nil (2023 - $7,389) and $6,265 (2023 - $8,543) in general office expenses. Amounts payable to Tes-Oro as at December 31, 2023, were $nil (December 31, 2022 - $nil).

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

Sailfish is a publicly traded company related by common shareholders, and a director. In addition to the Sailfish Loan and the Sailfish Silver Loan (Note 10 (b)& (c), respectively), during the three months ended March 31, 2024, the Company's subsidiary Nicoz had the following transactions with Sailfish:

Gold sales

i. received advances of $151,563 (2023 - $204,650) for the purchase of gold ounces;
ii. sold 91 (2023 – 338) ounces of gold to Sailfish for $48,509 (2023 - $159,691) of which $48,344 (2023 - $121,955) is recorded as production services revenue and $9,584 (2023- $37,737) is included in the gain on gold stream derivative asset disclosed in the statement of income and comprehensive income;

As at March 31, 2024, the balance remaining from the advance received from Sailfish was $47,038 (December 31, 2023 – a balance of $295,112 was receivable from Sailfish as is included in receivables).

Royalty
Sailfish is entitled to a two percent net smelter royalty of the production of all gold and silver ounces, excluding the area of interest, as defined in the amended gold stream agreement entered into in November 2018 (refer to Note 5).

During the three months ended March 31, 2024, a royalty fee of $161,831 (2023 - $nil) was owing to Sailfish and is included in production costs in the consolidated statement of income and comprehensible income.

As at March 31, 2024, a balance of $125,304 (December 31, 2023 - $246,445) was payable to Sailfish and is included in accounts payable and accrued liabilities.

14. SEGMENTED INFORMATION

For the three months ended March 31, 2024 and 2023, the Company's principal product was gold sold to a refinery at spot market rates by the Company's subsidiary, Nicoz. The gold was produced at the San Albino Project in Nicaragua, which represents the Company's sole segment.

For the three months ended March 31, 2024 and 2023, all of the Company's significant non-current assets and revenues were in Nicaragua.

All tabular amounts are in thousands of United States dollars unless otherwise stated

15. SUPPLEMENTARY CASH FLOW INFORMATION

For the three months ended		March 31, 2024		March 31, 2023
Changes in non-cash working capital:				
Change in receivables	$	(2,680)	$	(19)
Change in inventories		(1,298)		(4,335)
Change in prepaid expenses, and other		144		(34)
Change in accounts payable and accrued liabilities		487		(624)
Change in due to related parties		63		(27)
	$	(3,284)	$	(5,039)

16. GENERAL AND ADMINISTRATIVE EXPENSES

For the three months ended		March 31, 2024		March 31, 2023
Accounting and legal	$	255	$	143
Consulting fees		10		8
Directors' fees		57		93
Depreciation		28		27
General office expenses		45		50
Insurance		113		138
Investor relations and communications		63		41
Rent		2		1
Salaries and benefits		873		840
Stock-based compensation		247		71
Telephone and IT services		36		31
Transfer agent fees and regulatory fees		31		27
Travel		34		21
	$	1,794	$	1,491

17. ACCRETION AND INTEREST EXPENSE

For the year ended		March 31, 2024		March 31, 2023
Accretion on asset retirement obligation (Note 11)	$	29	$	29
Interest expense - Wexford Loan (Note 10 (a))		98		293
Interest expense – other		4		6
Finance costs on derivative liability (Note 10 (b))		-		115
	$	131	$	443

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18. FINANCIAL INSTRUMENTS AND LIQUIDITY RISK

Financial Instruments measured at fair value are classified into one of three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash and cash equivalents, receivables, accounts payable and the Term Loans and derivative liabilities. The carrying values of cash and cash equivalents, receivable and accounts payable approximate fair value because of the short-term nature of these instruments or capacity of prompt liquidation. The Revised Wexford Loan is carried at amortized cost. The Sailfish Silver Loan derivative liability is carried at fair value determined by using a discounted cash flow model (refer to note 10 (c)).

The Company's derivative asset and liability is measured using level 3 inputs.

During the three months ended March 31, 2024, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

Liquidity risk

Liquidity risk represents the risk that the Company will be unable to meet its obligations associated with its financial liabilities as they fall due. The Company manages liquidity risk by preparing an annual budget for approval by the Board of Directors and preparing cash flow and liquidity forecasts on a regular basis. The Company's objective when managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company uses cash to settle its financial obligations. The ability to do this relies on the Company collecting its trade receivables in a timely manner and maintaining sufficient cash on hand through debt financing.

Based on the Company's forecasted cash flows and the current working capital, the Company estimates that it will have sufficient liquidity to meet its obligations and operating requirements for at least the next twelve months.

The following are the contractual maturities of financial liabilities:

At March 31, 2024	Carrying Amount $	Contractual Cash Flows $	Within 1 year $	1 to 2 years $	2 to 3 years $	3 to 6 years $
Accounts payable and accrued liabilities	10,295	10,295	9,312	323	-	660
Term loans and derivative	8,133	8,133	3,277	4,856	-	-
Total	18,428	18,428	12,589	5,179	-	660

19. EVENTS AFTER THE REPORTING PERIOD

The following events took place subsequent to March 31, 2024:

(a) Sailfish Silver Loan
The Company delivered 13,500 ounces of silver for the April 2024 installments.

(b) The Company purchased 1,207,200 common shares under the NCIB for C$3,811,436.