



MANAGEMENT DISCUSSION AND ANALYSIS

*For the three and six months ended June 30, 2024
(Expressed in United States dollars)*



For the three and six months ended June 30, 2024

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 six months ended June 30, 2024, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards (“IFRS accounting standards”) 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.ca.

This MD&A has been prepared as of August 12, 2024. 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” and the OTCQX under the symbol “MAKOF”. The Company’s principal business activities are the production of gold and the exploration of its mineral interests in Nicaragua.

On July 3, 2024, the Company completed the acquisition of Goldsource Mines Inc. (“Goldsource”) by way of a plan of arrangement (the “Transaction”), pursuant to which the Company acquired all of the issued and outstanding common shares of Goldsource (the “Goldsource Shares”) in exchange for 13.2 million common shares of Mako. Goldsource is a Canadian resource company engaged in exploration activities. Goldsource’s main asset is the Eagle Mountain Property, in Guyana, South America. Refer to **GOLDSOURCE MINE INC. ACQUISITION** for additional details.

The Company’s main assets are the producing San Albino and the Las Conchitas gold deposits, collectively the “San Albino Project”, located within the San Albino-Murra Property, located in Nueva Segovia, Nicaragua. Mako developed the San Albino mine, which reached commercial production on July 1, 2021.

The projected free cash flow from the San Albino Project is anticipated to fund exploration on Mako’s prospective 188 square kilometer (“km”) land package in Nicaragua and ongoing engineering activities at the Eagle Mountain Project in Guyana.

FINANCIAL AND OPERATIONAL HIGHLIGHTS, MAJOR ACTIVITIES AND SIGNIFICANT SUBSEQUENT EVENTS

- Revenues of \$28.3 million and \$47.5 million (Q2 2023: \$12.9 million and YTD Q2 2023: \$28.8 million) for the three and six months ended June 30, 2024 (“Q2 2024” and “YTD Q2 2024”), respectively.
- Sales of 12,313 ounces (“oz”) and 21,580 oz of gold in Q2 2024 and YTD Q2 2024 from the San Albino Project (Q2 2023: 6,727 oz and YTD Q2 2023: 15,448 oz), respectively.
- Net income of \$8.8 million and \$14.1 million for Q2 2024 and YTD Q2 2024 (net loss Q2 2023: \$2.6 million and YTD Q2 2023: 1.2 million), respectively.
- Production of 12,160 oz and 21,564 oz of gold at the San Albino Project in Q2 2024 and YTD Q2 2023 (Q2 2023: 6,575 oz and YTD Q2 2023: 15,258 oz), respectively; 14,157 oz and 19,921 oz of silver were produced at the San Albino Project for Q2 2024 and YTD Q2 2024 (Q2 2023: 7,294 oz and YTD Q2 2023: 15,360 oz), respectively.
- Cash generated from operating activities of \$13.7 million in YTD Q2 2024 (YTD Q2 2023: \$4.5 million).
- Delivered 40,500 oz and 81,000 oz of silver on the Sailfish Silver Loan during Q2 2024 and YTD Q2 2024 (Q2 2023: nil and YTD Q2 2023: nil), respectively.
- The Company purchased 1.4 million common shares under the normal course issuer bid (“NCIB”) for \$3.1 million (C\$4.3 million) in YTD Q2 2024 (YTD Q2 2023 – nil).



For the three and six months ended June 30, 2024

- 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 outstanding reclamation and rehabilitation obligations, of Mako, related to the sale of Mako’s Mexican operations to GR Silver in March 2021 (“Settlement and Release Agreement”).

Pursuant to the terms of the Settlement and Release Agreement, Mako must make a total payment of \$1.0 million to GR Silver comprised of \$0.5 million cash (paid in February 2024) and the issuance of 296,710 common shares of Mako (issued in March 2024).

- On March 27, 2024, the Wexford Loan was further amended to extend the maturity date from March 31, 2025 to March 31, 2029. The accrued interest and cash bonus interest outstanding now accrues interest at a rate of 10% compounded semi-annually.

Subsequent to June 30, 2024:

- On July 3, 2024, the Company completed the Goldsource Transaction, pursuant to which Mako acquired the Goldsource Shares in exchange for 13.2 million common shares of Mako. Refer to **GOLDSOURCE MINE INC. ACQUISITION** for additional details.
- The Company made an interest payment of \$0.3 million on the Revised Wexford Loan.
- Delivered 13,500 oz of silver on the Sailfish Silver Loan for the July 2024 installments.
- The Company purchased 0.5 million common shares under the NCIB for \$1.2 million (C\$1.7 million).
- The Company received proceeds of \$1.7 million (C\$2.3 million) on the exercise of 1.2 million share purchase options.

RESULTS OF OPERATIONS

Financial Performance (in \$000's)	Three months ended			Six months ended		
	Jun 30, 2024	Jun 30, 2023	Change	Jun 30, 2024	Jun 30, 2023	Change
Revenue	\$ 28,278	\$ 12,853	\$ 15,425	\$ 47,487	\$ 28,771	\$ 18,716
Income for the period	8,768	(2,630)	11,398	14,117	(1,244)	15,361
Operating cash inflows before changes in non-cash working capital	12,526	2,261	10,265	21,046	8,741	12,305
Net cash from operating activities	\$ 8,497	\$ 3,057	\$ 5,440	\$ 13,733	\$ 4,498	\$ 9,235

Financial Condition (in \$000's)	As at		Change
	Jun 30, 2024	Dec 31, 2023	
Cash and cash equivalents	\$ 6,715	\$ 1,498	\$ 5,217
Working capital ⁽ⁱ⁾	12,939	7,056	5,883
Total assets	57,935	41,809	16,126
Equity	\$ 35,186	\$ 20,628	\$ 14,558

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

San Albino Property, Nueva Segovia, Nicaragua

The Company holds a 100% interest in four mineral concessions in Nueva Segovia, Nicaragua, for a total land package of approximately 18,817 hectares (“ha”) (188 km²). The San Albino and Las Conchitas gold deposits, located within the San Albino-Murra Property, are currently the focus of mining operations. The San Albino gold deposit 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 tonnes 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. On October 19, 2020, the Company reported the results of an updated mineral resource estimate (“MRE”) (Technical Report and Estimate of Mineral Resources for the San Albino Project, Nueva Segovia, Nicaragua, prepared by RESPEC and dated December 2, 2020), with the objective of achieving a thorough understanding of the geology of the area and affirming the continuity and grade of the “in-pit” mineral resources. On July 1, 2021, the Company declared commercial production on San Albino Mine. During 2021 and 2022 extensive drilling was conducted to update the mineral resource estimate at the San Albino Project. This program included 1,232 diamond drill holes and 105,073 meters (“m”) drilled in the San Albino deposit and 718 diamond drill holes and 78,100 m drilled in the Las Conchitas gold deposit. On October 31, 2023, the Company reported an updated MRE for both areas (Technical Report and Estimate of Mineral Resources for the San Albino Project Comprising the San Albino and Las Conchitas Deposits, Nueva Segovia, Nicaragua, prepared by RESPEC and dated December 6, 2023). The MRE reflected the selective open pit mining methods presently being utilized at San Albino, with a fully diluted open pit grade 11.61 grams per tonne (“g/t”) gold (“Au”) in the Measured and Indicated categories.

On June 10, 2024, the Company filed an amended technical report in response to comments received from the British Columbia Securities Commission (“BCSC”) following a technical compliance review (“Amended Technical Report”). The key amendments and certain other amendments as outlined in the Amended Technical Report, include the addition of Sections 16 through 21 of Form 43-101F1 under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) in respect of the San Albino Project’s mining and recovery methods, project infrastructure, market studies, environmental studies, and capital and operating costs. The additional Sections 16 through 21 address disclosure requirements under 43-101F1 pertaining to an “advanced property”, which is defined under NI 43-101 as a property that has mineral reserves or mineral resources where the potential economic viability is supported by a pre-feasibility or a feasibility study, or mineral resources supported by a preliminary economic assessment. The Company submitted the technical report in 2023 without sections 16-21 following guidance given at the time. The Company has included this additional disclosure in respect of the San Albino Project, as a fully operational mine, at the BCSC’s request.

No changes were made to the MRE for the San Albino Project in the Amended Technical Report. Since the Effective Date (October 11, 2023), the Company’s resource model predicted the mining of 26,940 oz Au, whereas the Company actually mined 32,567 oz Au, recovered 25,087 oz Au, and sold 25,106 oz Au during the period November 1, 2023 through May 31, 2024.

The table below shows the main variables used by Company management to measure operating performance of the mine: throughput, recovery metal production and cost.



For the three and six months ended June 30, 2024

Operating data	Three months ended		Six months ended	
	Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023
Tonnes Mined	2,109,345	1,573,432	3,721,711	3,334,414
Tonnes Milled	52,681	54,284	105,159	103,958
Mill availability	97%	95%	97%	95%
Avg Tonnes per day	598	627	602	608
Recoverability	83%	72%	82%	76%
Gold sold (ounces)	12,313	6,727	21,580	15,448
Average realized gold price (\$/oz sold)	\$ 2,296	\$ 1,911	\$ 2,201	\$ 1,862
Cash Cost (\$/oz sold) ⁽¹⁾	\$ 793	\$ 995	\$ 821	\$ 881
AISC (\$/oz sold) ⁽¹⁾	\$ 1,098	\$ 1,322	\$ 1,074	\$ 1,372
EBITDA (in \$000's) ⁽¹⁾	\$ 14,140	\$ 1,989	\$ 22,405	\$ 8,043
Adjusted EBITDA (in \$000's) ⁽¹⁾	\$ 14,649	\$ 4,029	\$ 23,856	\$ 11,665

⁽¹⁾ Refer to *Non-IFRS Measures*

For the three months ended June 30, 2024:

Tonnes mined: increase of 0.5 million tonnes mined during Q2 2024 is attributed to mining activities in the South West Pit ("SW Pit"), the West Pit and the Las Conchitas South Pit. There was an increase in the stripping activities at the Las Conchitas South Pit as the Company changed the mining sequence advancing the access to mineralization in the southern area of Las Conchitas deposit (2.1 million tonnes in Q2 2024 compared to 1.6 million tonnes moved in Q2 2023).

Tonnes milled: the decrease in the tonnes milled in Q2 2024 is attributed to the gold content being higher in 2024 when compared to Q2 2023. In Q2 2023, an increase in milling production was required to compensate lower metallurgical recoveries.

The decline in cash cost and AISC per gold ounce sold in Q2 2024 is driven mainly by a higher volume of gold sold in Q2 2024 (12,313 oz) when compared to Q2 2023 (6,727 oz).

For the six months ended June 30, 2024:

Tonnes mined: increase of 0.4 million tonnes mined during YTD Q2 2024 is attributed to the increase in stripping ratio in the SW Pit, the West Pit and the Las Conchitas South Pit. There was an increase in the stripping activities at the Las Conchitas deposit (3.7 million in YTD Q2 2024 compared to 3.3 million tonnes moved in YTD Q2 2023).

Tonnes milled: improvement in mill availability during YTD Q2 2024 contributed to the increase in the tonnes milled compared to YTD Q2 2023, as the Company maximizes the capacity limits of the mill to take advantage of the current high gold prices. Since the commencement of feeding oxide material from the Las Conchitas deposit in YTD Q2 2024, and a reduction in the preg-rob potential in the mineralized material coming from the San Albino gold deposit, the mill feed blend resulted in higher mill recoveries.

The increase in the gold ounces sold in YTD Q2 2024 compared to YTD Q2 2023, contributed to the reduction in the cash cost per ounce sold; however, this reduction was partially offset by an increase in waste stripping costs of mining activities related to the access to the southern area of Las Conchitas gold deposits.

The Company's AISC per gold ounce sold decreased by \$298 to \$1,074 in YTD Q2 2024 when compared to YTD Q2 2023, as the drill campaign to test for possible extensions of the high-grade mineralization trends beyond the limits of the Company's most recent MRE is now being capitalized in YTD Q2 2024. An updated MRE was published in December 2023.



For the three and six months ended June 30, 2024

EXPLORATION AND MINERAL PROPERTY DEVELOPMENT UPDATE

During YTD Q2 2024, and in connection with the reverse circulation (“RC”) drilling program, the Company has completed 15,754 m, using four RC drill rigs at its San Albino – Murra Concession. The main objective of this campaign is to test for possible extensions of the high-grade mineralized blocks and mineralization trends beyond the limits of the current MRE for the San Albino Project. In particular, several areas of Las Conchitas gold deposit have been drilled in YTD Q2 2024, such as El Limon, Mango and Las Dolores.

The key objective of this year’s drilling program at the Las Dolores area is to demonstrate extensions of high-grade zones beyond the current MRE, mainly within shallow oxide material. In addition, YTD Q2 2024 drilling campaign has identified potential extensions of the El Limon and Mango mineralized structures beyond the current MRE. Drilling targeted multiple, shallow dipping, gold-bearing quartz veins.

During the same period, the Company continued work on regional exploration targets, with detailed mapping and sampling at all four, 100% owned concessions (San Albino-Murra, Potrerillos, La Segoviana and El Jicaro).

The program consists of prospecting followed by more detailed surface and underground mapping. Sampling consists of grab samples on prospects and channel sampling of surface exposures and veins in underground workings. The goal of this program is to validate structural and grade continuity of each vein or prospect, determine mineralization and mining potential and to prioritize targets for additional detailed mapping sampling and drilling if warranted.

Las Conchitas Area

Las Conchitas is situated between two past-producers, the San Albino Mine and the El Golfo Mine.

The Las Conchitas area covers approximately 3.75 km² and is situated 2 km south of San Albino Mine, 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, which has been subdivided into three primary areas: Las Conchitas norte, Las Conchitas central and Las Conchitas sur. Each area features multiple subparallel, northeast-southwest striking and gently dipping mineralized veins.

As with the San Albino gold 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 kilometer. Drilling at Las Conchitas has confirmed down-dip continuity of highly mineralized zones; as demonstrated by results of drilling reported on July 29, 2024; gold mineralization is not restricted solely to quartz veins, but also occurs in the host rock (phyllite/schist) containing quartz veinlets. The majority of drilling was focused outside of the current MRE.

On June 19, 2023, the Company announced that it received approval to begin processing material from Las Conchitas, and that the material would 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 mineralization from Las Conchitas was introduced to the San Albino processing plant.

On August 2, 2023, the Company announced additional results from the RC infill drilling at Las Conchitas, 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 MRE for the San Albino Project which includes the Las Conchitas gold deposit.



For the three and six months ended June 30, 2024

On January 24, 2024, the Company announced an intersection grading 51.78 g/t Au over 3.9 m at Las Conchitas, 62 m from Surface, outside of current MRE.

On March 13, 2024, the Company announced an intersection grading 13.43 g/t Au and 36.8 g/t Ag over 9 m, at Las Conchitas, 57 m from the surface, outside of current MRE.

On July 10, 2024, the Company announced an intersection grading 37.80 g/t Au and 50.0 g/t Ag over 2.8 m, at Las Conchitas, 16 m from the surface, outside of current MRE.

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 prioritized for follow-up detailed mapping and sampling with the objective of identifying drill targets in the third quarter of 2024.

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. Detailed mapping and sampling are in progress on the Potrerillos Concession. The Company plans to initiate RC drilling on several targets at Potrerillos in the third quarter of 2024. The Potrerillos Concession is valid until December 2031 with the ability to renew for an additional 25 years.

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, 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. The La Segoviana concession allows for both exploration and exploitation and is valid for a period of 25 years, until March 12, 2045.

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 from quartz veins exposed in prospects and historical workings within the concession. 169 samples yielded more than 1.0 g/t Au, and one sample yielded 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 at the La Segoviana Concession, 17 km from the San Albino area. The discovery was highlighted by an intercept grading 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.

Extensive prospecting and sampling at La Segoviana were completed during Q2 2024, with several prospects identified for more detailed sampling and mapping.

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



For the three and six months ended June 30, 2024

TREND ANALYSIS
Summary of Quarterly Results

(in \$000's excluding per share)	2024		2023				2022	
	Apr - Jun	Jan-Mar	Oct - Dec	Jul - Sept	Apr - Jun	Jan - Mar	Oct - Dec	Jul - Sept
Revenue	28,278	19,211	26,472	10,707	12,853	15,916	16,087	13,637
Cost of sales	(11,715)	(10,148)	(12,680)	(8,057)	(10,951)	(11,424)	(11,693)	(14,608)
Gross profit (loss)	16,563	9,063	13,792	2,650	1,902	4,492	4,394	(971)
E&E expenses	(179)	(696)	(988)	(1,178)	(1,498)	(692)	(3,054)	(3,878)
G&A expenses	(3,023)	(1,794)	(1,573)	(1,895)	(2,235)	(1,491)	(1,283)	(1,613)
Other income (expenses)	(1,463)	(664)	(900)	(719)	(360)	(423)	(405)	(36)
Income taxes	(3,130)	(560)	(817)	(330)	(438)	(499)	(451)	(492)
Net income (loss)	8,768	5,349	9,514	(1,472)	(2,629)	1,387	(799)	(6,990)
Basic & diluted income (loss) per share	0.13	0.08	0.14	(0.02)	(0.04)	0.02	(0.01)	(0.10)
<i>The sum of the quarters may not equal the annual results due to rounding.</i>								
Gold ounces produced	12,160	9,404	11,566	7,937	6,575	8,683	10,010	8,370
Gold ounces sold	12,313	9,267	13,481	5,767	6,727	8,721	9,956	8,327
Average realized gold price (\$/oz)	\$ 2,296	\$ 2,073	\$ 1,963	\$ 1,857	\$ 1,911	\$ 1,829	\$ 1,616	\$ 1,665
Ore Mined (tonnes)	59,550	67,961	52,399	47,731	46,452	47,239	50,883	52,084
Ore Milled (tonnes)	52,681	52,478	51,745	51,578	54,284	49,675	49,204	44,452
Grade milled (g/t Au)	8.79	7.27	8.19	6.86	5.27	5.74	7.34	7.66
Recovery %	82.0%	80.5%	84.5%	78.1%	71.8%	80.7%	82.3%	76.5%

Revenue: During Q2 2024, increase in revenue compared to Q2 2023 is as a result of increased ounces produced mainly from higher-grade mineralization mined in the West and SW Pit area and sold during the quarter together with an increase in the average realized gold price per ounce sold when compared to the previous quarters.

Cost of sales: Cost of sales is comprised of production cost and depreciation, depletion and amortization of the mine asset and the plant. During Q2 2024, the production cost per ounce produced was lower than Q2 2023, as fewer ounces were produced in Q2 2023. Decrease of the depreciation, depletion and amortization expense during Q2 2024, is attributed to the majority of the mine assets being fully depleted as of Q2 2023 given the then short mine life and the subsequent extension of the estimated useful life of the plant assets as the Company began processing from the Las Conchitas mining operation and the publication of the updated mineral resource estimate in Q4 2023.

E&E expenses: During Q2 2023, a defined resource for the Las Conchitas gold deposit had not yet been established and as a result, drilling and related expenditure were expensed. A MRE for the Las Conchitas gold deposit was defined in October 2023 and published in December 2023. As a result, drilling expenditures incurred during Q2 2024 are development in nature, and are being capitalized to mineral property, plant and equipment.

G&A expenses: During Q2 2024, the increase in G&A is mainly attributed to bonuses granted related to performance during year 2023, legal advice sought on corporate matters, and the stock-based compensation expense for the share purchase options granted in Q2 2024 and the RSU and DSU granted in Q4 2023.

Other income (expenses): During Q2 2024, the increase in silver price has impacted the fair market value of the derivative the Company accounted for, compared to Q2 2023. The Sailfish Silver Loan agreement was entered into at the end of May 2023.



For the three and six months ended June 30, 2024

Income taxes: During Q2 2024, due to the increase in revenues derived from higher gold ounces sold and increase of gold prices, the estimated income tax payable for fiscal 2024 has been increased compared to the estimate made in Q2 2023. **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, depletion and amortization remained consistent with the prior quarter, the ounces of gold sold were 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 transitioned and prepared 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 prepared the data to develop the resource model.

G&A expenses: During Q2 2023, the 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

	Three months ended			Six months ended		
	Jun 30, 2024	Jun 30, 2023	Change	Jun 30, 2024	Jun 30, 2023	Change
Revenue (in \$000s)	\$ 28,278	\$ 12,853	\$ 15,425	\$ 47,487	\$ 28,771	\$ 18,716
Gold sold (ozs.)	12,313	6,727	5,586	21,580	15,448	6,132
Average realized gold price (\$ per oz.)	\$ 2,296	\$ 1,911	\$ 385	\$ 2,201	\$ 1,862	\$ 339

The Company's revenue for Q2 2024 and Q2 2023 was derived from the San Albino Project (San Albino and Las Conchitas gold deposits).

The increase in revenue of \$15.4 million (increase of 120%) for Q2 2024 compared to Q2 2023 is a result of selling 5,586 more ounces of gold in Q2 2024 and realizing a higher average gold price by \$385 (increase of 20%) per ounce of gold. The Company sells gold at the spot rate. The quarterly average spot gold price for Q2 2024 was \$2,338 per oz (Q2 2023: \$1,975 per oz), up 18% over Q2 2023, and closed on June 30, 2024, at \$2,331 per oz, up 22% from the closing price on June 30, 2023.

Exploration and evaluation expenses

Expenses by property (in \$000s)	Three months ended			Six months ended		
	Jun 30, 2024	Jun 30, 2023	Change	Jun 30, 2024	Jun 30, 2023	Change
El Jicaro	\$ 11	\$ 55	\$ (44)	\$ 88	\$ 107	\$ (19)
San Albino	\$ 70	\$ 160	\$ (90)	253	403	(150)
Las Conchitas	\$ 64	\$ 956	\$ (892)	461	1,318	(857)
Other	\$ 34	\$ 327	\$ (293)	73	362	(289)
	\$ 179	\$ 1,498	\$ (1,319)	\$ 875	\$ 2,190	\$ (1,315)

During YTD Q2 2023, a defined resource for the Las Conchitas gold deposit had not yet been established and as a result, drilling and related expenditure were expensed. A MRE for the Las Conchitas gold deposit was defined in October 2023 and published in December 2023. As a result, drilling expenditures incurred during YTD Q2 2024 are development in nature, and are being capitalized to mineral property, plant and equipment.



For the three and six months ended June 30, 2024

General and administrative expenses

(in \$000s)	Three months ended			Six months ended		
	Jun 30, 2024	Jun 30, 2023	Change	Jun 30, 2024	Jun 30, 2023	Change
Accounting and legal	\$ 200	\$ 321	\$ (121)	\$ 455	\$ 464	\$ (9)
Consulting fees	15	16	(1)	25	24	1
Directors' fees	57	90	(33)	114	182	(68)
Depreciation	36	25	11	64	52	12
General office expenses	45	38	7	91	90	1
Insurance	112	132	(20)	225	270	(45)
Investor relations and communications	19	21	(2)	81	62	19
Rent	1	1	-	3	2	1
Salaries and benefits	2,037	1,303	734	2,910	2,143	767
Stock-based compensation	330	204	126	576	275	301
Telephone and IT services	40	31	9	76	62	14
Transfer agent fees and regulatory fees	76	24	52	107	51	56
Travel	55	29	26	89	49	40
	\$ 3,023	\$ 2,235	\$ 788	\$ 4,816	\$ 3,726	\$ 1,090

Accounting and legal fees: the decrease in Q2 2024 compared to Q2 2023 is attributed to the timing of when advice was sought.

Salaries and benefits: Q2 2024 include bonuses of \$0.7 million (Q2 2023: \$0.4 million) for three senior members of management and recorded a severance of \$0.2 million to the former Chief Financial Officer.

Stock-based compensation: the increase during Q2 2024 compared to Q2 2023 is as a result of the 200,000 share purchase options granted in Q2 2024 to the new Chief Financial Officer and the 975,000 RSUs and 275,000 DSUs that were granted in Q4 2023, that are being expensed using the graded vesting method.

Stock-based compensation: the increase during YTD Q2 2024 compared to YTD Q2 2023 is a result of the 200,000 share purchase options granted in Q2 2024 to the new Chief Financial Officer and the 975,000 RSUs and 275,000 DSUs that were granted in Q4 2023, that are being expensed using the graded vesting method.

Other income (expenses)

(in \$000s)	Three months ended			Six months ended		
	Jun 30, 2024	Jun 30, 2023	Change	Jun 30, 2024	Jun 30, 2023	Change
Accretion and interest expense	\$ (254)	\$ (251)	\$ (3)	\$ (385)	\$ (695)	\$ 310
Change in provision for reclamation and rehabilitation	-	15	(15)	-	12	(12)
Change in fair value of derivative liability	(925)	(86)	(839)	(1,300)	(89)	(1,211)
(Gain) loss on gold stream derivative asset	(260)	8	(268)	(250)	46	(296)
Loss on settlement of liability	-	-	-	(94)	-	(94)
Foreign exchange loss	(47)	(52)	5	(135)	(67)	(68)
Interest income	23	6	17	37	8	29
	\$ (1,463)	\$ (360)	\$ (1,103)	\$ (2,127)	\$ (785)	\$ (1,342)

Accretion and interest expense primarily relates to interest on the Wexford Loan and in 2023 finance costs on the Sailfish Loan derivative liability. The Sailfish Loan was extinguished in Q3 2023, and the Wexford Loan principal was fully repaid in Q1 2023 which accounts for the decrease in the accretion and interest expense in YTD Q2 2024.



For the three and six months ended June 30, 2024

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 retired following the Settlement and Release Agreement executed in Q1 2024, as reported on March 28, 2024.

The Company's derivative liabilities include the Sailfish Loan and the Sailfish Silver Loan. The Q2 2024 change in fair value of the derivative liability relates to the Sailfish Silver Loan whereas the Q2 2023 relates to the Sailfish Loan.

During Q1 2024, the Company entered into an agreement with GR Silver to settle all liabilities and responsibilities, including but not limited to the outstanding reclamation and rehabilitation obligations, of the Company, related to the sale of Mako's Mexican operations to GR Silver in March 2021 and recorded a loss of the settlement of the liability of \$0.1 million.

Foreign exchange 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)	Jun 30, 2024		Dec 31, 2023		Change
Cash and cash equivalents	\$	6,715	\$	1,498	\$ 5,217
Working capital	\$	12,939	\$	7,056	\$ 5,883

Cash and cash equivalents increased by \$5.2 million during YTD Q2 2024. Funds generated from operating activities were utilized to make repayment installments of \$1.6 million on the Sailfish Silver Loan, pay GR Silver \$0.5 million for the Settlement and Release Agreement, purchase the Company's common shares under the NCIB at a cost of \$3.1 million and fund the investing and operating activities.

The working capital increased during YTD Q2 2024 primarily due to realizing a higher average gold price per ounce sold, increased inventory levels, and the Revised Wexford Loan extending the maturity to March 31, 2029.



For the three and six months ended June 30, 2024

Cash flows

(in \$000s)	Six months ended		
	Jun 30, 2024	Jun 30, 2023	Change
Operating cash flows before changes in working capital	\$ 21,046	\$ 8,741	\$ 12,305
Changes in working capital	(7,313)	(4,243)	(3,070)
Net cash flows provided by operating activities	13,733	4,498	9,235
Net cash flows used in investing activities	(3,590)	(3,232)	(358)
Net cash flows used in financing activities	(4,941)	(82)	(4,859)
Effect of foreign exchange on cash and cash equivalents	15	32	(17)
Change in cash and cash equivalents	\$ 5,217	\$ 1,216	\$ 4,001

The Company generated positive cash flow from operations of \$13.7 million during YTD Q2 2024, an increase of \$9.2 million compared to YTD Q2 2023. The increase in cash flows provided by operating activities is primarily attributable to an increase in the gold selling price and increased quantity of gold ounces sold during YTD Q2 2024.

The cash used in investing activities during YTD Q2 2024 increased by \$0.4 million compared to YTD Q2 2023; investing activities relate to development activities at the San Albino Property in Nicaragua including the drill campaign to test for possible extensions of the high-grade mineralization trends beyond the limits of the Company's current MRE and purchase of land and equipment.

The cash used in financing activities during YTD Q2 2024 increased by \$4.9 million compared to YTD Q2 2023 and primarily reflects the installment payments of \$1.6 million on the Sailfish Silver Loan, the \$0.5 million payment made to GR Silver for the Settlement and Release Agreement, \$3.1 million to purchase the Company's common shares under the NCIB which was offset with the proceeds of \$0.3 million received on the exercise of 287,150 share purchase options.

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 June 30, 2024. As at June 30, 2024, the Company had cash and cash equivalents of \$6.7 million and working capital of \$12.9 million.

For YTD Q2 2024, the Company generated operating cash inflows from operating activities of \$13.7 million (YTD Q2 2023: \$4.5 million) and generated a net income of \$14.1 million (Q2 2023: loss of \$1.2 million).

During 2020, the Company secured a credit arrangement from its controlling shareholder for \$15.15 million ("Wexford Loan"). 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. 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"). The Revised Wexford Loan accrues interest at a rate of 10% per annum, compounded semi-annually.

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 \$2.1 million directly in contributed surplus during the six months ended June 30, 2024. The Revised Wexford Loan is measured at amortized cost and will be accreted to maturity over the term



For the three and six months ended June 30, 2024

using the effective interest method. On July 18, 2024, an interest payment of \$0.3 million was made on the Revised Wexford 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 the Company’s San Albino-Murra concession for an additional \$1 million. For the six months ended June 30, 2024, the Company delivered 81,000 ounces of which 61,079 oz of silver were purchased and 19,921 oz of silver were produced. Subsequent to June 30, 2024, the Company delivered an additional 13,500 ounces of silver for the July 2024 installment.

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, 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.

Pursuant to the terms of the Settlement and Release Agreement, Mako made a total payment of \$1.0 million to GR Silver comprised of \$0.5 million cash (paid in February 2024) and the issuance of 296,710 common shares of Mako (issued in March 2024).

OUTSTANDING SECURITIES

As of the date of this MD&A, the Company had 78,768,205 common shares issued and outstanding, plus 1,032,010 RSUs, 386,240 DSUs, 837,807 warrants and 3,506,252 share purchase 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			Six months ended		
	Jun 30, 2024	Jun 30, 2023	Change	Jun 30, 2024	Jun 30, 2023	Change
Director fees	\$ 57	\$ 90	\$ (33)	\$ 114	\$ 183	\$ (69)
Salaries, consulting and management fees	1,100	627	473	1,311	848	463
Share-based compensation	188	51	137	383	108	275
Total	\$ 1,345	\$ 768	\$ 577	\$ 1,808	\$ 1,139	\$ 669

As at	June 30, 2024	Dec 31, 2023
Amount included in accounts payable	\$ 452	\$ 23



For the three and six months ended June 30, 2024

The decrease in the special committee monthly rate payable to two directors is associated with the decrease in the director fees in Q2 2024 and YTD Q2 2024.

In Q2 2024 and YTD Q2 2024, the Company granted bonuses for the performance in 2023 of \$0.7 million and \$0.7 million (Q2 2023: \$0.4 million and YTD Q2 2023: \$0.4 million) to three senior members of management and recorded a severance of \$nil and \$0.2 million (Q2 2023: nil and YTD Q2 2023: \$0.2 million) to the former Chief Financial Officer, respectively.

The increase in the share-based compensation expense arises from share purchase options granted in Q2 2024 and RSUs and DSUs granted in Q4 2023.

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 the three and six months ended June 30, 2024, the Company expensed fees relating to consulting services of \$1,002 and \$1,503 (2023: \$684 and \$1,367), reclamation and rehabilitation expenses of \$nil and \$nil (2023: \$nil and \$7,389) and \$12,529 and \$18,794 (2023: \$8,542 and \$17,085) in general office expenses. Amounts payable to Tes-Oro as at June 30, 2024, were \$nil (December 31, 2023: \$nil).

(b) 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, during the three and six months ended June 30, 2024, the Company’s subsidiary Nicoz:

Gold sales

- i. received advances of \$0.2 million and \$0.4 million (Q1 2023: \$0.2 million and YTD Q2 2023: \$0.4 million) for the purchase of gold ounces, respectively.
- ii. sold 365 and 456 (Q2 2023: 268 and YTD Q3 2023: 606) ounces of gold to Sailfish for \$0.2 million and \$0.3 million (Q2 2023: \$0.1 million and YTD Q2: 2023: \$0.3 million) of which \$0.2 million and \$0.3 million (Q2 2023: \$0.1 million and YTD Q2 2023 \$0.1 million) is recorded as production services revenue and \$0.3 million and \$0.3 million (Q2 2023: \$7,775 and YTD Q2 2023 \$45,512) is included in the loss on gold stream derivative asset disclosed in the statement of income and comprehensive income, respectively; and

As at June 30, 2024, the balance remaining from the advance received from Sailfish was \$72,204 (December 31, 2023: a balance of \$0.3 million 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.

During the three and six months ended June 30, 2024, a royalty fee of \$0.2 million and \$0.3 million was owing to Sailfish and is included in production costs in the consolidated statement of income (loss) and comprehensible income (loss), respectively.

As at June 30, 2024, a balance of \$0.2 million (December 31, 2023: \$0.2 million) was payable to Sailfish and is included in accounts payable and accrued liabilities.

PROPOSED TRANSACTIONS

There are none.



GOLDSOURCE MINE INC ACQUISITION

On July 3, 2024, the Company completed the Goldsource Transaction, pursuant to which Mako acquired the Goldsource Shares in exchange for 13.2 million common shares of Mako.

Immediately prior to the completion of the Transaction:

- there were 5.4 million Goldsource stock options (“Goldsource Options”) outstanding. The Goldsource Options vested immediately and were exchanged for replacement options of Mako exercisable to acquire Mako common shares in accordance with the Exchange Ratio (“Replacement Options”). 1.2 million Replacement Options were issued.

Subsequent to the completion of the Transaction, 0.1 million Replacement Options were exercised, and the Company received \$0.1 million.

- there were 3.8 million Goldsource warrants (“Goldsource Warrants”) outstanding. The Goldsource Warrants will remain outstanding in accordance with their original terms and all Goldsource Warrants will be exercisable for the number of Mako common shares equal to the Exchange Ratio and at an exercise price equal to the original exercise price per Goldsource Share divided by the Exchange Ratio (“Replacement Warrants”). 0.8 million common shares of Mako is expected to be issued on the exercise of all Replacement Warrants.

Subsequent to the completion of the Transaction, 3,696 Replacement Warrants were exercised, and the Company received \$6,777.

- Goldsource had received a loan of C\$2 million from the Wexford Lenders (the “Bridge Loan”). The Bridge Loan was unsecured and incurred interest at a rate of 12% per annum, payable semi-annually, and matures on March 26, 2025.

Subsequent to the completion of the Transaction, a payment of C\$2.1 million was made to extinguish the Bridge Loan and the accrued interest.

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;
- 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;
- Estimation of the fair value of the Sailfish Silver Loan;
- Estimation of the effective interest rate for the Revised Wexford Loan;
- Judgment in determining that the Sailfish Silver Loan is a derivative;



For the three and six months ended June 30, 2024

- Judgement in determining whether non-current assets are impaired; and
- Estimation of the reclamation and remediation provision.

Refer to Note 5 of the consolidated financial statements for the year ended December 31, 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 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, 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 excluding the amounts included in write downs of inventory.

"AISC per ounce sold" includes 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



For the three and six months ended June 30, 2024

gold production from current operations, capital and E&E costs related to expansion or growth projects are not included in the calculation of AISC per ounce. Additionally, certain other cash expenditures, including income and other tax payments, financing costs and debt repayments, are not included in AISC per ounce.

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

(in \$000's)	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Production costs (GAAP)	\$ 9,763	\$ 6,693	\$ 17,712	\$ 13,605
Supporting general and administrative expenses	765	640	1,255	1,162
Cash costs (non-GAAP)	\$ 10,528	\$ 7,333	\$ 18,967	\$ 14,767
General and administrative expenses	1,269	1,375	1,869	2,312
Sustaining capital expenditures	1,604	158	1,804	268
Accretion of the asset retirement costs (ARO) (Non-cash)	35	25	64	44
Capitalized exploration expenses	81	-	475	0
Deferred stripping expenses	-	-	-	3,798
Total AISC (\$)	\$ 13,517	\$ 8,891	\$ 23,179	\$ 21,190
Ounces of gold sold	12,313	6,727	21,580	15,448
Cash cost per gold ounce sold	\$ 793	\$ 995	\$ 821	\$ 881
AISC per gold ounce sold	\$ 1,098	\$ 1,322	\$ 1,074	\$ 1,372

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		Six months ended	
	Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023
Net income (loss) after taxes	\$ 8,768	\$ (2,630)	\$ 14,117	\$ (1,244)
Income tax expense	3,130	438	3,690	937
Finance cost, net of finance income	254	251	385	695
Depreciation and amortization	1,988	3,930	4,213	7,655
EBITDA ⁽¹⁾	\$ 14,140	\$ 1,989	\$ 22,405	\$ 8,043
Share-based compensation expense	330	204	576	275
Exploration activities	179	1,498	875	2,190
Write-down of inventories	-	353	-	1,169
Change in provision for reclamation and rehabilitation	-	(15)	-	(12)
ADJUSTED EBITDA ⁽¹⁾	\$ 14,649	\$ 4,029	\$ 23,856	\$ 11,665

⁽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:

- 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.
- 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 and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information as well as other risks and uncertainties referenced under "Risks and Uncertainties" in this MD&A.



For the three and six months ended June 30, 2024

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

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

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

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