

Mako Mining Provides Q2 2023 Financial Results

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VANCOUVER, August 23, 2023 - [Mako Mining Corp.](#) (TSX-V:MKO)(OTCQX:MAKOF) ("Mako" or the "Company") is pleased to provide financial results for the three months ended June 30th, 2023 ("Q2 2023"), which is the eighth full quarter of financial results since declaring commercial production on July 1st, 2021 at its San Albino gold mine ("San Albino") in northern Nicaragua. All dollar amounts referred to herein are expressed in United States dollars unless otherwise stated.

Q2 2023 Highlights

Financial

- \$12.9 million in Revenue
- \$4.0 million in Adjusted EBITDA ⁽¹⁾
- \$4.9 million in Mine Operating Cash Flow ("Mine OCF") ^{(1) (3)}
- \$2.6 million Net Loss after \$3.9 million of depreciation, depletion ⁽⁴⁾ and amortization and \$1.5 million in exploration expenses
- \$995 Cash Costs (\$/oz sold) ^{(1) (2)}
- \$1,090 Total Cash Costs (\$/oz sold) ^{(1) (2)}
- \$1,322 All-In Sustaining Costs ("AISC") (\$/oz sold) ^{(1) (2)}
- Three monthly repayment installments totaling \$1.1million were made on the Sailfish Loan during Q2 2023 and \$4 million of the Wexford Loan principal was repaid as a result of the \$6 million Silver Loan

1. Refers to a Non-GAAP financial measure within the meaning of National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure ("NI 52-112"). Refer to information under the heading "Non-GAAP Measures" as well as the reconciliations later in this press release.
2. Refers to a Non-GAAP ratio within the meaning of NI-52-112. Refer to information under the heading "Non-GAAP Measures" later in this press release.
3. Refer to "Chart 1 - Q2 2023 - Mine OCF Calculation and Cash Reconciliation (in \$ millions)" for a reconciliation of the beginning and ending cash position of the Company, including OCF.
4. The depletion for the quarter was calculated on the basis of the San Albino mine plan only; going forward, depletion will incorporate Las Conchitas material as well, substantially decreasing this expense.

Growth

- \$1.4 million in exploration and evaluation expenses (\$0.5 million in areas surrounding San Albino and approx. \$1.0 million at Las Conchitas).
- Permits to begin extracting and processing material from Las Conchitas were received in June, with processing beginning in late July.

Subsequent to June 30th, 2023

- On July 7, 2023, and on August 3, 2023, the Company delivered 17,190 and 16,367 oz of silver to Sailfish in lieu of \$0.4 million and \$0.4 million cash, respectively.
- On August 23rd, 2023, the Wexford Loan was expanded by an additional \$2 million to ensure the Company has a sufficient amount of working capital during the ramp up of Las Conchitas (see full details below under Loan Agreement)

Akiba Leisman, Chief Executive Officer, states that "Q2 2023 was the eighth full quarter of financial results since declaring commercial production at San Albino. Mine Operating Cash Flow and Adjusted EBITDA of \$4.9 and \$4.0 million, respectively, reflect that the Company was processing approximately 35% run of mine material (with the rest coming from lower grade stockpiles), instead of the normal 50% run of mine material

prior to permits being received at Las Conchitas. Permits at Las Conchitas were subsequently received in June, with material from Las Conchitas beginning to be processed at the end of July. In this context, the Company reported Cash Costs of 995 \$/Oz sold, Total Cash Costs of 1,090 \$/Oz sold, and AISC at 1,322 \$/Oz during the quarter. Q2 2023 is the last quarter the Company will be reporting a depletion and depreciation expense (\$3.9 million) solely on the basis of the San Albino mine plan. The net book value of our Mineral Property and Plant are now just \$3.2 million and \$14.1 million respectively, compared to a cost of \$14.8 million and \$38.7 million as of year-end 2022. The remaining net book value is a tiny fraction of its net realizable value including the Las Conchitas resource, which will lead to materially lower depletion and depreciation expenses going forward. The maiden resource estimate at Las Conchitas will be released shortly."

Table 1 - Revenue

1. Realized price before deductions from Sailfish gold streaming agreement.

Table 2 - Operating and Financial Data

1. Refers to a Non-GAAP financial measure within the meaning of NI 52-112). Refer to information under the heading "Non-GAAP Measures" as well as the reconciliations later in this press release.
2. Refers to a Non-GAAP ratio within the meaning of NI-52-112. Refer to information under the heading "Non-GAAP Measures" later in this press release.
3. Realized price before deductions from Sailfish gold streaming agreement.

Table 3 - EBITDA Reconciliation

1. Refers to a Non-GAAP financial measure within the meaning of NI 52-112. Refer to information under the heading "Non-GAAP Measures" later in this press release.

Chart 1

Q2 2023 - Mine OCF Calculation and Cash Reconciliation (in \$ millions)

1. Refers to Non-GAAP financial measure within the meaning of NI 52-112. Refer to information under the heading "Non-GAAP Measures" later in this press release.
2. Includes all expenses incurred to sustain operations. Excludes Nicaraguan Taxes and Royalties, changes in Non-cash Working Capital, and Exploration expenses.

Loan Agreement

The Company also announces that it has entered into a further amendment to the loan agreement dated February 20, 2020 (as amended, the "Existing Loan Agreement") between the Company, Wexford Capital LP ("Wexford") and the Lenders (as hereinafter defined) pursuant to which, among other things, Wexford Catalyst Trading Limited, Wexford Spectrum Trading Limited and Wexford Focused Trading Limited (together with Debello Trading Limited, collectively, the "Lenders") have agreed to make an additional loan to the Company in the principal amount of US\$2,000,000 (the "Incremental Loan") subject to the terms of the Existing Loan Agreement.

The Company proposes to use the proceeds from the Incremental Loan for, among other things, its ongoing activities in Nicaragua and for general corporate purposes.

Funds managed by Wexford beneficially own an aggregate of 36,462,623 common shares of the Company, representing approximately 55.4% of the Company's issued and outstanding common shares. Accordingly, the Incremental Loan constitutes a "related party transaction" under Multilateral Instrument 61-101 ("MI 61-101") as a result of the Company entering into the Loan Amending Agreement with the Lenders and Wexford Capital LP, who are related parties of the Company. Pursuant to Section 5.5(b) and 5.7(1)(f) of MI 61-101, the Company is exempt from obtaining a formal valuation and minority approval of the Company's shareholders for the Incremental Loan on the basis that the Company's common shares trade on the TSXV and the Incremental Loan is a loan transaction with a related party that meets the criteria as set out in MI

61-101.

For complete details, please refer to the financial statements and the associated management discussion and analysis for the twelve months ended June 30th, 2023, available on SEDAR (www.sedar.com) or on the Company's website (www.makominingcorp.com).

Non-GAAP Measures

The Company has included certain non-GAAP financial measures and non-GAAP ratios in this press release such as EBITDA, Adjusted EBITDA, Mine Operating Cash Flow cash cost per ounce sold, total cash cost per ounce sold, AISC per ounce sold. These non-GAAP 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. In the gold mining industry, these are commonly used performance measures and ratios, but do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to other issuers. 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.

"EBITDA" represents earnings before interest (including non-cash accretion of financial obligation and lease obligations), income taxes and depreciation, depletion and amortization.

"Adjusted EBITDA" represents EBITDA, adjusted to exclude exploration activities, share-based compensation and change in provision for reclamation and rehabilitation.

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

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

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

"Mine OCF" represents operating cash flow, excluding Nicaraguan taxes and royalties, changes in non-cash working capital and exploration expenses.

On behalf of the Board,

Akiba Leisman
Chief Executive Officer

About Mako

[Mako Mining Corp.](#), is a publicly listed gold mining, development and exploration company. The Company operates the high-grade San Albino gold mine in Nueva Segovia, Nicaragua, which ranks as one of the highest-grade open pit gold mines globally. Mako's primary objective is to operate San Albino profitably and fund exploration of prospective targets on its district-scale land package.

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Forward-Looking Information: Some of the statements contained herein may be considered "forward-looking information" within the meaning of applicable securities laws. Forward-looking information can be identified by words such as, without limitation, "estimate", "project", "believe", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" or variations thereon or comparable terminology. The forward-looking information contained herein reflects the Company's current beliefs and expectations, based on management's reasonable assumptions, and includes, without limitation, that mining of high-grade material from the Phase 3 West Pit, and permits to begin mining Las Conchitas are expected later this month, at which point the Company expects that new record production numbers should be achieved; and Mako's primary objective to operate San Albino profitably and fund exploration of prospective targets on its district-scale land package. Such forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking information, including, without limitation, changes in the Company's exploration and development plans and growth parameters and its ability to fund its growth to reach its expected new record production numbers; unanticipated costs; the October 24 measures having impacts on business operations not current expected, or new sanctions being imposed by the U.S. Treasury Department or other government entity in Nicaragua in the future; and other risks and uncertainties as disclosed in the Company's public disclosure filings on SEDAR at www.sedar.com. Such information contained herein represents management's best judgment as of the date hereof, based on information currently available and is included for the purposes of providing investors with information regarding the Company's Q2 2023 financial results and may not be appropriate for other purposes. Mako does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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