

Mako Mining Announces Its Intent to Acquire the Moss Mine in Arizona Expanding its Operations in the Americas

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VANCOUVER, December 31, 2024 - [Mako Mining Corp.](#) ("Mako") (TSXV:MKO)(OTCQX:MAKOF) is pleased to announce the entering into of a non-binding letter of intent to acquire 100% of the issued and outstanding common shares of EG Acquisition LLC ("EGA"), a recently created private corporation controlled by Mako's controlling shareholder, Wexford Capital LP ("Wexford"), established solely to acquire the Moss gold mine located in the historic Oatman District in Arizona (the "Proposed Transaction"). It is anticipated that EGA will complete the acquisition of the Moss gold mine on December 31st, 2024 through its acquisition of 100% of the common shares of Golden Vertex Corp. ("GVC") which holds direct ownership of the Moss gold mine. Each of EGA and GVC will become wholly owned subsidiaries of Mako as a result of the Proposed Transaction. The purchase price for the Proposed Transaction is expected to be in the range of US\$ 4.9 million up to US\$ 6.4 million if certain royalties are extinguished, all payable in cash. The Proposed Transaction is expected to close by February 2025.

EGA's acquisition of GVC is pursuant to a court-approved sale process under the Companies' Creditors Arrangement Act and Chapter 15 of Title 11 of the United States Code (collectively the "Bankruptcy Process"), the terms of which included, among other things, the elimination of over US\$ 60 million of liabilities associated with the Moss mine owed by GVC and its former parent.

Prior to the Bankruptcy Process, there were several royalties and a silver stream on the Moss mine which entitled the silver stream holder to 100% of the payable silver over the life of the mine. The silver stream was eliminated upon EGA's acquisition of GVC. The two remaining material royalties (a net smelter return royalty of 3% and 1% respectively) are being disputed by GVC and its former parent in Arizona through the Chapter 15 bankruptcy process. If these royalties are vested away, Mako, through its then wholly-owned subsidiary EGA has agreed to pay up to an additional US\$ 1.5 million to the creditors. Mako expects the status of these royalties to be determined in the first half of 2025.

The Proposed Transaction will allow Mako to add a producing asset located in a top tier jurisdiction funded solely out of cash flow generated from the last quarter of Mako's current mining operations. The Moss mine has been producing gold throughout the Bankruptcy Process through its beneficiation facilities. Mining was temporarily suspended at the beginning of the Bankruptcy Process and Mako plans to restart mining operations upon completion of the Proposed Transaction once it has had an opportunity to optimize the mine plan and debottleneck the crushing plant. This is expected to be achieved within a few months of closing of the Proposed Transaction. Mako currently operates the high-grade San Albino Mine in northern Nicaragua and owns the Eagle Mountain project in Guyana. Over the last quarter, even after an extensive drill program at both properties, the cash and gold in sales receivables balance in Mako has increased by over US\$ 6 million to nearly US\$ 13 million at year end.

In connection with the Proposed Transaction, Trisura Guarantee Insurance Company has pre-arranged the terms and conditions of a bonding facility for Mako in connection with the completion of the Proposed Transaction which provides that Trisura will release approximately US\$ 1.5 million of the US\$ 3.0 million currently held as collateral for various environmental reclamation bonds at the Moss mine, the result of which effectively reduces Mako's net cash acquisition cost. In connection with the bonding facility, Mako has agreed to execute an indemnity in favor Trisura having a value of approximately US\$ 12 million, which shall terminate in the event Mako does not complete the Proposed Transaction.

For more details about the Proposed Transaction see below.

The Moss gold mine is an open pit heap leach operation located in the historic Oatman District in western Arizona. The operation is currently at limited capacity during the Bankruptcy Process while heap leaching

continues to operate while producing minor amounts of gold and silver. All operating permits are in good standing.

Moss Mine - Historical Gold Production and Revenues

Source: Elevation Gold Website <https://elevationgold.com/investors/financial-statements/>

Akiba Leisman, Chief Executive Officer of Mako, commented: "the acquisition of the producing Moss gold mine in Arizona, after the elimination of over US\$ 60 million of existing liabilities associated with the mine, for a base purchase price of US\$ 4.9 million, further reduced by US\$ 1.5 million through the release of certain collateral, funded out of a fraction of this quarter's corporate cash generation, is a testament to the powerful platform Mako has at its disposal. Combining the company's experience in building and operating small and medium scale mines in the Americas, with the bankruptcy and distressed investing expertise of the controlling shareholder, with the profitability and pipeline that exists within our current portfolio, puts Mako into a very select class of companies. The Moss mine is central to the large scale historic Oatman Mining district, and we will be looking to expand our opportunities, especially with the new mining friendly United States administration about to take office next month."

Proposed Transaction Terms

Under the terms of the non-binding letter of intent, it is proposed that Mako will acquire all of the issued and outstanding common shares of EGA for a total consideration value of US\$ 4.9 million. Pursuant to the terms of the Bankruptcy Process, subject to the extinguishment of the 1% net smelter return royalty at the Moss mine held by affiliates of [Sandstorm Gold Ltd.](#), EGA will pay the former parent of GVC an additional US\$ 0.5 million, and subject to the extinguishment of the 3% net smelter return royalty at the Moss mine held by [Patriot Gold Corp.](#), EGA will pay the former parent of GVC an additional US\$ 1.0 million, for total consideration of up to US\$ 6.4 million payable in cash. Mako is acquiring the shares of EGA at the approximate cost basis of EGA's acquisition of GVC. If the Proposed Transaction is completed, Mako has agreed to reimburse the owners of EGA for any operational costs from December 31st, 2024. Unless the Proposed Transaction is cancelled, all gold and silver produced until the Proposed Transaction is complete, will be to the credit of Mako. EGA has agreed to deal exclusively and in good faith with Mako regarding the Proposed Transaction until March 31st, 2025.

Definitive Agreement and Voting and Support Agreements

Following execution of this letter, the parties will in good faith negotiate a definitive agreement to effect the Transaction (the "Definitive Agreement") incorporating terms and provisions as are customary for transactions of this nature, as well as customary voting support and lock-up agreements with the senior officers, directors and any significant shareholder of EGA (the "Voting and Support Agreements") with Mako on terms satisfactory to Mako pursuant to which, among other things, they will agree to vote the EGA shares that they own or over which they have control or direction in favor of the Transaction and against any other transaction that would prevent, delay or interfere in any way with the Transaction, not to solicit other transactions and otherwise support the Transaction, and not sell, dispose of or otherwise encumber any of their EGA shares (including any EGA shares under outstanding options, warrants or other convertible securities). Such Voting and Support Agreement shall be terminable by the shareholder in the event that the Definitive Agreement between Mako and EGA is validly terminated in accordance with its terms.

In the Definitive Agreement, each of Mako and EGA will make such representations and warranties as are customary in transactions of this nature including, without limitation, representations as to the power, authority and standing of such parties to engage in the Proposed Transaction; the absence of material pending or threatened litigation and liabilities (contingent or otherwise) affecting the business of GVC or Mako in relation to the Proposed Transaction; the absence of any encumbrances of any kind and nature relating to the outstanding shares of EGA; the absence of any material default by the parties under any material contracts; and will also provide covenants and restrictions customary for transactions of this nature, including, without limitation, on the conduct of business by EGA during the period preceding the completion of the Proposed Transaction.

The obligations of the parties to complete the Proposed Transaction in accordance with the Definitive Agreement will be subject to specified conditions precedent including, but not limited to, the completion of

satisfactory due diligence by Mako, the formal approval of the definitive agreement and all ancillary matters related to the Proposed Transaction by Mako's Board of Directors upon the recommendation of the Special Committee and the approval of the TSX Venture Exchange (the "TSXV"). No approval by Mako's shareholders is expected to be required for the Proposed Transaction. The Proposed Transaction is expected to close by February 2025.

Qualified Persons

John Rust, SME, is a "qualified person" within the meaning of National Instrument 43-101- Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed and approved the scientific and technical information in this news release on behalf of Mako. Mr. Rust has verified the data disclosed in this news release based on a review of the source noted and no limitations were imposed on his verifications process.

Related Party Transaction and Formation of Special Committee

As EGA is a wholly-owned subsidiary of Mako's controlling shareholder, Wexford, the Proposed Transaction is a related party transaction for Mako within the meaning of Multilateral Instrument 61-101- Protection of Minority Security Holders in Special Transactions ("MI 61-101"). As a result, the Board of Directors of Mako has appointed a special committee (the "Special Committee") to assist in the evaluation, negotiation and supervision of all matters relating to the Proposed Transaction and to consider and make recommendations to the Board. The Proposed Transaction will not have any impact on the percentage of securities of Mako beneficially owned or controlled by Wexford Capital LP. Pursuant to Section 5.5(a) and 5.7(1)(a) of MI 61-101, Mako is exempt from obtaining a formal valuation and minority approval of its shareholders for the Proposed Transaction on the basis that the fair market value of the Proposed Transaction is below 25% of Mako's market capitalization as determined in accordance with MI 61-101.

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. The Company also owns 100% of the gold project Eagle Mountain in Guyana, South America.

For further information about Mako, please contact Akiba Leisman, Chief Executive Officer, at (917) 558-5289 or aleisman@makominerpcorp.com, or visit our website at www.makominerpcorp.com and our profile on SEDAR+ at www.sedarplus.ca.

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

Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information may be identified by the use of forward-looking terminology such as "plans", "targets", "expects", "is expected", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "believes", or variations of such words and phrases or terminology which states that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". Forward-looking information in this news release includes, without limitation, the proposed non-binding terms and completion of the Proposed Transaction and expected customary terms to be included in the Definitive Agreement; the strengths, characteristics and expected benefits associated with the Proposed Transaction; obtaining all required recommendations of the Special Committee and approvals of the Mako Board and TSXV to complete the Proposed Transaction; Mako's plans to restart mining operations at the Moss mine upon completion of the Proposed Transaction once it has had an opportunity to optimize the mine plan and debottleneck the crushing plant expected to be achieved within a few months of closing of the Proposed Transaction; potential adjustments to the base US\$4.9 million purchase price, increasing the purchase price under the Proposed Transaction by between US\$0.5 and US\$1 million; expectations regarding the timing for the Arizona court's ruling on the status of the

two outstanding net smelter royalties at the Moss mine; and expectations regarding Mako's future business activities and operating performance. Statements containing forward-looking information are not historical facts but instead represent Mako's expectations, estimates and projections regarding possible future events or circumstances. The forward-looking information included in this news release is based on Mako's opinions, estimates and assumptions based on historical trends, current conditions and expected future developments, as well as other factors management currently believes are appropriate and reasonable in the circumstances. The forward-looking information contained in this news release is also based upon a number of assumptions, including the successful completion of due diligence by Mako, the negotiation and entering into of a Definitive Agreement and related ancillary documentation to complete the Proposed Transaction; the anticipated treatment of the outstanding net smelter return royalties currently in place at the Moss mine; receipt of all required approvals, including all required recommendations of the Special Committee and approvals of the Board of Mako and all regulatory approvals including the approval of TSXV, in a timely manner; assumptions in respect of current and future market conditions and the execution of Mako's business strategy; that operations at Mako's properties will continue without interruption; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated, intended or implied. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Forward-looking information is also subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, but are not limited to, failure to receive all required approvals, including regulatory and other approvals necessary to effect the Proposed Transaction; failure to enter into the Definitive Agreement; the net smelter royalties not being vested away upon determination of the Arizona court; that Mako and its shareholders will not realize the anticipated benefits following the completion of the Proposed Transaction, and other risks related to Mako and its business included in documents filed with the Canadian securities regulatory authorities on the SEDAR+ website at www.sedarplus.ca.

Although Mako has attempted to identify important risk factors that could cause actual results or future events to differ materially from those contained in forward-looking information, there may be other risk factors not presently known or that they presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this news release represents Mako's expectations as of the date of this news release and is subject to change after such date. Mako disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities laws. All of the forward-looking information contained in this news release is expressly qualified by the foregoing cautionary statements.

SOURCE: Mako Mining Corp.

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