MAKO MINING CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2024

(Expressed in United States dollars)

(Unaudited)

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

As at	Note	June 30, 2024	December 31, 2023
ASSETS			
Current			
Cash and cash equivalents		$ 6,715	$ 1,498
Receivables	4	3,502	511
Inventories	5	16,308	13,849
Gold stream derivative asset	6	15	265
Prepaid expenses, and other advances		1,007	591
Total current assets		27,547	16,714
Inventories	5	6,610	4,274
Advances and other prepaid expenses		942	289
Exploration and evaluation assets	7	765	765
Mineral property, plant and equipment	8	22,071	19,767
TOTAL ASSETS		**$ 57,935**	**$ 41,809**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	9	$ 10,831	$ 6,506
Term loans and derivative liabilities	10	3,777	3,152
Total current liabilities		14,608	9,658
Accrued liabilities	9	1,057	943
Provision for reclamation and rehabilitation	11	2,802	3,064
Term loans and derivative liabilities	10	4,282	7,516
Total liabilities		22,749	21,181
Shareholders' equity			
Share capital	12	87,161	87,869
Contributed surplus	12	14,986	12,552
Accumulated other comprehensive income		1,433	1,324
Deficit		(68,394)	(81,117)
Total shareholders' equity		35,186	20,628
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 57,935**	**41,809**

Approved by the Audit Committee of the Board of Directors on August 12, 2024

"John Hick", Audit Committee Chair   *"Akiba Leisman"*, Director

Events after the reporting period (Note 19)

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

Expressed in thousands of United States dollars, except per share amounts
(Unaudited)

	Note	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Revenue		$ 28,063	$ 12,772	$ 47,224	$ 28,587
Production services revenue	6 & 13(c)(ii)	215	81	263	184
		28,278	12,853	47,487	28,771
Cost of sales					
Production costs		(9,763)	(6,693)	(17,712)	(13,605)
Write-down of inventories		-	(353)	-	(1,169)
Depreciation, depletion and amortization		(1,952)	(3,906)	(4,150)	(7,603)
		(11,715)	(10,952)	(21,862)	(22,377)
Mine operating profit		16,563	1,901	25,625	6,394
Exploration and evaluation expenses		(179)	(1,498)	(875)	(2,190)
General and administrative expenses	16	(3,023)	(2,235)	(4,816)	(3,726)
Other income (expense)					
Accretion and interest expense	17	(254)	(251)	(385)	(695)
Change in provision for reclamation and rehabilitation		-	15	-	12
Change in fair value of derivative liability	10(b)(c)	(925)	(86)	(1,300)	(89)
Gain (loss) on gold stream derivative asset	6	(260)	8	(250)	46
Loss on settlement of reclamation liability	11 (b)	-	-	(94)	-
Foreign exchange loss		(47)	(52)	(135)	(67)
Interest income		23	6	37	8
Income (loss) before income taxes		11,898	(2,192)	17,807	(307)
Income tax expense		(3,130)	(438)	(3,690)	(937)
Income (loss) for the period		**$ 8,768**	**$ (2,630)**	**$ 14,117**	**$ (1,244)**
Other comprehensive income					
Income (loss) for the period		8,768	(2,630)	14,117	(1,244)
Items subject to reclassification into statement of income:					
Foreign currency translation adjustment		16	9	109	12
Other comprehensive income for the period		16	9	109	12
Comprehensive income (loss) for the period		**$ 8,784**	**$ (2,621)**	**$ 14,226**	**$ (1,232)**
Basic income (loss) per common share		$ 0.13	$ (0.04)	$ 0.22	$ (0.02)
Diluted income (loss) per common share		$ 0.13	$ (0.04)	$ 0.21	$ (0.02)
Weighted average common shares outstanding - basic (thousands)		65,129	65,819	65,420	65,788
Weighted average common shares outstanding - diluted (thousands)		67,334	65,819	66,831	65,788

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Expressed in thousands of United States dollars
(Unaudited)

	Number of shares (000s)		Share capital		Contributed surplus		Accumulated other comprehensive income (loss)		Deficit		Total
Balance at December 31, 2022	**65,743**	**$**	**88,021**	**$**	**12,087**	**$**	**1,402**	**$**	**(87,840)**	**$**	**13,670**
Common shares issued on RSU vesting	76		185		(185)		-		-		**-**
Share-based compensation	-		-		275		-		-		**275**
Net loss	-		-		-		-		(1,244)		**(1,244)**
Other comprehensive income	-		-		-		12		-		**12**
Balance at June 30, 2023	**65,819**	**$**	**88,206**	**$**	**12,177**	**$**	**1,414**	**$**	**(89,084)**	**$**	**12,713**
Shares cancelled (NCIB)	(268)		(337)		-		-		(76)		**(413)**
Share-based compensation	-		-		375		-		-		**375**
Net income	-		-		-		-		8,043		**8,043**
Other comprehensive loss	-		-		-		(90)		-		**(90)**
Balance at December 31, 2023	**65,551**	**$**	**87,869**	**$**	**12,552**	**$**	**1,324**	**$**	**(81,117)**	**$**	**20,628**
Shares cancelled (NCIB)	(1,378)		(1,744)		-		-		(1,394)		(3,138)
Shares issued on exercise of options	287		472		(126)		-		-		346
Common shares issued on RSU vesting	49		104		(104)		-		-		-
Common shares issued to settle reclamation liability	298		460		-		-		-		460
Capital contribution (Note 10 (a))	-		-		2,088		-		-		2,088
Share-based compensation	-		-		576		-		-		576
Net income	-		-		-		-		14,117		14,117
Other comprehensive income	-		-		-		109		-		109
Balance at June 30, 2024	**64,807**	**$**	**87,161**	**$**	**14,986**	**$**	**1,433**	**$**	**(68,394)**	**$**	**35,186**

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

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

For the six months ended	Note	June 30, 2024	June 30, 2023
Operating activities			
Income (loss) for the period		$ 14,117	$ (1,244)
Interest received			
Non-cash items:			
Accretion and interest expense		378	684
Depreciation, depletion and amortization		4,236	7,686
Change in provision for reclamation and rehabilitation		-	(12)
Writedown of inventory		-	1,169
Lease interest		7	10
Loss on settlement of liability		94	-
Change in fair value of derivative liability		1,300	88
Loss on gold stream derivative asset		250	63
Share-based payments		576	275
Unrealized foreign exchange (gain) loss		88	22
		$ 21,046	$ 8,741
Changes in non-cash working capital	15	(7,313)	(4,243)
Net cash provided by operating activities		13,733	4,498
Investing activities			
Expenditures on mineral property, plant and equipment		(3,590)	(3,232)
Net cash used in investing activities		$ (3,590)	$ (3,232)
Financing activities			
Purchase of common shares - NCIB		(3,138)	-
Common shares issued on exercise of options		346	-
Sailfish Silver Loan		-	6,000
Repayment of Sailfish Silver Loan		(1,599)	-
Repayment of Sailfish Loan Derivative Liability		-	(2,033)
Repayment of Wexford Loan		-	(4,000)
Payment to GR Silver on settlement of ARO		(500)	-
Payments on lease liability		(50)	(49)
Net cash used in financing activities		$ (4,941)	$ (82)
Effect of foreign exchange on cash and cash equivalents		15	32
Change in cash and cash equivalents		5,217	1,216
Cash and cash equivalents, beginning of the period		1,498	523
Cash and cash equivalents, end of period		**$ 6,715**	**$ 1,739**

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

1. NATURE OF OPERATIONS

Mako Mining Corp. ("Mako" or the "Company") was incorporated on April 1, 2004, under the laws of the Yukon Territory and continued into British Columbia under the British Columbia Corporations Act. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol MKO. The address of the Company's corporate office and principal place of business is Suite 700 – 838 West Hastings Street, Vancouver, BC, V6C 0A6, Canada.

Mako is a gold mining and exploration company. The Company's primary asset is the San Albino mine, an open pit mine located in Nicaragua, which commenced commercial production on July 1, 2021. In addition to its mining operation, Mako continues to explore its other concessions in Nicaragua. Refer to Note 19 (a).

2. BASIS OF PRESENTATION

(a) Statement of compliance

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

These condensed interim consolidated financial statements were authorized for issue by the Audit Committee of the Board of Directors on August 12, 2024.

(b) Basis of presentation

The accounting policies and methods used in the preparation of these condensed interim consolidated financial statements are the same as those applied in the Company's most recent audited consolidated financial statements for the year ended December 31, 2023, and the condensed interim consolidated financial statements for the three months ended March 31, 2024.

(c) Basis of consolidation

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

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

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

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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

(a) Estimated mineral resources

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

- asset carrying values may be affected due to changes in estimated future cash flows;
- depreciation charges in the Company's consolidated statement of comprehensive income (loss) may change when such charges are determined by the unit-of-production basis, or when the useful lives of assets change; and
- provision for reclamation liabilities balances may be affected as the estimated timing of reclamation activities is adjusted for changes in the estimated mine life as determined by the available mineral resources.

(b) Silver obligations

The carrying value of the Sailfish Silver Loan represents management's best estimate of the fair value of the arrangement. The fair value incorporates estimates of silver prices and discount rates. Judgment was made in determining that it is a derivative (Refer to Note 10(c)).

(c) Revised Wexford Loan

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

(d) Deferred income taxes

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

(e) Impairment of non-current assets

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

(f) Reclamation and remediation provisions

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

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

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

(g) Depreciation, depletion and amortization

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

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

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

4. RECEIVABLES

As at		**June 30, 2024**		**December 31, 2023**
Trade receivable	$	3,226	$	304
Other		276		207
	$	3,502	$	511

5. INVENTORIES

As at		**June 30, 2024**		**December 31, 2023**
Stockpiled ore	$	10,609	$	9,265
Ore in-circuit		1,502		1,232
Finished metal		234		278
Supplies and spare parts		3,963		3,074
		16,308		13,849
Disclosed as non-current:				
Stockpiled ore		6,610		4,274
	$	22,918	$	18,123

As at June 30, 2024, ore in-circuit, finished metal and stockpiled ore was recorded at cost. As at December 31, 2023, ore in-circuit, finished metal and stockpiled ore were recorded at cost. During the three and six months ended June 30, 2023, stockpiled ore was written down by $352,593 and $1,168,593, respectively.

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

6. GOLD STREAM DERIVATIVE ASSET

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

The contract to deliver to Sailfish its 4% of gold production, in return for 25% of the market value of the gold delivered, contains an embedded derivative that was previously of minimal value. This derivative consists of a "swap" of the variable payment based on the price of gold for the fixed price implied by the contract. As at June 30, 2024, this derivative was determined to be an asset of $14,863 (December 31, 2023: $264,900) based on current spot and future gold prices, and projected deliveries under the contract, all of which is disclosed as a current asset in the statement of financial position.

For the three and six months ended June 30, 2024, the Company delivered a total of 365 and 456 (2023: 268 and 606) ounces of gold to Sailfish, respectively, pursuant to this agreement. In exchange the Company received $214,756 and $263,265 (2023: $132,549 and $292,240) and there was a change in fair value on the derivative of $259,621 and 250,037 for the three and six months ended June 30, 2024 (2023: $7,775 and $45,511), respectively.

7. EXPLORATION AND EVALUATION ASSETS

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

	Potrerillos	El Jicaro	Total
Balance, June 30, 2024 and December 31, 2023	$ 645	$ 120	$ 765

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

8. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Mineral property	Plant	Land and Building	Equipment	Right-of-use asset	Total
Cost						
As at December 31, 2022	$ 14,808	$ 38,742	$ 5,391	$ 3,578	$ 353	$ 62,872
Additions	-	77	244	461	-	782
Reclass assets	220	(220)	-	-	-	-
Asset retirement obligation	161	131	-	-	-	292
Deferred stripping	3,798	-	-	-	-	3,798
As at December 31, 2023	**$ 18,987**	**$ 38,730**	**$ 5,635**	**$ 4,039**	**$ 353**	**$ 67,744**
Additions	1,787	629	425	1,071	-	3,912
Asset retirement obligation	517	26	-	-	-	543
As at June 30, 2024	**$ 21,291**	**$ 39,385**	**$ 6,060**	**$ 5,110**	**$ 353**	**$ 72,199**
Accumulated depreciation						
As at December 31, 2022	$ 9,159	$ 20,151	$ 146	$ 1,888	$ 29	$ 31,373
Depreciation	9,671	6,210	39	596	88	16,604
As at December 31, 2023	**$ 18,830**	**$ 26,361**	**$ 185**	**$ 2,484**	**$ 117**	**$ 47,977**
Depreciation	169	1,549	22	367	44	2,151
As at June 30, 2024	**$ 18,999**	**$ 27,910**	**$ 207**	**$ 2,851**	**$ 161**	**$ 50,128**
Net book value as at December 31, 2022	$ 5,649	$ 18,591	$ 5,245	$ 1,690	$ 324	$ 31,499
Net book value as at December 31, 2023	$ 157	$ 12,369	$ 5,450	$ 1,555	$ 236	$ 19,767
Net book value as at June 30, 2024	$ 2,292	$ 11,475	$ 5,853	$ 2,259	$ 192	$ 22,071

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	**June 30, 2024**	**December 31, 2023**
Accounts payable and accrued liabilities	$ 7,730	$ 5,924
Lease liability (Note 9 (a))	93	88
Income taxes payable	2,556	271
Surface rights acquisitions	-	200
Due to related parties (Note 13)	452	23
Total current liabilities	$ 10,831	$ 6,506
Non-current liability		
Lease liability (Note 9 (a))	120	168
Accrued liabilities (Note 9 (b))	937	775
Total non-current liabilities	1,057	943
Total accounts payable and accrued liabilities	$ 11,888	$ 7,449

(a) Lease liability

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

As at	June 30, 2024	December 31, 2023
Opening balance	256	337
Lease payments made	(50)	(99)
Finance charges	7	18
Closing balance	213	256
Less: current portion	(93)	(88)
	120	168

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

	$
Total lease payments payable for the next twelve months	103
Total lease payments payable for the next 1-3 years	124

(b) Severance Obligation

Non-current accrued liabilities as at June 30, 2024, include severance obligation for employees at the Company's operations in Nicaragua of $724,912 (December 31, 2023: $602,073). The severance is computed based on the years of service at the average salary of the last six months of employment. Employees that work less than six years have a maximum benefit of five months' salary. The calculation is in line with labor regulations in Nicaragua.

10. TERM LOANS AND DERIVATIVE LIABILITIES

As at		June 30, 2024		December 31, 2023
Wexford Loan (Note 10 (a))				
Principal	$	15,150	$	15,150
Additional advance		2,000		2,000
Principal repayments made		(17,150)		(17,150)
Wexford Loan - principal balance	$	-	$	-
Accrued interest and cash bonus interest accrual		6,369		6,287
Total Wexford Loan	$	6,369	$	6,287
Extinguishment of the original financial liability and replacement with the Revised Wexford Loan		(2,088)		-
	$	4,281	$	6,287
Accretion and accrued interest		232		-
Revised Wexford Loan		4,513		6,287
Sailfish Silver Loan Derivative Liability (Note 10 (c))		3,546		4,381
Total Term Loans	**$**	**8,059**	**$**	**10,668**
Disclosed as follows:				
Current liabilities	$	3,777	$	3,152
Non-current liabilities		4,282		7,516
	$	8,059	$	10,668

(a) Wexford Loan and Revised Wexford Loan

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

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

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

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

The Company used an effective interest rate of 18%, the estimated market interest rate for non-related parties based on comparable debt when valuing the Revised Wexford Loan upon initial recognition. As a result, the Company recorded a capital contribution from a related party of $2,088,329 directly in contributed surplus during the six months ended June 30, 2024, arising from the difference between the actual rate and the estimated market rate. The Revised Wexford Loan is measured at amortized cost and will be accreted to maturity over the term using the effective interest method.

During the three and six months ended June 30, 2024, the Company recorded $215,708 and $313,533 of accretion and accrued interest on the Revised Wexford Loan all of which has been expensed, respectively. Refer to Note 19 (c).

During the three and six months ended June 30, 2023, the Company recorded $202,549 and $495,923) of accrued interest and cash bonus interest on the Wexford Loan all of which has been expensed, respectively.

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

As at June 30, 2024, the accrued interest and cash bonus interest accrual, after the Company having received eight waivers was as follows:

	$
Accrued interest and cash bonus interest accrual as at December 31, 2023	6,287
Accrued interest	84
Cash Bonus Interest – change in the cash equivalent of 321.25 ounces of gold	(2)
Accrued interest and cash bonus interest accrual as at March 27, 2024	6,369
Extinguishment of the original financial liability and replacement with the Revised Wexford Loan	
Capital contribution	(2,088)
Accretion and accrued interest	232
Revised Wexford Loan	4,513

(b) Sailfish Loan and Derivative Liability

On August 27, 2021, the Company entered into a $8,000,000 unsecured gold-linked two-year term loan with Sailfish, a company related by common shareholders and a common director (the "Sailfish Loan"). The Sailfish Loan is to be repaid with 24 monthly payments, with each monthly payment equal to the cash equivalent of 205 ounces of gold at the average market gold price subject to a minimum price of $1,750 and a maximum price of $2,000 (the "Price Parameters").

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

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

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

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

During the three and six months ended June 30, 2023, the Company recorded $50,574 and $165,996 of finance expense accretion on the Sailfish Loan, and $1,216 and $4,073 of fair value adjustment on the Sailfish Loan.

(c) Sailfish Silver Loan Derivative Liability

On May 24, 2023, the Company entered into an agreement with Sailfish, whereby Sailfish advanced $6,000,000 (received, May 25, 2023) for the delivery of a fixed amount of ounces of silver (13,500), on the last day of the month or the gold equivalent, for a period of 24 months ("Silver Loan"). Interest on the Silver Loan is accrued at US Prime (8.25%) plus four percent per annum, calculated daily on undelivered ounces when due. Sailfish also has the option, exercisable after 12 months from entering the Silver Loan, to purchase all remaining future silver production from the Company's San Albino-Murra concession for an additional $1,000,000.

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

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

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

During the three and six months ended June 30, 2024, the Company delivered three installments totaling 40,500 and 81,000 ounces of silver, respectively.

During the three and six months ended June 30, 2024, a change in the fair value of the Silver Loan of $925,196 and $1,300,036 was recorded in change in fair value of derivative liability in the statement of income (loss), respectively.

As at June 30, 2024, there are 10 remaining installments owed by the Company totaling 135,000 ounces of silver. Refer to Note 19(b).

	Total $
As at December 31, 2022	-
Funds received	6,000
Cost to deliver 108,000 oz of silver	(2,549)
Fair value adjustment	930
As at December 31, 2023	4,381
Cost to deliver 81,000 oz of silver	(2,135)
Fair value adjustment	1,300
As at June 30, 2024	3,546

11. RECLAMATION AND REHABILITATION OBLIGATIONS

	San Albino Project	**La Trinidad Mine**	**Total**
Balance, December 31, 2022	$ 1,820	$ 813	$ 2,633
Cash outflows for reclamation and rehabilitation activities	-	(3)	(3)
Changes in estimate	291	31	322
Accretion expense	87	25	112
Balance, December 31, 2023	**$ 2,198**	**$ 866**	**$ 3,064**
Cash outflows for reclamation and rehabilitation activities	(4)	-	(4)
Changes in estimate	544	-	544
Accretion expense	64	-	64
Liability extinguished	-	(866)	(866)
Balance, June 30, 2024	**$ 2,802**	**$ -**	**$ 2,802**

(a) The Company has recognized closure and reclamation liabilities relating to the San Albino Project and has determined that no significant closure and reclamation liabilities exist in connection with the activities on its other properties. The Company has calculated the present value of the closure and reclamation provision as at June 30, 2024, using the undiscounted estimate of cash outflows associated with reclamation activities as $3,278,564 (December 31, 2023: $3,509,405), with $nil (December 31, 2023: $890,744) associated to the La Trinidad mine and $3,278,564 (December 31, 2023: $2,618,661) associated to the San Albino Project. The provision was determined using discount rates ranging between 4.47% - 4.62% (December 31, 2023 – 3.93% - 4.51%) and an inflation rate of 2.47% (December 31, 2023 – 2.43%).

(b) Extinguishment of La Trinidad Mine ARO

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

Pursuant to the terms of the Settlement and Release Agreement, the Company made a cash payment of $500,000 to GR Silver and issued 296,710 common shares of the Company for a total payment of $960,000. A loss of $nil and $94,077 on the disposition of the liability was recognized in the statement of income (loss) and comprehensive income (loss) for the three and six months ended June 30, 2024, respectively.

12. SHARE CAPITAL

(a) Issued

(i) During the six months ended June 30, 2024, the Company purchased 1,377,500 common shares of the Company, under the normal course issuer bid ("NCIB") for $3,138,883 (C$4,286,827) and allocated $1,394,427 (C$1,906,693) to deficit. These common shares were cancelled.

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

(iii) On January 26, 2024, 287,150 options were exercised with an exercise price of C$1.625 per option and the fair value of $126,607 (C$167,703) was transferred from contributed surplus to share capital. The weighted average share price at the date of exercise was C$2.45.

(iv) During the six months ended June 30, 2024, 49,444 common shares of the Company were issued on the vesting of 49,444 restricted share units and the fair value of $103,550 (C$134,200) was transferred from contributed surplus to share capital.

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

(vi) During the six months ended June 30, 2023, 75,190 common shares of the Company were issued on the vesting of 75,190 restricted share units and the fair value of $185,462 was transferred from contributed surplus to share capital.

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

(b) Share options

	For the six months ended June 30, 2024		For the year ended December 31, 2023	
	Number of options	WAEP	Number of options	WAEP
Opening balance	3,736,504	C$2.62	3,370,004	C$2.68
Granted	200,000	3.31	540,000	2.13
Exercised	(287,150)	1.625	-	-
Forfeited	(45,000)	2.13	(22,500)	2.13
Expired	(15,000)	2.13	(151,000)	2.27
Ending balance	**3,589,354**	**C$2.67**	**3,736,504**	**C$2.62**
Options exercisable	3,231,021	C$2.69	3,294,004	C$2.66
Weighted average remaining contractual life (in years)	0.95		1.23	

WAEP = Weighted average exercise price

On June 25, 2024, the Company granted 200,000 stock options to an officer of the Company exercisable to acquire one common share of the Company at an exercise price of C$3.31 per share for a term of five years, expiring on June 25, 2029. The options vest as to 33.3% on the date of grant, and as to 33.3% on each of the first and second anniversary of the date of grant. The fair value of these options was calculated as $271,893 (C$371,800) using the Black-Scholes model.

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

During the three and six months ended June 30, 2024, the Company recorded share-based payments expense of $127,725 and $163,891 (2023: $53,907 and $185,571), respectively, all of which is included in general and administrative expenses.

The fair value of stock options is estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

For the six months ended	**June 30, 2024**	**June 30, 2023**
Risk-free interest rate	3.51%	3.16%
Expected dividend yield	-	-
Expected stock price volatility	65.48%	64.71%
Expected life in years 5 years	5 years	5 years
Forfeiture rate	0.00%	0.00%
Weighted average fair value	C$3.25	C$1.22

(c) Restricted share units ("RSU")

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

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

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

For the three and six months ended June 30, 2024, total share-based compensation relating to RSUs was $163,440 and $334,746 (2023: $26,049 and $61,230), respectively, of which all is included in general and administrative expenses.

As at June 30, 2024, there were 1,032,010 (December 31, 2023 – 1,089,019) RSUs outstanding.

(d) Deferred share units (“DSU”)

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

For the three and six months ended June 30, 2024, total share-based compensation relating to DSUs was $38,688 and $77,377 (2023: $17,448 and $28,953), respectively, of which all is included in general and administrative expenses.

At June 30, 2024, there were 386,240 (December 31, 2023: 386,240) DSUs outstanding.

13. RELATED PARTY TRANSACTIONS

(a) Key management compensation

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

	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Director fees	$ 57	$ 90	$ 114	$ 183
Salaries, consulting and management fees	1,100	627	1,311	848
Share-based compensation	188	51	383	108
Total	$ 1,345	$ 768	$ 1,808	$ 1,139

As at	June 30, 2024	December 31, 2023
Amount included in accounts payable and accrued liabilities	$ 452	$ 23

During the three and six months ended June 30, 2024, the Company granted bonuses related to 2023 performance of $702,275 and $702,275 (2023: $407,226 and $407,226) to three senior members of management and recorded a severance of $205,485 to the former Chief Financial Officer. These amounts are included in the general and administrative expenses, respectively.

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

(b) Tes-Oro Mining Group, LLC ("Tes-Oro")

Tes-Oro is a private company controlled by the Company's Chief Operating Officer. Tes-Oro is a full-service engineering, procurement and construction management firm working with the Company. During the three 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).

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

Sailfish is a publicly traded company related by common shareholders, and a director. In addition to the Sailfish Loan and the Sailfish Silver Loan (Note 10 (b)& (c), respectively), during the three and six months ended June 30, 2024, the Company's subsidiary Nicoz had the following transactions with Sailfish:

Gold sales

i. received advances of $239,922 and $391,485 (2023: $169,117 and $373,797) for the purchase of gold ounces, respectively;
ii. sold 365 and 456 (2023: 268 and 606) ounces of gold to Sailfish for $214,756 and $263,265 (2023: $132,549 and $292,240) of which $214,756 and $263,265 (2023: $57,234 and $108,646) is recorded as production services revenue and $259,621 and $250,037 (2023: $7,775 and $45,512) is included in the loss on gold stream derivative asset disclosed in the statement of income and comprehensive income;

As at June 30, 2024, the balance remaining from the advance received from Sailfish was $72,204 (December 31, 2023 – a balance of $295,112 was receivable from Sailfish as is included in receivables).

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

During the three and six months ended June 30, 2024, a royalty fee of $168,132 and $329,963 (2023: $nil) 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 $167,844 (December 31, 2023: $246,445) was payable to Sailfish and is included in accounts payable and accrued liabilities.

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

14. SEGMENTED INFORMATION

For the three and six months ended June 30, 2024 and 2023, the Company's principal product was gold sold to refineries at spot market prices by the Company's subsidiary, Nicoz. The gold was produced at the San Albino Project in Nicaragua, which represents the Company's sole segment.

For the three and six months ended June 30, 2024 and 2023, all of the Company's significant non-current assets and revenues were in Nicaragua.

15. SUPPLEMENTARY CASH FLOW INFORMATION

For the six months ended	June 30, 2024	June 30, 2023
Changes in non-cash working capital:		
Change in receivables	$ (3,650)	$ 883
Change in inventories	(7,311)	(2,922)
Change in prepaid expenses, and other	(423)	46
Change in accounts payable and accrued liabilities	3,640	(2,231)
Change in due to related parties	431	(19)
	$ (7,313)	$ (4,243)

16. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Accounting and legal	$ 200	$ 321	$ 455	$ 464
Consulting fees	15	16	25	24
Directors' fees	57	90	114	182
Depreciation	36	25	64	52
General office expenses	45	38	91	90
Insurance	112	132	225	270
Investor relations and communications	19	21	81	62
Rent	1	1	3	2
Salaries and benefits	2,037	1,303	2,910	2,143
Stock-based compensation	330	204	576	275
Telephone and IT services	40	31	76	62
Transfer agent fees and regulatory fees	76	24	107	51
Travel	55	29	89	49
	$ 3,023	$ 2,235	$ 4,816	$ 3,726

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

17. ACCRETION AND INTEREST EXPENSE

	Three months ended		Six months ended	
	June 30, 2024	**June 30, 2023**	**June 30, 2024**	**June 30, 2023**
Accretion on asset retirement obligation (Note 11)	$ 35	$ 36	$ 64	$ 65
Accretion on Wexford Loan (Note 10 (a))	38	-	38	-
Interest expense - Wexford Loan (Note 10 (a))	177	202	275	495
Interest expense – other	4	5	8	12
Finance costs on derivative liability (Note 10 (b))	-	8	-	123
	$ 254	$ 251	$ 385	$ 695

18. FINANCIAL INSTRUMENTS AND LIQUIDITY RISK

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

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

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

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

During the six months ended June 30, 2024, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

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

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit risk with respect to its cash and cash equivalents and receivables. The Company's maximum exposure to credit risk is the amount disclosed in the consolidated statements of financial position.

Credit risk associated with cash and cash equivalents is minimized by placing the majority of these instruments with major financial institutions with strong investment-grade ratings as determined by a primary ratings agency.

Credit risk associated with trade receivables is managed by dealing with reputable international metals trading companies. The Company assesses and monitors risk by performing an aging analysis of its trade receivables.

Liquidity risk

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

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

The following are the contractual maturities of financial liabilities:

At June 30, 2024	Carrying Amount $	Contractual Cash Flows $	Within 1 year $	1 to 2 years $	2 to 3 years $	3 to 6 years $
Accounts payable and accrued liabilities	11,888	11,888	10,831	332	-	725
Term loans and derivative	8,059	8,059	3,777		-	4,282
Total	19,947	19,947	14,608	332	-	5,007

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market factors. Market risk comprises three types of risk: price risk, interest rate risk and currency risk.

Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices for silver. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of metal substitutes, inflation, and political and economic conditions. The financial instrument impacted by commodity prices is the Sailfish Silver Loan and Derivative Liability obligation. A 5% change in the market price of silver would change the derivative liabilities by approximately $170,000.

Interest rate risk
Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk to the extent that the cash maintained at financial institutions is subject to a floating rate of interest. The interest rate risk on cash is considered insignificant due to the low interest rates in the current economic environment and short-term nature of its holdings and as such the Company does not take any actions to manage interest rate risk. The interest rate on the Term Loan is fixed at 10% per annum.

Currency risk
Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates.

The Company's currency risk primarily arises from financial instruments denominated in US dollars that are held by Mako, as the functional currency of the Company is Canadian dollars. Conversely for the Company's subsidiaries whose functional currency is the US dollar, currency risk primarily arises from financial instruments denominated in Nicaraguan córdoba that are held at the subsidiary company level. As at June 30, 2024, a 5% change in the exchange rate between the Canadian dollar and the U.S. dollar would result in a net impact of approximately $30,000. Effective January 1, 2024, the exchange rate between the Nicaraguan córdoba and the U.S. dollar has been fixed by the Central Bank of Nicaragua. The Company does not consider the currency risk to be material to the future operations of the Company and, as such, does not have a hedging program or any other programs to manage currency risk.

19. EVENTS AFTER THE REPORTING PERIOD

The following events took place subsequent to June 30, 2024:

(a) Goldsource Mines Inc. Acquisition
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 13,159,860 common shares of Mako (the "Mako Shares"). Goldsource is a Canadian resource company engaged in exploration activities. Goldsource's main asset is the Eagle Mountain Property, in Guyana, South America.

Immediately prior to the completion of the Transaction:

- there were 5,372,500 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"). 1,181,950 Replacement Options were issued.

  Subsequent to the completion of the Transaction, 90,200 Replacement Options were exercised, and the Company received $120,592 (C$165,000).

- there were 3,825,020 Goldsource warrants of ("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”). 841,504 common shares of Mako are 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 (C$9,240).

- Goldsource had received a loan of C$2,000,000 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$2,077, 589 was made to extinguish the Bridge Loan and the accrued interest.

(b) The Company delivered 13,500 ounces of silver for the July 2024 installments on the Sailfish Silver Loan.

(c) On July 17, 2024, the Company made an interest payment of $313,522 on the Revised Wexford Loan.

(d) The Company purchased 467,200 common shares under the NCIB for $1,222,320 (C$1,666,747).

(e) The Company received proceeds of $1,719,490 (C$2,369,473) on the exercise of 1,174,852 options.