



Mako Mining Announces Non-Brokered Private Placement Financing with Existing Shareholders

TSX- V: MKO

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TORONTO, Feb. 22, 2019 /CNW/ - Mako Mining Corp. (TSX-V:MKO) ("**Mako**" or the "**Company**") is pleased to announce that it is undertaking a non-brokered private placement to raise up to a maximum of CAD\$4,500,000 through the issuance of approximately 30,000,000 shares of the Company (the "**Offering Shares**") at a price of CAD\$0.15 per Offering Share (the "**Offering**").

The Offering is being made in accordance with the provisions of the existing security holder prospectus exemption available under OSC Rule 45-501 - *Ontario Prospectus and Registration Exemptions* and equivalent provisions of other applicable securities laws (the "**Existing Shareholder Exemption**"). The Existing Shareholder Exemption is not available in Newfoundland and Labrador. Subject to the foregoing, the Offering will permit participation of existing shareholders of the Company who held shares of the Company as of February 21, 2019 (the "**Record Date**") and who continue to hold shares of the Company as of the closing date of the Offering.

To participate in reliance on the Existing Shareholder Exemption, shareholders will be required to represent in writing certain requirements of the Existing Shareholder Exemption, including that they were as of the Record Date and continue to be as of the closing date, a shareholder of the Company, and that they are purchasing the Offering Shares as principal for their own account. The aggregate acquisition cost to a shareholder relying on the Existing Shareholder Exemption cannot exceed CAD\$15,000 in the 12-month period immediately preceding the closing date of the Offering, unless that shareholder has obtained advice regarding suitability of the investment from a registered investment dealer in the shareholder's jurisdiction. The minimum subscription amount for shareholders relying on the Existing Shareholder Exemption is CAD\$5,000.

The Offering will remain open until 5:00 p.m. (Toronto time) on March 4, 2019 (the "**Expiry Time**"). If you are an existing shareholder of the Company as of the Record Date and are interested in participating in the Offering, you or your registered investment dealer should contact the Company to obtain a copy of the subscription agreement for the Offering by email at kbullock@makominingcorp.com. Requests

should be received by no later than 5:00 p.m. (Toronto time) on February 27, 2019, so that a duly completed subscription agreement can be received by the Company at or before the Expiry Time. Following the Expiry Time, the Company will notify each subscriber who has provided a subscription agreement with their allocation and instructions on timing and completion of subscription documents and delivery of funds.

If subscriptions received exceed the Offering Shares, the Offering Shares to be sold under the Offering will be allocated pro rata amongst all subscribers qualifying under the Existing Shareholder Exemption in proportion to the number of the Offering Shares subscribed for by each subscriber under the Offering. The Company does not propose to increase the size of the Offering.

Wexford Capital LP ("**Wexford**"), an insider of the Company, currently owns or controls, through two private funds managed by Wexford (Wexford Spectrum Trading Limited and Wexford Catalyst Trading Limited), 105,414,678 common shares of the Company (representing 37.20% of the issued and outstanding common shares of the Company). Pursuant to the terms of an Investor Rights Agreement (the "**Investor Rights Agreement**") between Wexford and the Company dated November 9, 2018, Wexford has the right to participate in the Offering to maintain its pro rata equity ownership interest in the Company. Wexford has agreed to exercise its right and participate in the Offering in order to maintain its pro rata interest. The subscription for Offered Shares by Wexford will be a "related party" transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") by virtue of Wexford being a "control person" of Mako Mining. The private placement to Wexford is exempt from the formal valuation requirements of MI 61-101 pursuant to section 5.5(b) thereof and is exempt from the minority shareholder approval requirements pursuant to section 5.7(1)(a) thereof.

The proposed principal uses of proceeds of the Offering are to fund ongoing exploration programs (including diamond drilling) at los Conchitas in Nicaragua (~ 45%), ongoing detailed Engineering for the San Albino gold project in Nicaragua (~ 25%), first phase exploration at La Trinidad in Mexico (~ 10%) and for working capital and general corporate purposes (~ 20%).

Completion of the Offering is subject to a number of conditions, including the satisfaction of any regulatory requirements and receipt of the approval of the TSX Venture Exchange (the "**TSXV**"). The completion of the Offering is expected to occur on or about March 8, 2019.

Investors participating in the Offering will receive the Offering Shares in certificated form to facilitate the inclusion of required restrictive legends. In accordance with United States securities legislation, the Offering Shares will be subject to resale restrictions pursuant to a 'distribution compliance period' (as defined in Regulation S under the United States Securities Act of 1933, as amended) of one year from the date the Offering Shares are issued. Concurrently, in accordance with applicable Canadian

securities legislation, the Offering Shares will be subject to a statutory hold period of four months plus a day from the date the Offering Shares are issued.

This news release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements. Hedging transactions involving the Shares may not be conducted unless in compliance with the United States Securities Act of 1933, as amended.

About Mako Mining Corp.

Mako Mining is a publicly listed gold mining, development and exploration firm. It operates the producing La Trinidad open-pit, heap leach gold mine in Sinaloa State, Mexico and is developing its San Albino gold project in Nuevo Segovia, Nicaragua. Mako's primary objective is to bring San Albino into production quickly and efficiently, while continuing exploration of prospective targets in both Mexico and Nicaragua.

Currently, Mako is exploring for gold and silver mineralization on more than 60,200 hectares (602 km²) land holdings in Sinaloa State, Mexico and on 13,771 hectares (138 km²) at the San Albino-Murra and El Jicaro properties, both in Nueva Segovia, Nicaragua. The Corona de Oro Gold Belt, approximately 3 kilometres wide by 23 kilometres long, contains hundreds of historical mines and workings and spans the entirety of the Company's Nicaragua land package.

Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements related to activities, events or developments that the Company expects or anticipates will or may occur in the future, including, without limitation, statements related to the closing of the Offering, the receipt of regulatory approval in respect of the Offering and the use of proceeds received from the Offering. These statements speak only as of the date of this news release. Forward-looking statements are based on a number of factors and assumptions made by management and considered reasonable at the time such statements are made, and forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Such risk factors include but are not limited to, the Company not obtaining final approval of the TSXV for the Offering and those factors disclosed in the Company's current Management's Discussion and Analysis as well as other public disclosure documents, available under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be

other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate. The forward-looking statements contained herein are presented for the purposes of assisting investors in understanding the Company's plans, objectives and goals and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.

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

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