

Form 62-103F1

*Required Disclosure under the Early Warning Requirements*

**State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.**

Not applicable.

**Item 1 - Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

This report relates to the acquisition of common shares (the "**Issuer Common Shares**") in the capital of Mako Mining Corp. (the "**Issuer**").

The Issuer's address is 838 West Hastings Street, Suite 700, Vancouver, British Columbia, V6C 0A6.

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

Not applicable.

**Item 2 - Identity of the Acquiror**

**2.1 State the name and address of the acquiror.**

Wexford Catalyst Trading Limited ("**WCT**"), Wexford Focused Trading Limited ("**WFT**") and Wexford Spectrum Trading Limited ("**WST**", and together with WCT and WFT, the "**Wexford Funds**"), private investment funds managed by Wexford Capital LP ("**Wexford**").

The Wexford Funds exist under the laws of the Cayman Islands.

The address of the Wexford Funds is:

c/o Maples Group  
Ugland House, South Church Street, P.O. Box 309  
George Town, Grand Cayman, Cayman Islands

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On July 3, 2024, the Issuer acquired all of the issued and outstanding common shares (the "**Goldsource Common Shares**") of Goldsource Mines Inc. ("**Goldsource**") from the holders thereof, in exchange for 0.22 (the "**Exchange Ratio**") Issuer Common Share for each Goldsource Common Share (the "**Transaction**"), pursuant to an arrangement agreement dated

March 25, 2024. As part of the Transaction, the outstanding Warrants issued by Goldsource (the “**Goldsource Warrants**”) became exercisable, based on the Exchange Ratio, for Issuer Common Shares on substantially the same terms and conditions as the Goldsource Warrants, such that each Goldsource Warrant entitles the holder thereof to acquire 0.22 Issuer Common Shares at a price of \$0.55 per Goldsource Warrant (being \$2.50 per whole Issuer Common Share) until May 19, 2025.

Immediately prior to the closing of the Transaction (the “**Closing**”), the Wexford Funds held an aggregate of 3,575,000 Goldsource Common Shares and 1,787,500 Goldsource Warrants exercisable for an aggregate of 1,787,500 Goldsource Common Shares. At the Closing, the Goldsource Common Shares held by the Wexford Funds were exchanged for an aggregate of 786,500 Issuer Common Shares and the 1,787,500 Goldsource Warrants held by the Wexford Funds became exercisable, based on the Exchange Ratio, for an aggregate of 393,250 Issuer Common Shares.

Of the 786,500 Issuer Common Shares issued to the Wexford Funds in exchange of the Goldsource Common Shares, 207,636 Issuer Common Shares were issued to WCT, 102,245 Issuer Common Shares were issued to WFT, and 476,619 Issuer Common Shares were issued to WST. Of the 393,250 Issuer Common Shares that can be purchased on exercise of the 1,787,500 Goldsource Warrants held by the Wexford Funds, WCT has the right to purchase 103,818 Issuer Common Shares on exercise of 471,900 Goldsource Warrants, WFT has the right to purchase 51,123 Issuer Common Shares on exercise of 232,375 Goldsource Warrants, and WST has the right to purchase 238,310 Issuer Common Shares on exercise of 1,083,225 Goldsource Warrants.

### **2.3 State the names of any joint actors.**

The Wexford Funds and Wexford may be considered joint actors for purposes of applicable Canadian securities laws.

## **Item 3 - Interest in Securities of the Reporting Issuer**

### **3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.**

Pursuant to the Transaction, the Wexford Funds acquired an aggregate of 786,500 Issuer Common Shares and the right to purchase an aggregate of 393,250 Issuer Common Shares on exercise of 1,787,500 Goldsource Warrants.

Despite the acquisition of Issuer Common Shares, the Wexford Funds’ overall securityholding in the Issuer decreased by approximately 8.26% (calculated on a partially-diluted basis giving effect to (i) the issuance of Issuer Common Shares to all former Goldsource shareholders at Closing and (ii) the exercise of the Goldsource Warrants held by the Wexford Funds, but not the exercise of the Goldsource Warrants or other convertible securities of the Issuer held by other persons) due to dilution resulting from the issuance of additional Issuer Common Shares to other former securityholders of Goldsource as part of the Transaction.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.**

The Wexford Funds acquired ownership of an aggregate of 786,500 Issuer Common Shares and the right to purchase an aggregate of 393,250 Issuer Common Shares on exercise of 1,787,500 Goldsource Warrants.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Immediately prior to the Closing, WCT beneficially owned 14,818,584 Issuer Common Shares (approximately 22.87%), WFT beneficially owned 526,786 Issuer Common Shares (approximately 0.81%) and WST beneficially owned 21,208,953 Issuer Common Shares (approximately 32.73%). Together, the Wexford Funds beneficially owned an aggregate of 36,554,323 Issuer Common Shares (approximately 56.41%). The foregoing securityholding percentages are calculated before giving effect to the issuance of Issuer Common Shares in connection with the Transaction.

Immediately following the Closing, WCT beneficially owned 15,026,220 Issuer Common Shares and right to purchase an aggregate of 103,818 Issuer Common Shares on exercise of 471,900 Goldsource Warrants (approximately 19.31%), WFT beneficially owned 629,031 Issuer Common Shares and right to purchase an aggregate of 51,123 Issuer Common Shares on exercise of 232,375 Goldsource Warrants (approximately 0.87%) and WST beneficially owned 21,685,572 Issuer Common Shares and right to purchase an aggregate of 238,310 Issuer Common Shares on exercise of 1,083,225 Goldsource Warrants (approximately 27.98%). Together, the Wexford Funds beneficially owned an aggregate of 37,340,823 Issuer Common Shares and right to purchase an aggregate of 393,250 Issuer Common Shares on exercise of 1,787,500 Goldsource Warrants (approximately 48.15%). The foregoing securityholding percentages are calculated on a partially-diluted basis giving effect to (i) the issuance of Issuer Common Shares to all former Goldsource shareholders at Closing and (ii) the exercise of the Goldsource Warrants held by the Wexford Funds, but not the exercise of the Goldsource Warrants or other convertible securities of the Issuer held by other persons.

**3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

**(a) the acquiror, either alone or together with any joint actors, has ownership and control,**

37,340,823 Issuer Common Shares and right to purchase 393,250 Issuer Common Shares on exercise of 1,787,500 Goldsource Warrants, representing approximately 48.15% of the issued and outstanding Issuer Common Shares

(calculated on a partially-diluted basis giving effect to (i) the issuance of Issuer Common Shares to all former Goldsource shareholders at Closing and (ii) the exercise of the Goldsource Warrants held by the Wexford Funds, but not the exercise of the Goldsource Warrants or other convertible securities of the Issuer held by other persons).

- (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Pursuant to the terms of his employment agreement with Wexford, Mr. Paul Jacobi, a director of the Issuer, has assigned to Wexford any net economic benefits received on exercise, exchange or other disposition of the 100,000 options to purchase Issuer Common Shares ("**Options**") granted to Mr. Jacobi on August 6, 2019 and any future Options granted to Mr. Jacobi while serving as a director of the Issuer. The Options granted on August 6, 2019 vest 25% on the date of grant and 25% on each of the first three anniversaries thereof and have exercise prices that are split equally at \$0.1625, \$0.2250, \$0.2875 and \$0.3500 per Issuer Common Share. On July 21, 2020, Mr. Jacobi was granted an additional 200,000 Options, the net economic benefits of which have been assigned to Wexford in accordance with the foregoing. These Options vest 25% on the date of grant and 25% on each of the first three anniversaries thereof and are exercisable at \$0.5100 per Issuer Common Share.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

Not applicable.

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's**

**economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

See item 3.6 above.

#### **Item 4 - Consideration Paid**

**4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

See item 2.2 above. No cash consideration was paid in the Transaction. The closing price of an Issuer Common Share on the TSX Venture Exchange on July 2, 2024 (the last trading day prior to Closing) was \$3.27.

**4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See items 2.2 and 4.1 above.

**4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

See item 2.2 above.

#### **Item 5 - Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**

- (i) **the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) **a solicitation of proxies from securityholders;**
- (k) **an action similar to any of those enumerated above.**

The Issuer Common Shares and the Goldsource Warrants have been acquired for investment purposes. The Wexford Funds may from time to time acquire additional securities, dispose of some or all of the existing or additional securities, or continue to hold the securities of the Issuer. Pursuant to an investor rights agreement between Wexford and the Issuer dated November 9, 2018 (the “**Investor Rights Agreement**”), Wexford and its affiliates (including the Wexford Funds) have the right to participate in future equity financings of the Issuer to maintain their then current equity ownership in the Issuer on terms no less favourable than those offered to other investors in such financings (subject to certain exceptions).

Depending on various factors they may deem relevant, including, without limitation, market conditions, general economic and industry conditions and the Issuer’s business and financial condition, Wexford, the Wexford Funds and/or any of their affiliates may take such actions with respect to their investment in the Issuer as they deem appropriate, including (i) acquiring, exchanging, converting, exercising, selling or otherwise disposing of Issuer Common Shares, Goldsource Warrants or other securities of the Issuer or its subsidiaries, or securities that are convertible or exchangeable into, or exercisable for, securities of the Issuer or its subsidiaries, (ii) exercising Wexford’s rights under the Investor Rights Agreement, and/or (iii) developing plans or intentions or taking actions which relate to or would result in one or more of the transactions or matters referred to in paragraphs (a) through (k) above.

#### **Item 6 - Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

On November 9, 2018, Wexford entered into the Investor Rights Agreement with the Issuer, pursuant to which (i) the Issuer granted to Wexford and its affiliates a right to participate in future equity financings of the Issuer to maintain their then current equity ownership in the Issuer on terms no less favourable than those offered to other investors in such financings (subject to certain exceptions), and (ii) Wexford agreed to be subject to a standstill prohibiting Wexford from increasing its equity ownership in the Issuer beyond 45% (the “**Cap**”) without the prior written consent of the Issuer, in each case for so long as Wexford and its affiliates (including the Wexford Funds) own at least 20% (the “**Termination Threshold**”) of the issued and outstanding Issuer Common Shares of the Issuer, subject to adjustment in connection with certain exempt equity issuances.

The Issuer has consented to the acquisition by Wexford, the Wexford Funds or their affiliates of the Issuer Common Shares and the right to purchase Issuer Common Shares pursuant to the

exercise of Goldsource Warrants pursuant to the Transaction notwithstanding that the equity ownership of Wexford and its affiliates exceeds the Cap.

The issuance of Issuer Common Shares in connection with the Transaction is an “Exempt Non-Cash Issuance” under the terms of the Investor Rights Agreement. As a result of such issuance, the Cap has decreased to 39% and the Termination Threshold has decreased to 17%.

#### **Item 7 - Change in Material Fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.**

None, except as otherwise disclosed in this report.

#### **Item 8 - Exemption**

**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable.

#### **Item 9 - Certification**

Wexford is eligible to file this Early Warning Report on behalf of the Wexford Funds in respect of the Issuer.

#### **Certificate**

I, as the acquiror, certify, or I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

**DATED** this 4<sup>th</sup> day of July, 2024.

#### **WEXFORD CAPITAL LP**

By: Wexford GP LLC, its general partner

By: *(signed) Daniel Weiner*

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Name: Daniel Weiner  
Title: Vice President and Assistant Secretary