



## MEDALLION METALS LIMITED - PRE-QUOTATION DISCLOSURE

Medallion Metals Limited (ACN 609 225 023) (the **Company**) provides the following confirmations to satisfy the conditions precedent to its admission to the Official List of the ASX. Defined terms have the same meaning as given to those terms in the Company's Prospectus dated 16 February 2021 (**Prospectus**).

### 1 Confirmation of Completion of Offers

The Company confirms the satisfaction of the conditions to the Offers, the close of each of the Offers, and completion of the issue of all securities under each of the Offers, comprising the issue of:

- (a) 50,000,000 ordinary fully paid shares (**Shares**) at an issue price of \$0.25 each;
- (b) 25,000,000 quoted options exercisable at \$0.35 each expiring 31 January 2023 (**Options**), free attaching to the issue of Shares on a 1:2 basis; and
- (c) 4,000,000 Options at an issue price of \$0.001 each.

### 2 Updated Commitments

Based on the amounts raised under the Offers, and only in respect of granted tenements, the Company intends to apply funds raised from the Offers as follows (refer to page 9 of the Prospectus for further details).

| Use of Funds                                     | Funds Raised<br>(\$12.5 million) |             |
|--|----------------------------------|-------------|
|  | \$ M                             | %           |
| Exploration and related expenses                 | 8.6                              | 69%         |
| Corporate and administration                     | 2.3                              | 18%         |
| Expenses of the Offer                            | 0.9                              | 7%          |
| Shareholder loan principal and interest payments | 0.6                              | 5%          |
| General working capital                          | 0.1                              | 1%          |
| <b>Total</b>                                     | <b>12.5</b>                      | <b>100%</b> |

Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of exploration activities, regulatory developments, and market and general economic conditions. Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 6 of the Prospectus).

### 3. Pro forma Statement of Financial Position

Following completion of the Offers, as set out in the Prospectus, based on raising \$12,500,000 under the Offer, a pro forma statement of financial position as at 30 June 2020 is set out below:

|   | Audited as at<br>30-Jun-20<br>\$ | Subsequent<br>events<br>\$ | Pro-forma<br>adjustments<br>\$ | Pro-forma<br>after Offer<br>\$ |
|---|----------------------------------|----------------------------|--------------------------------|--------------------------------|
| <b>CURRENT ASSETS</b>                       |                                  |                            |                                |                                |
| Cash and cash equivalents                   | 2,255,138                        | (99,560)                   | 10,383,568                     | 12,539,146                     |
| Other receivables                           | 138,111                          | -                          | -                              | 138,111                        |
| <b>TOTAL CURRENT ASSETS</b>                 | <b>2,393,249</b>                 | <b>(99,560)</b>            | <b>10,383,568</b>              | <b>12,677,257</b>              |
| <b>NON-CURRENT ASSETS</b>                   |                                  |                            |                                |                                |
| Property, plant and equipment               | 287,458                          | -                          | -                              | 287,458                        |
| Exploration and evaluation asset            | 4,262,154                        | -                          | -                              | 4,262,154                      |
| Right of use asset                          | 31,091                           | -                          | -                              | 31,091                         |
| <b>TOTAL NON-CURRENT ASSETS</b>             | <b>4,580,703</b>                 | <b>-</b>                   | <b>-</b>                       | <b>4,580,703</b>               |
| <b>TOTAL ASSETS</b>                         | <b>6,973,952</b>                 | <b>(99,560)</b>            | <b>10,383,568</b>              | <b>17,257,960</b>              |
| <b>CURRENT LIABILITIES</b>                  |                                  |                            |                                |                                |
| Trade and other payables                    | 129,823                          | -                          | -                              | 129,823                        |
| Borrowings                                  | 5,000,000                        | -                          | (5,000,000)                    | -                              |
| Lease liability                             | 6,702                            | -                          | -                              | 6,702                          |
| <b>TOTAL CURRENT LIABILITIES</b>            | <b>5,136,525</b>                 | <b>-</b>                   | <b>(5,000,000)</b>             | <b>136,525</b>                 |
| <b>NON-CURRENT LIABILITIES</b>              |                                  |                            |                                |                                |
| Provision for rehabilitation                | 2,094,015                        | -                          | -                              | 2,094,015                      |
| Lease liability                             | 26,777                           | -                          | -                              | 26,777                         |
| Borrowings                                  | -                                | -                          | 4,000,000                      | 4,000,000                      |
| <b>TOTAL NON-CURRENT LIABILITIES</b>        | <b>2,120,792</b>                 | <b>-</b>                   | <b>4,000,000</b>               | <b>6,120,792</b>               |
| <b>TOTAL LIABILITIES</b>                    | <b>7,257,317</b>                 | <b>-</b>                   | <b>(1,000,000)</b>             | <b>6,257,317</b>               |
| <b>NET ASSETS/ (NET ASSET DEFICIENCY)</b>   | <b>(283,365)</b>                 | <b>(99,560)</b>            | <b>11,383,568</b>              | <b>11,000,643</b>              |
| <b>EQUITY</b>                               |                                  |                            |                                |                                |
| Issued capital                              | 8,104,240                        | 3,585                      | 11,424,500                     | 19,532,325                     |
| Share based payments reserve                | 1,186,650                        | -                          | 392,000                        | 1,578,650                      |
| Accumulated losses                          | (9,574,255)                      | (103,145)                  | (432,932)                      | (10,110,332)                   |
| <b>TOTAL EQUITY/ (DEFICIENCY IN EQUITY)</b> | <b>(283,365)</b>                 | <b>(99,560)</b>            | <b>11,383,568</b>              | <b>11,000,643</b>              |

#### 4 Terms of Incentive Options

The Company has 4,220,000 unquoted options on issue granted under the Company's Incentive Option Plan and with an exercise price of \$0.01 each expiring 15 October 2025 (**Incentive Options**).

The Incentive Options are subject to the terms and conditions of the Incentive Option Plan. They are also subject to the following Vesting Conditions:

- (a) 50% of the Incentive Options will vest upon the Company declaring JORC Code compliant Mineral Resources of not less than 1,000,000 ounces of contained gold at RGP;
- (b) 25% of the Incentive Options will vest upon the Company achieving a 20 trading day Volume Weighted Average Price ("VWAP") of \$0.40 per share; and

- (c) 25% of the Incentive Options will vest upon the Company achieving a 20 trading day VWAP of \$0.50 per share.

All unvested Incentive Options will vest if an entity acquires Voting Power (as defined in the Corporations Act) in the Company of more 50.0%.

## 5. Restricted Securities

The Company confirms the following securities are subject to restriction under the ASX Listing Rules.

| Securities  | Number     | Restriction Period   |
|---|------------|--|
| Shares  | 89,552,459 | 24 months from the date of quotation of the Company's securities |
| Options (\$0.35 exercise price, expiring 31 January 2023)           | 4,000,000  | 24 months from the date of quotation of the Company's securities |
| Incentive Options (\$0.01 exercise price, expiring 15 October 2025) | 3,150,000  | 24 months from the date of quotation of the Company's securities |

## 6. Capital Structure

The Company's capital structure as at the date of admission is as follows.

| Securities                  | Number      |
|-----------------------------|-------------|
| Fully paid, ordinary Shares | 169,736,850 |
| Options <sup>1</sup>        | 33,220,000  |

Note:

1. Comprising:
  - a. 29,000,000 quoted options (\$0.35 exercise price, expiring 31 January 2023) of which 4,000,000 are subject to ASX imposed restriction for 2 years from the date of quotation of the Company's securities; and
  - b. 4,220,000 unquoted options (\$0.01 exercise price, expiring 15 October 2025) granted under the Company's Incentive Option Plan, of which 3,150,000 are subject to ASX imposed restriction for 2 years from the date of quotation of the Company's securities.

## 7. ASX Waiver

The Company confirms that the ASX has granted the Company a waiver of ASX Listing Rule 1.1 Condition 12 to allow the 4,220,000 Incentive Options on issue to have an exercise price of less than \$0.20 each on the conditions that:

- (a) the Incentive Options are not quoted or transferred;
- (b) the Company releases an announcement to the market upon conversion of any of the Incentive Options and provides detail on the number of Incentive Options being converted and the number of Incentive Options remaining to be converted (if any); and
- (c) details of the Incentive Options are included in each annual report during their period of issue.

By order of the Board



**Paul Bennett**  
**Managing Director**