

MEGADO ACCELERATES EXPLORATION ACTIVITIES AT CHAKATA GOLD PROJECT

HIGHLIGHTS

- * Drilling program at Chakata is progressing with encouraging visual drill intercepts
- * Securing an additional drill rig to increase drilling capacity
- * Ongoing field reconnaissance across Chakata: new trenching, new targets identified
- * Dragon Target: a new area identified in the north of Chakata; outcropping gold bearing veins
- * Babicho trench and drill sample results imminent

Ethiopian-focused gold explorer Megado Gold (ASX:MEG) (Megado or the Company) is pleased to provide an update of its exploration activities at the Company's Chakata Gold Project.

Chakata is just five kilometres south along strike from Sakaro and, with its neighbour Lega Dembi, represent Ethiopia's largest gold mines having produced over 3 million ounces of gold (Figure 1). The structure that hosts the Lega Dembi/Sakaro trend extends to the south through Chakata for over 9km and is readily identifiable in geophysical imagery. Megado geologists' fieldwork on this trend continues with the Company now seeking to expand the current drill program by incorporating new targets and increasing drilling capacity.

Megado Gold CEO and Managing Director, Michael Gumbley, commented:

"Megado's highly experienced local team continue to identify additional, high-quality targets at our Chakata Gold Project. The new, highly prospective Dragon Target, towards the north of the tenement, exhibits similar geophysical characteristics to Sakaro and will become a focal point for an expanded maiden drilling program at Chakata. As such, Megado is seeking to increase drilling capacity at site in order to pursue an even more ambitious drilling program than previously reported. The team is extremely excited with the burgeoning opportunities at Chakata."

Maiden Drill Program Chakata Gold Project

Drilling continues at Chakata, initially at the Contact Target (Figures 2 & 3), intercepting the targeted geology that, historically, is known to host high-grade gold mineralisation locally (e.g. 2m @ 11.15g/t Au) ([refer to announcement 12 November 2020](#)). Current drilling has intercepted zones of several-metre-wide quartz veins with visible tourmaline-pyrite-chalcopyrite-galena mineralisation (Figures 4 & 5). The team is excited to continue testing the Contact Target, and then move on to test the GT Target (historical trench result of 25m @ 2.57g/t Au), and other targets being actively identified ([refer to announcement 12 November 2020](#)).



Megado Gold Ltd

ACN 635 895 082
ASX: MEG

Issued Capital

71.5m Shares
16.3m Options

Australian Registered Address

12/197 St Georges Terrace
PERTH WA 6000 Australia

T +61 8 6141 3260
E info@megadogold.com
W www.megadogold.com

Directors

Brad Drabsch (Non-Exec. Chair)
Michael Gumbley (MD and CEO)
Chris Bowden (Exec. Tech. Director)
Marta Ortiz (Non-Exec. Director)
Aaron Bertolatti (Finance Director)

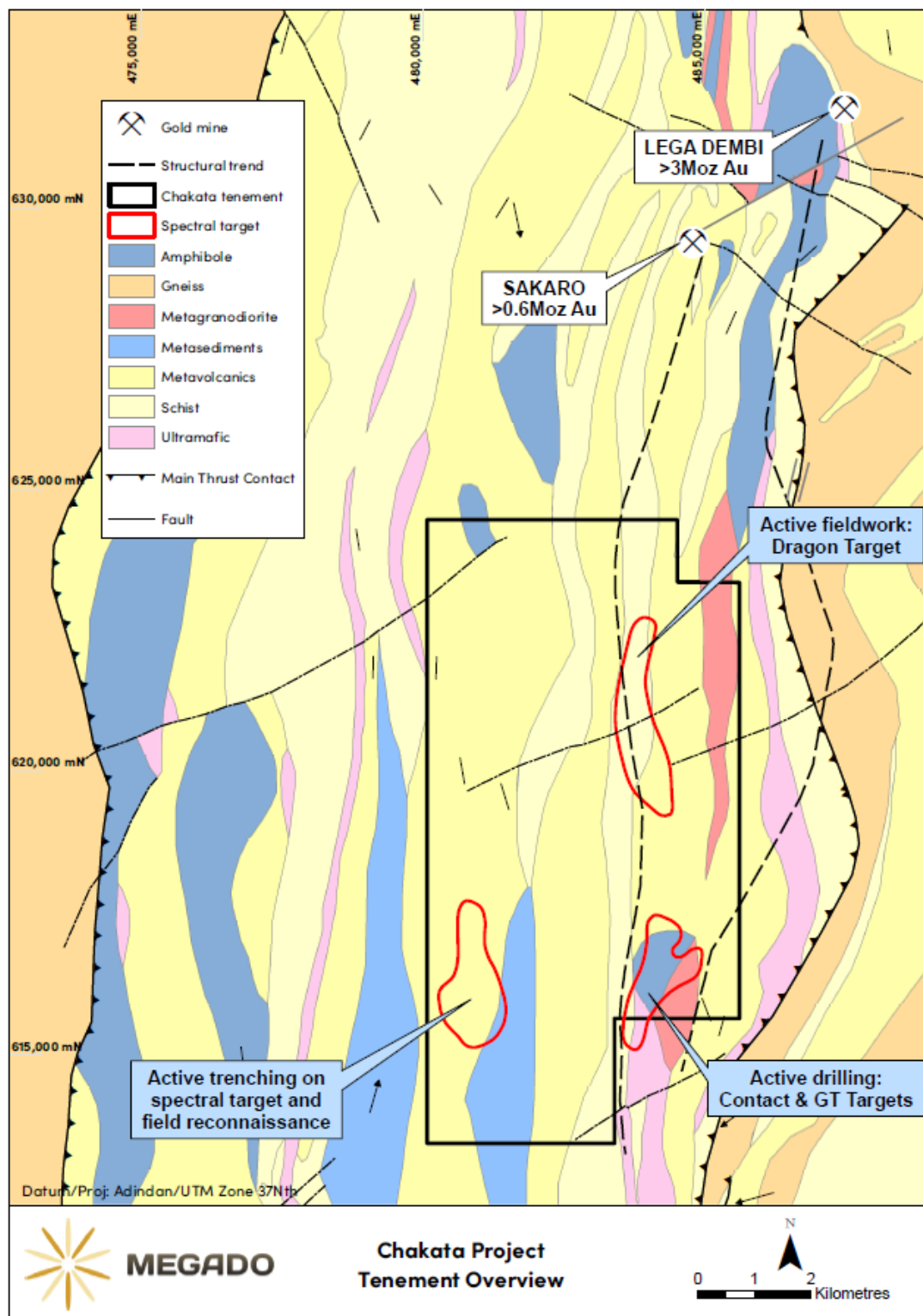


Figure 1 – Megado highly active at the Chakata Gold Project: initial drill program on the southern portion of the Chakata tenement; trenching in the west of the tenement; and, active fieldwork identifying new areas in the north of the tenement.



Figure 2 – Photo showing drilling at the Contact Target in the south-east corner at Chakata Gold Project

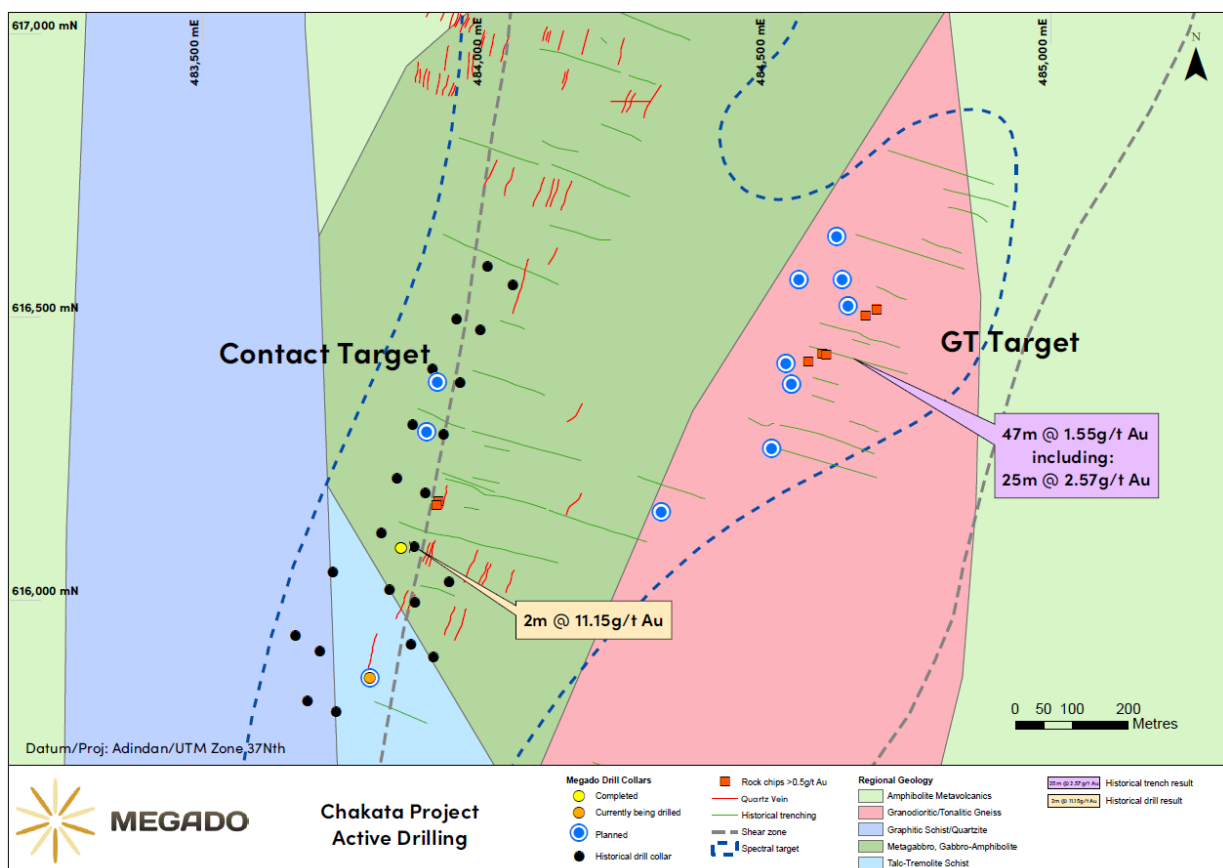


Figure 3 - Megado's current drilling activities focused in the south-east corner, at the Contact and GT Targets, Chakata Gold Project

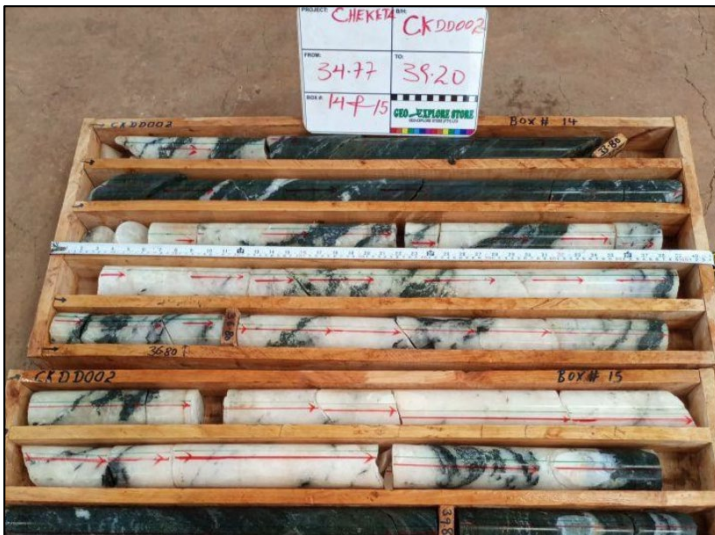


Figure 4 – Current drilling by Megado, drillhole CKDD002 (Contact Target) showing broad zones (ca. 5m interval) of quartz-tourmaline-pyrite veining



Figure 5 – Detail from CKDD002 at 37m showing tourmaline-pyrite mineralisation within quartz vein zone

The initial drilling program at Chakata has been designed with flexibility to react to observations garnered from extracted drill core. The Ethiopian team continues to modify strategies accordingly as drilling progresses in order to integrate new information. Megado believes this approach is a critical factor in being able to address the numerous structural settings and deposit styles observed at Chakata – all of which make the area very prospective for gold.

New Target Area Identified – Dragon Target

Ongoing systematic fieldwork has identified a highly prospective new area, the Dragon Target, in the northern zone of the Chakata Gold Project. Field observations show sheared and highly altered metagranodiorite with amphibolite and mica schists hosting 20-30m wide shear zone related quartz veins with tourmaline-pyrite-chalcopryite-(+/- bornite, +/- azurite) -galena mineralisation (see Figures 6 & 7). Downstream from this area, gold is panned from streams (Figure 8).





Figure 6 – Dragon Target: several metre-wide quartz vein with significant tourmaline and hematite within highly oxidised and kaolinized metagranodiorite.



Figure 7 – Dragon Target: photo showing quartz veining with tourmaline-pyrite-chalcopyrite-galena mineralisation



Figure 8 – Dragon Target: photo showing panned gold downstream from veins

Babicho Trench and Drill Results

The Company continues to await assay results from its maiden trenching and drilling programs at Babicho. Once results are received, the company will review the QAQC, and update the market as soon as practical.

Related ASX Announcements

20210217	<u>Drilling Commences at the Chakata Gold Project</u>
20201217	<u>Quartz Veining with Visible Sulphides Intersected at Babicho</u>
20201201	<u>Maiden Drilling Program Underway at Babicho Gold Project</u>
20201112	<u>High-Grade Gold Indicated at Chakata Gold Project Ethiopia</u>

-ENDS-

Authorised for release by: Michael Gumbley, MD and CEO.

For further information on the Company and our projects, please visit: www.megadogold.com

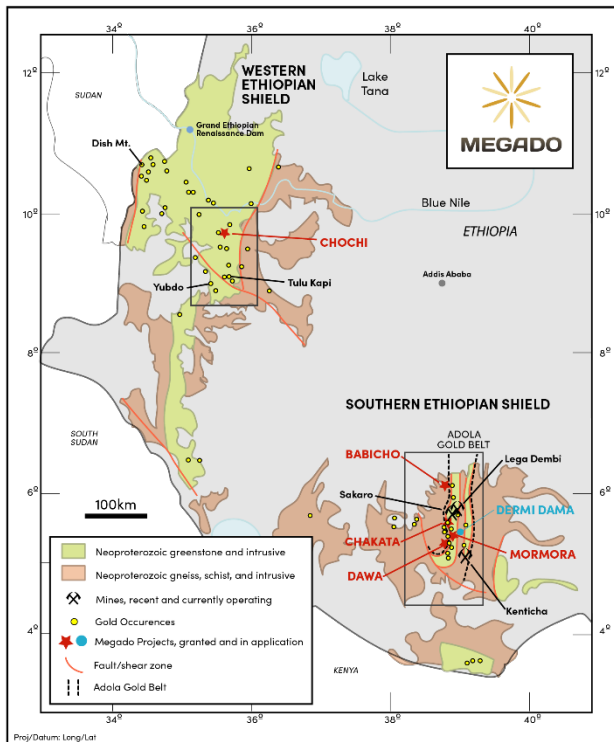
Contact:

Michael Gumbley
Managing Director and CEO
+61 8 6141 3260
mgumbley@megadogold.com

Mark Flynn
Investor Relations and Media
+61 416 068 733
mflynn@megadogold.com

About Megado Gold

Megado Gold Ltd is an ASX listed company with five high-quality gold exploration assets covering 511km² and one licence application covering 227km² in southern and western Ethiopia with the geological potential to host gold deposits of significant scale.



Ethiopia contains a world-class greenstone geological terrane and hosts part of the prolific Arabian-Nubian Shield (ANS). The Megado Belt in southern Ethiopia is hosted within the broader Adola Belt, a granite-greenstone terrane that is part of the ANS, and is characterised by a dominant N-S trending suite of metamorphosed rocks hosting significant occurrences of gold mineralisation, including Ethiopia's only modern gold mines, Lega Dembi and Sakaro (+3.0Moz Au).

Megado has premium land position immediately along strike to the north and south of the Lega Dembi and Sakaro deposits covering the same fertile greenstone host rocks and structural setting, in addition to an asset located proximal to Ethiopia's next gold mine, the +1.5Moz Tulu Kapi deposit (AIM-listed KEFI Minerals).

Megado has assembled a strong technical team with specific Ethiopian and gold exploration experience, led

by Dr Chris Bowden, Executive Director, who has spent 5 years living in Ethiopia as General Manager for ASCOM Precious Metals Mining, where he was responsible for the discovery and subsequent drill out of the initial 1.5Moz Dish Mountain Gold deposit in western Ethiopia, a virgin greenfields discovery.

Minimal modern exploration has been conducted in Ethiopia, in comparison to similar greenstone belts in West Africa, Canada and Western Australia where modern techniques have successfully delineated numerous gold deposits.

Forward Looking Statements

This announcement contains ‘forward-looking information’ that is based on the Company’s expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company’s business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as ‘outlook’, ‘anticipate’, ‘project’, ‘target’, ‘potential’, ‘likely’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘would’, ‘could’, ‘should’, ‘scheduled’, ‘will’, ‘plan’, ‘forecast’, ‘evolve’ and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company’s actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

Competent Person Statement

Information in this “ASX Announcement” relating to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves has been compiled by Dr Chris Bowden who is a Fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy and is an Executive Director of Megado Gold Ltd.

He has sufficient experience that is relevant to the types of deposits being explored for and qualifies as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code 2012 Edition). Dr Bowden has consented to the release of the announcement.

