

ASX Announcement

20 APRIL 2021



VISIBLE MINERALISATION INTERSECTED AT THE CHAKATA GOLD PROJECT

HIGHLIGHTS

- * Visual mineralisation intersected, including copper (chalcopyrite, bornite, azurite) and quartz-tourmaline veining
- * Diamond drilling program at Chakata has been doubled to 3,000m
- * Additional drill rig expected on site in early May
- * 220m of 2,400m trenching completed at newly identified Dragon Target with visible gold evidenced in first trench
- * New Elle Target in west of tenement identified, with first pass trenching and rock sampling completed
- * First drill and rock chip samples from Chakata have arrived for assay in Perth

Ethiopian-focused gold explorer Megado Gold (ASX:MEG) (Megado or the Company) is pleased to provide an update on progress across the Company's Chakata Gold Project, located in the Adola Gold Belt in southern Ethiopia.

Maiden Drill Program: Chakata Gold Project

Drilling and trenching continue at the Chakata Gold Project (Figure 1). Holes completed as part of the initial drilling program (Figure 2) have intercepted zones of several-metre-wide quartz veins with visible tourmaline-pyrite-chalcopyrite-galena mineralisation (Figures 3 & 4). The Company is encouraged by this as gold rich zones at the nearby Lega Dembi and Sakaro gold deposits (>3Moz) display a similar assemblage and mineralisation. Drilling will continue at the Contact Target (CT) and subsequently the Granodiorite Target (GT) (historical trench result of **25m @ 2.57g/t Au**). Further drilling at newly identified targets is anticipated shortly thereafter ([refer to announcement 12 November 2020](#)). The first samples from the work program at Chakata, including trenching and drilling, have now arrived in Perth for analysis as prepared pulps ready for final assays.



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16.3m Options

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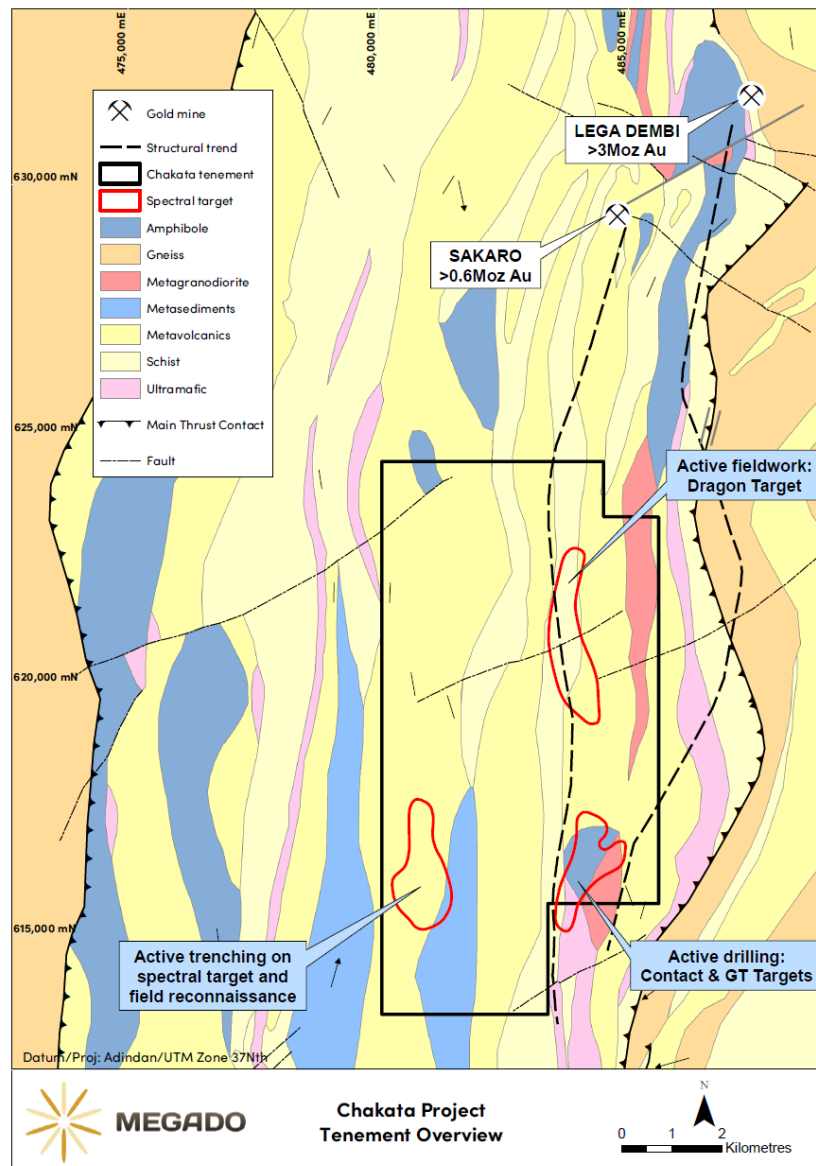


Figure 1 – Megado highly active at the Chakata Gold Project: initial drill program on the southern portion of the Chakata tenement; trenching in the west of the tenement; and, active fieldwork identifying new areas in the north and west of the tenement.

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

“Our ambitious exploration program at Chakata is progressing briskly. We are seeing encouraging signs with visual mineralisation observed in drill core giving us confidence to double the meterage of the first phase drilling program. This is interesting in the context that Chakata is only five kilometres south along strike from the country’s largest producing gold mines, Lega Dembi and Sakaro.

Simultaneous trenching at Chakata’s Dragon Target has produced mineralised quartz and rocks with visible gold. Moreover, a new target in the west of the tenement has already been subjected to trenching and rock sampling. The Company is extremely pleased with the initial drilling activity and visual logging as it starts to establish a foundation for our exploration thesis that there is considerable discovery potential across our hand-picked projects in southern and western Ethiopia.”

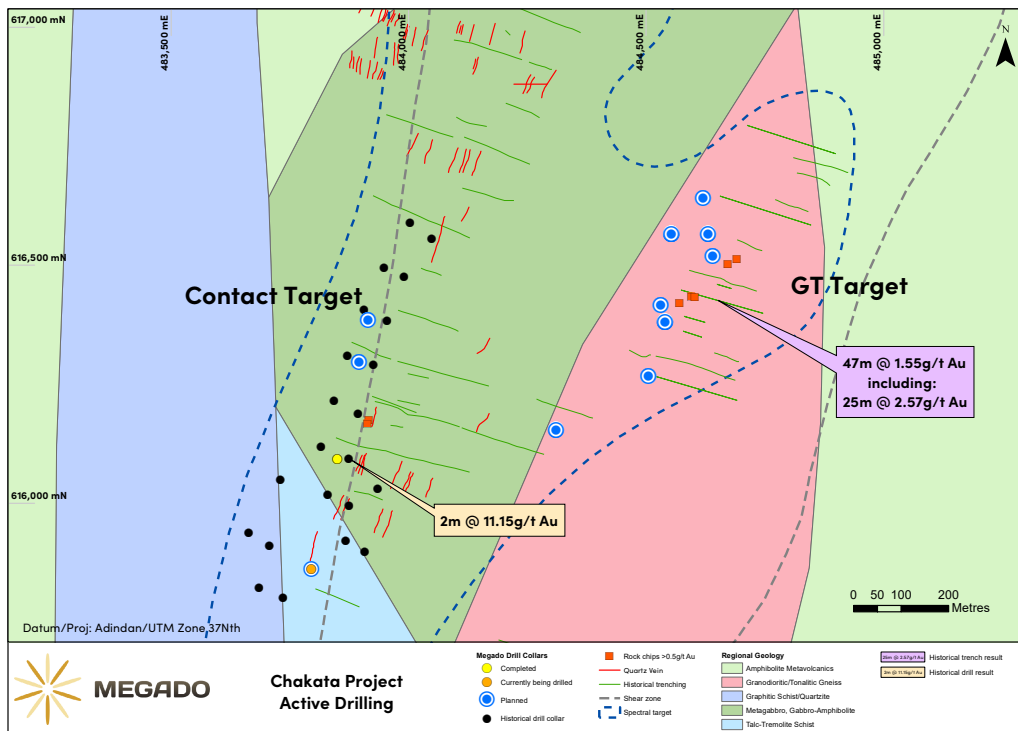


Figure 2 - Megado's current drilling activities focused in the south-east corner, at the Contact and GT Targets, Chakata Gold Project



Figure 3 – Detail from CKDD003 exhibiting silicified metagranodiorite highly mineralised with chalcopyrite at 36m



Figure 4 – Detail from CKDD002 at 37m showing tourmaline-pyrite mineralisation within quartz vein zone

Dragon Target Update

An extensive trenching campaign is underway at Chakata's Dragon Target (Figure 5). The first trench has revealed highly mineralised quartz veins and instances of rocks with visible gold (Figure 6). Nine trenches for a total of 2,400m over 1km strike length have been planned with the first trench already completed at 220m.

As announced on 23 March 2021, field observations note sheared and highly altered metagranodiorite with amphibolite and mica schists hosting 20-30m wide shear zone related quartz veins with tourmaline-pyrite-chalcopyrite-(+/-bornite,+/-azurite)-galena mineralisation (Figures 7 & 8). The Megado team's expectation is that the Dragon Target sits on a structure identical to that which hosts the high-grade Sakaro deposit.



Figure 5 – Trenching begins at the Dragon Target



Figure 6 – Mineralised quartz from Dragon Target's first trench, CKTR003



Figure 7 – Visible gold from from Dragon Target's first trench, CKTR003

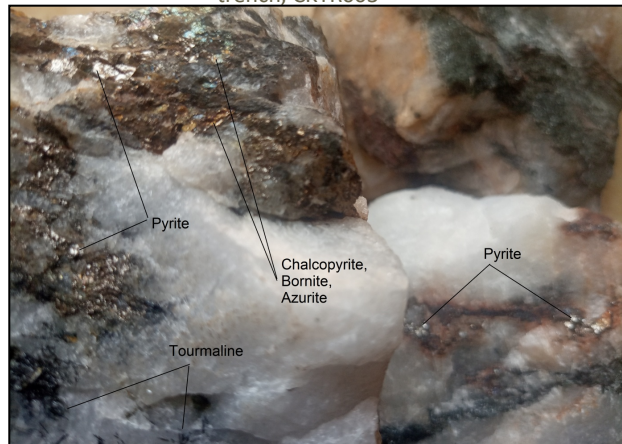


Figure 8 – Close-up of vein from CKTR003 – tourmaline and sulphide bearing quartz vein with relicts of host rock

New Target: Elle

The Megado field team continues its extensive canvassing of the Chakata tenement. Two trenches totalling 221m have been excavated at Elle and 136 rock chips have been sampled and are now en route to Perth for testing.

Related ASX Announcements

20210323	<u>Megado Accelerates Exploration Activities at Chakata Gold Project</u>
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

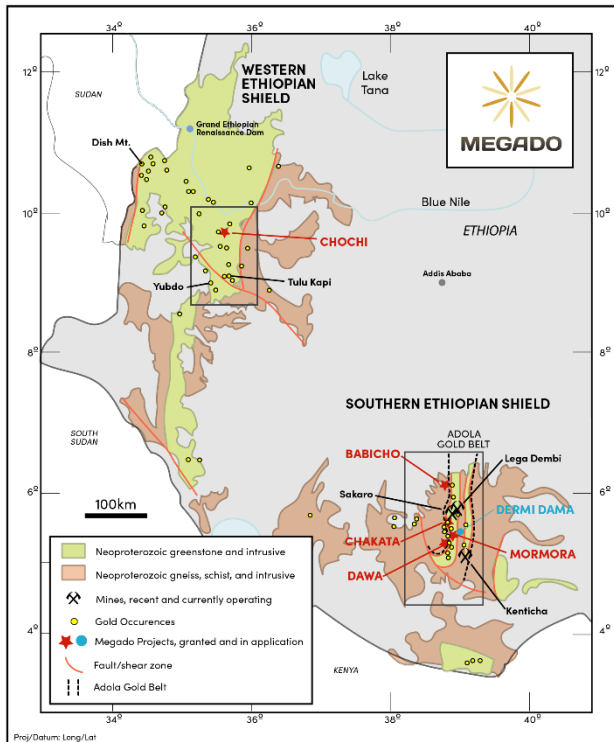
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About Megado Gold

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, Legu Dembi and Sakaro (+3.0Moz Au).

Megado has premium land position immediately along strike to the north and south of the Legu 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.

