



30 April 2021

ASX:MM8

Quarterly Activities Report for the period ended 31 March 2021

Highlights

- Mobilisation for 32,000m of drilling at the Ravensthorpe Gold Project, the first significant drilling in several years, commenced in early April 2021 with first assays expected mid-May
- Heavily oversubscribed fully underwritten IPO closed, raising \$12.5 million before costs
- Admitted to the official list of the ASX and commenced trading on 22 March 2021
- Ravensthorpe Camp re-activated and accommodating third parties to create additional revenue to fund exploration
- Royalty over the Ravensthorpe Gold Project extinguished in April 2021 for consideration of \$200,000 payable in Medallion shares

Medallion Metals Limited (ASX:MM8, the “Company” or “Medallion”) is pleased to report on activities at its projects during the March 2021 quarter.

RAVENSTHORPE GOLD PROJECT

Drill Program

During the quarter Medallion prepared to undertake a combined reverse circulation (“RC”) and diamond (“DDH”) drill program totalling 32,000m, which will be completed by the end of 2021. Dedicated RC and DDH drill rigs were deployed to site and commenced drilling in April. Approvals are in place for the drill program with first assay results expected in mid-May.

Of the planned 32,000m of drilling, ~26,000m will be undertaken at the Kundip Mining Centre (“Kundip”), which is host to the Company’s high grade JORC 2012 gold Mineral Resource Estimate (“MRE”) of approximately 674,000 oz¹.

The initial drilling will target depth and strike extensions of the known high grade deposits at Kaolin, Harbour View and Flag, in addition to near mine prospects at Gem Restored and Gift. Bedrock drilling of the known deposits currently extends to an average depth of 85 metres and a maximum depth of only 300m below surface, which is relatively shallow for Archaean gold lodes. Figure 1 is a

¹ 8.8 Mt @ 2.4 g/t Au (7.0 Mt @ 2.3 g/t Au Indicated and 1.8 Mt @ 2.6 g/t Au Inferred). Refer to the Company’s Prospectus announced on the ASX on 18 March 2021 for further details regarding the MRE, historical production and Competent Person’s Statement.



section through the Project area looking west. Drill traces with one meter composites above 5 g/t Au are highlighted, demonstrating the open nature the mineralised structures at depth, down plunge and where they are projected to intersect.

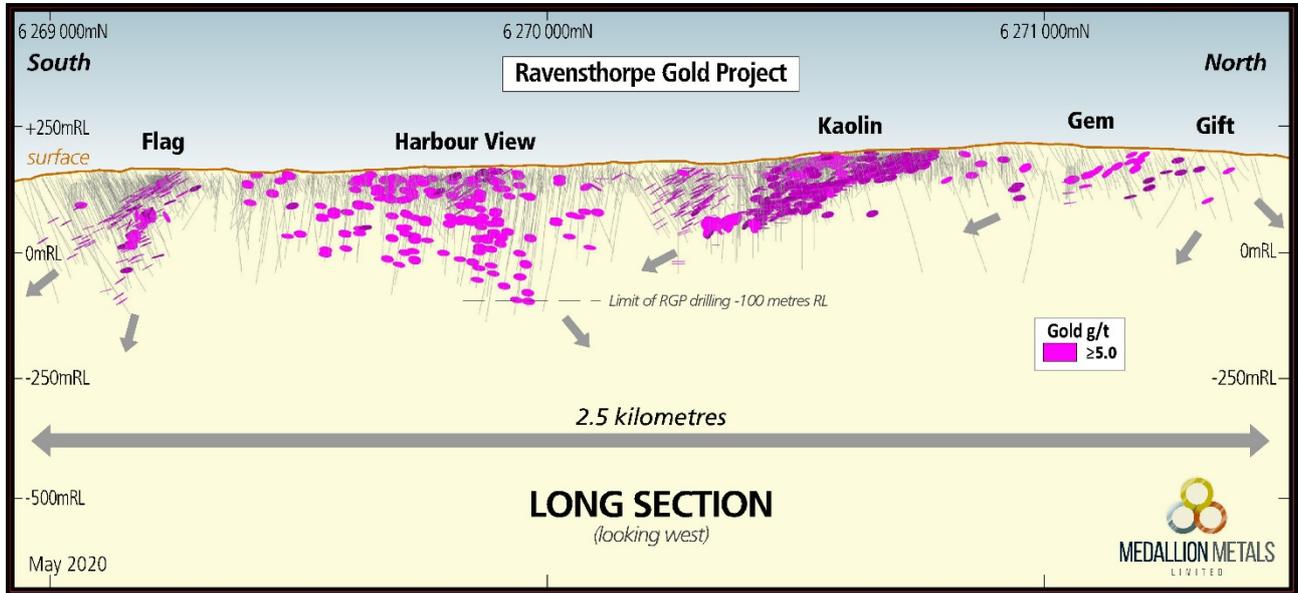


Figure 1: Long section through Kundip (looking west) with drill traces and 1 m composites >5.0 g/t Au².

The Gem Restored prospect is an advanced exploration target located immediately north of the deposits which host the MRE (Figure 2).

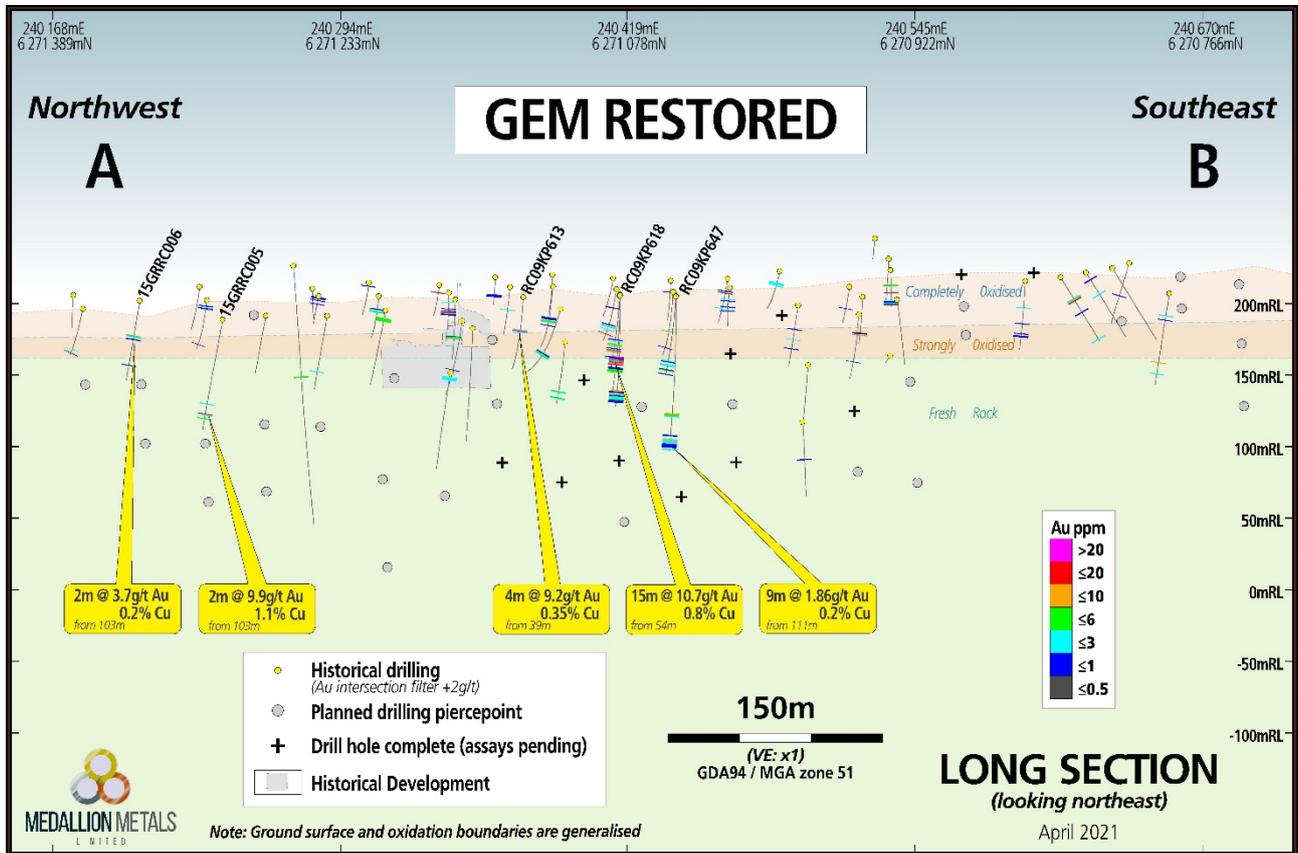


Figure 2: Longsection through Gem Restored prospect showing historical drilling highlights², planned drill hole pierce points and completed drill holes with assays pending (looking NE)

² Refer to the Company’s Prospectus announced on the ASX on 18 March 2021 for further details.



Gem Restored has been the subject of historical drilling with numerous high grade bedrock intersections recorded and is a priority target for the drill program underway. At the time of writing a total of twelve drill holes had been completed at Gem Restored with the results pending assay.

Geophysical Surveys

Significant opportunities exist proximal to the Mineral Resources defined at Kundip where the known high grade structures are projected to intersect. These structures also extend beneath younger Proterozoic cover that has historically impeded exploration efforts. To exploit these opportunities, and based on the highly conductive nature of the massive sulphide lodes observed at Kundip, the Company will conduct Sub-Audio Magnetic (“SAM”) surveys, in conjunction with ongoing downhole Electromagnetic surveys, to “fingerprint” the response of the known high grade mineralisation before then applying these techniques in the highly prospective target areas described. The SAM surveys across key parts of Kundip will commence in early May.

JERDACUTTUP PROJECT

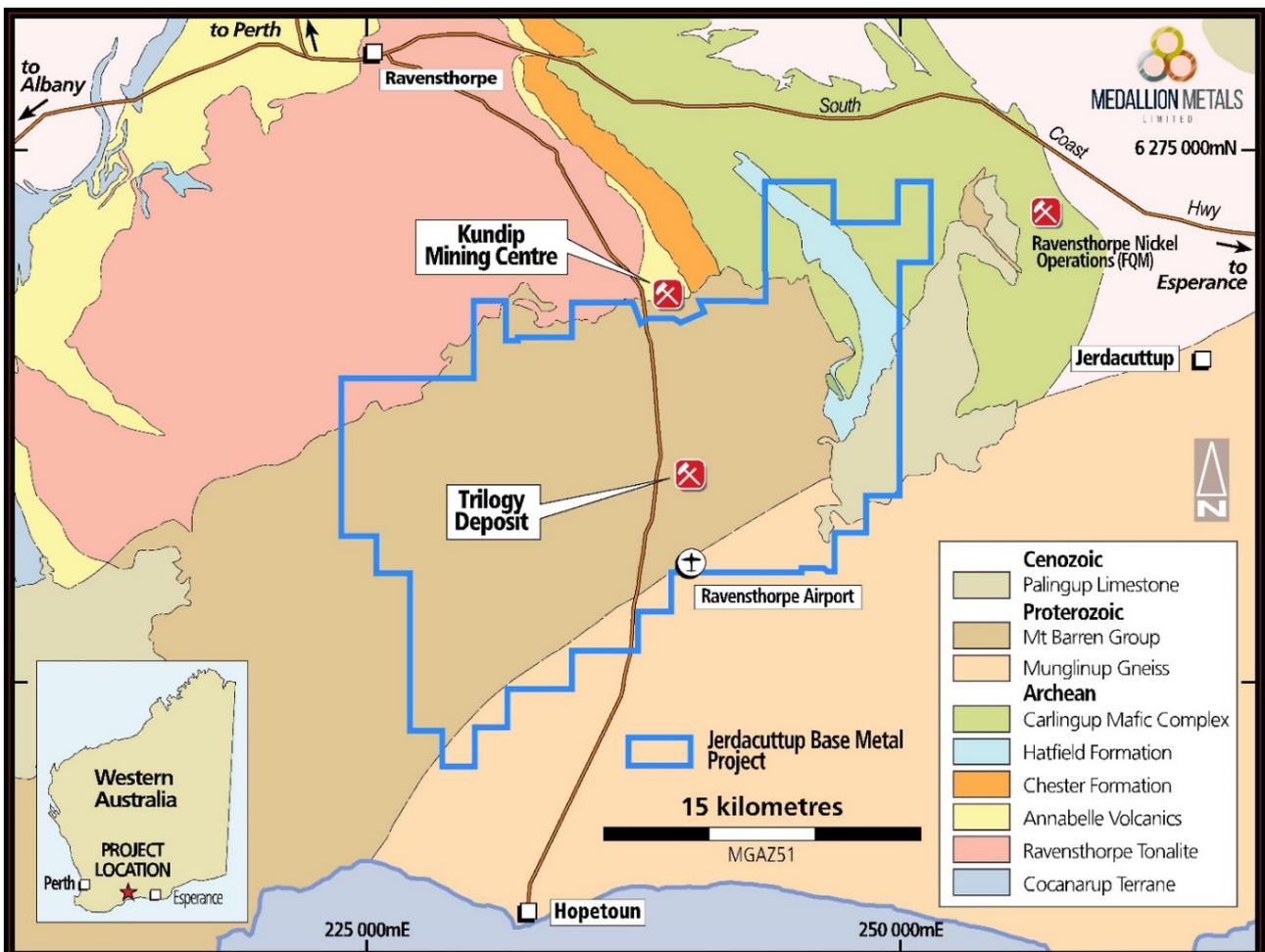


Figure 3: Jerdacuttup Project location

The Jerdacuttup Project (“JP”) is situated to the immediate south of RGP. Medallion has three significant exploration assets in the JP at different stages of exploration and appraisal, namely the:



- Trilogy silver-lead-zinc (-copper-gold) deposit hosted in the Palaeoproterozoic Mount Barren Group and the subject of a JORC 2012 MRE³;
- Queen Sheba gold-copper deposit hosted in the Palaeoproterozoic Mount Barren Group, and
- Bandalup Pools lead-zinc mineralisation hosted in the Archaean Hatfield Formation.

Numerous other exploration targets were defined by previous owners in the Mount Barren Group during the 1990s, resulting in the identification of a number of prospects (many of which still remain untested by drilling today). Medallion has been working toward the development of a geodynamic framework to underpin a mineral systems approach to exploration for sediment-hosted lead-zinc deposits in the JP. Early works have already yielded encouraging results with several conceptual exploration targets located in four interpreted sedimentary exhalative (SEDEX) controlling (syn-sedimentary) fault corridors. The prospectivity of these corridors is supported by several geophysical and geochemical layers.

A preliminary 400m RC drill program at the Tripod/Theo prospect immediately north of the Trilogy deposit was undertaken in April prior to the rig being deployed to Kundip. The results of the drill program are expected in early May. The Company intends to undertake a further 1,600m of drilling at JP during 2021, predominantly after the completion of the Kundip drill program.

The Company outlined in the Prospectus that it is considering introducing a partner to fund a more aggressive advancement of the JP tenements. Subsequent to the quarter end, Medallion mandated Argonaut Capital Limited to act as financial advisor to the potential spin-out, farm-out, joint venture or sale of JP.

RAVENSTHORPE CAMP

Medallion's 89 person Worker Accommodation Village ("Camp") located in the regional centre of Ravensthorpe approximately 17km from Kundip was re-activated during the quarter to house Medallion employees and contractors during the 2021 exploration field program. The Camp is being administered by a camp management services company.



Figure 4: Kitchen and administration buildings at Medallion's Camp in Ravensthorpe

³ 5.6 Mt @ 0.9 g/t Au, 54 g/t Ag, 1.2 % Cu, 2.4 % Pb and 1.4 % Zn (4.6 Mt @ 0.9 g/t Au, 53 g/t Ag, 1.4 % Cu, 2.7 % Pb and 1.6 % Zn Indicated and 1.0 Mt @ 1.1 g/t Au, 60 g/t Ag, 0.5 % Cu, 0.9 % Pb and 0.6 % Zn Inferred). Refer to the Company's Prospectus announced on the ASX on 18 March 2021 for further details regarding the MRE and Competent Person's Statement.



In addition to housing Medallion's employees and contractors, the Camp is also providing accommodation services to third party businesses operating in the Ravensthorpe region. At quarter end, the Camp was accommodating 26 paying guests. Subsequent to the end of the quarter, the Camp has secured additional third-party long-term occupants and the Company now expects the Camp to operate at near full capacity for the foreseeable future. Approximately 25 rooms are reserved by Medallion for its own requirements. The strong take up by third party occupants at the Camp has created a significant unbudgeted revenue stream. The Camp rental proceeds (after taking into account the incremental cost of accommodating third party occupants) will be deployed to further fund the Company's exploration efforts.

CORPORATE

ASX Listing

The Company successfully listed on the ASX on 18 March 2021 having closed a fully underwritten and heavily over subscribed initial public offer ("IPO"), raising \$12.5 million (before costs).

Please refer to the Company's Prospectus announced on the ASX on 18 March 2021 for further details regarding the IPO.

Cash Position

As at 31 March 2021, Medallion held approximately \$11.0 million (31 December 2020: \$0.7 million) in cash.

A \$1.0 million loan principal repayment was made following the successful listing of the Company on the ASX as required under the terms of a shareholder loan facility with Bolong (Australia) Investment Management Pty Ltd ("Bolong Loan").

The balance of the Bolong Loan at the end of the March quarter was \$4.0 million and, from 25 March 2021, is accruing interest at 6% p.a. payable quarterly in arrears. The loan is repayable in full within 120 days of a decision to commence development at RGP to bring the project into production⁴.

Full details regarding the Company's cash movements during the quarter can be found in the attached Appendix 5B.

ESS Royalty Termination

As announced on the ASX on 20 April 2021, Medallion has extinguished a royalty held by Essential Metals Limited ("ESS") over the RGP ("ESS Royalty"). In consideration for the termination of the ESS Royalty, Medallion will issue ESS 785,695 Medallion shares at a deemed value of \$200,000.

The termination of the ESS Royalty extinguishes the Company's obligations to pay ESS a royalty from certain areas of RGP (Figure 5), comprised of:

- a) 1.5% of the net smelter return for the sale of all minerals from certain areas (excluding iron ore and manganese); and

⁴ Please refer to the Company's Prospectus announced on the ASX on 18 March 2021 for further details regarding the Bolong Loan.



b) 3.5% of the net smelter return for the sale of all iron ore and manganese from the certain areas.

The termination of the ESS Royalty strengthens Medallion’s interest in the highly prospective Annabelle Volcanics ground holding at RGP, which includes several advanced prospects to be targeted in the 32,000m drill program which is presently underway at RGP.

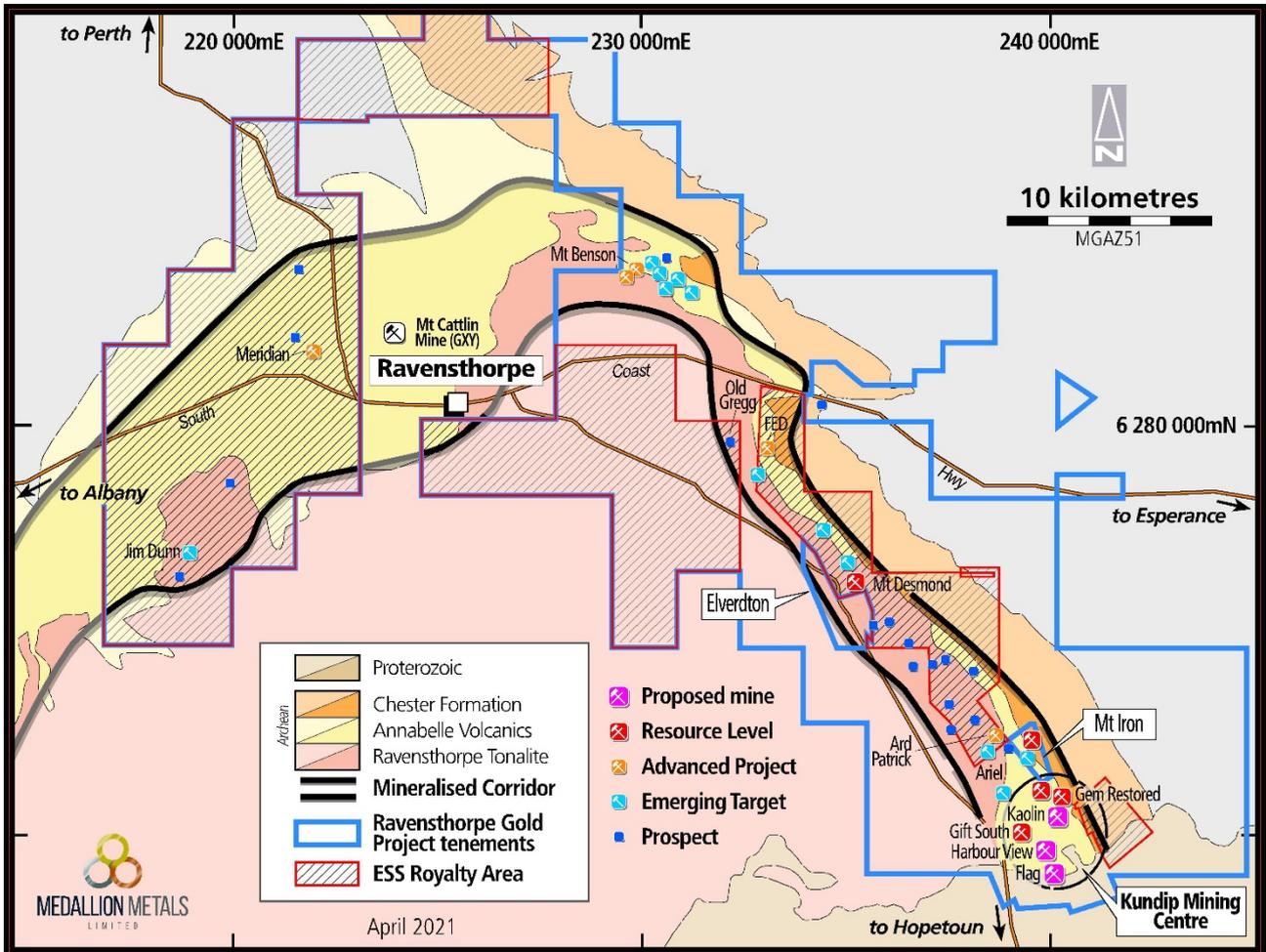


Figure 5: Medallion tenure subject to the ESS Royalty. NB: Mt Iron & Elverdton tenements not held by MM8.

For further information please visit the Company’s website www.medallionmetals.com.au or contact:

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DISCLAIMER

References in this announcement may have been made to certain ASX announcements, including exploration results, Mineral Resources and Ore Reserves. For full details, refer said announcement on said date. The Company is not aware of any new information or data that materially affects this information. Other than as specified in this announcement and mentioned announcements, the Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcement(s), and in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original announcement.



APPENDIX 1 – ADDITIONAL ASX LISTING RULE DISCLOSURES

Compliance

For the purpose of ASX Listing Rule 5.3.1, payments for exploration, evaluation and development during the quarter totalled approximately \$81,000 (exclusive of RGP exploration salaries). Material developments, changes in exploration activities and details of exploration activities undertaken during the quarter are as described in the preceding quarterly and appendices.

For the purpose of ASX Listing Rule 5.3.2, the Company confirms there were no mining production and development activities undertaken during the quarter.

For the purpose of ASX Listing Rule 5.3.5, payments to directors of Medallion during the quarter totalled approximately \$129,000. The payments were in respect of directors' salaries, fees and superannuation.

Pursuant to ASX Listing Rule 5.3.4, the Company provides its actual expenditure on the individual items in the two year "use of funds" statement in its IPO Prospectus since the date of its admission to ASX's Official List (being 18 March 2021) against the estimated expenditure on those items and an explanation of any material differences.

Use of Funds	Prospectus estimate (2 years) \$ millions	Actual use from 18 March 2021 to quarter end \$ millions	Variance \$ millions
Exploration and related expenses	8.6	-	8.6
Corporate and administration	2.3	-	2.3
Expenses of the Offer	0.9	-	0.9
Shareholder loan principal and interest payments	0.6	0.8	(0.2)
General working capital	0.1	-	0.1
Total	12.5	0.8	11.7

The two year estimate of "Shareholder loan principal and interest repayments" was presented net of the Company's existing cash balances as at 31 December 2020 (being the last practical balance date prior to the finalisation of the prospectus). The variance in relation to the actual use of funds in the table above is a result of the use of existing cash balances to meet the Company's expenditure commitments in the intervening period from 1 January 2021 and the date of admission to ASX's Official List on 18 March 2021.

Other material variances are a result of the Company being admitted to the Official List on 18 March 2021, therefore actual expenditure for only 14 days is represented against the two year "use of funds" statement.

Tenement Summary

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter.

Tenement	Location	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
Ravensthorpe Gold Project				
E74/0311	Western Australia	Granted	100%	100%
E74/0379-I	Western Australia	All mineral rights other than Li/Ta	100%	100%
E74/0399	Western Australia	All mineral rights other than Li/Ta	100%	100%
E74/0406	Western Australia	All mineral rights other than Li/Ta	100%	100%



E74/0486	Western Australia	Granted	100%	100%
E74/0560	Western Australia	Granted	100%	100%
E74/0602	Western Australia	Granted	100%	100%
E74/0638	Western Australia	Granted	100%	100%
E74/0639	Western Australia	Granted	100%	100%
E74/0653	Western Australia	Granted	100%	100%
E74/0656	Western Australia	Granted	100%	100%
E74/0657	Western Australia	Granted	100%	100%
E74/0683	Western Australia	Application	0%	100%
L74/0034	Western Australia	Granted	100%	100%
M74/0013	Western Australia	Granted	100%	100%
M74/0041	Western Australia	Granted	100%	100%
M74/0051	Western Australia	Granted	100%	100%
M74/0053	Western Australia	Granted	100%	100%
M74/0083-I	Western Australia	Granted	100%	100%
M74/0135	Western Australia	Granted	100%	100%
M74/0136	Western Australia	Granted	100%	100%
M74/0163	Western Australia	Granted	100%	100%
M74/0165	Western Australia	Granted	100%	100%
M74/0180	Western Australia	Granted	100%	100%
M74/0184	Western Australia	Granted	100%	100%

Jerdacuttup Project

E74/0636	Western Australia	Granted	80%	80%
E74/0413	Western Australia	Granted	100%	100%
E74/0462	Western Australia	Granted	100%	100%
E74/0498	Western Australia	Granted	100%	100%
E74/0557	Western Australia	Granted	100%	100%
E74/0578	Western Australia	Granted	100%	100%
E74/0605	Western Australia	Granted	100%	100%
E74/0630	Western Australia	Granted	100%	100%
E74/0631	Western Australia	Granted	100%	100%
E74/0637	Western Australia	Granted	100%	100%
E74/0642	Western Australia	Granted	100%	100%
E74/0643	Western Australia	Granted	100%	100%
E74/0644	Western Australia	Granted	100%	100%
EL74/0665	Western Australia	Application	100%	100%
EL74/0671	Western Australia	Application	100%	100%
L74/0035	Western Australia	Granted	100%	100%
L74/0045	Western Australia	Granted	100%	100%
M74/0176	Western Australia	Granted	100%	100%
P74/0349	Western Australia	Expired	100%	0%
P74/0369	Western Australia	Granted	100%	100%
P74/0378	Western Australia	Granted	100%	100%
P74/0385	Western Australia	Granted	100%	100%
PLA74/0386	Western Australia	Application	100%	100%

The Company did not enter into any farm-in or farm-out agreements during the quarter.



The Company disposed of the following tenement during the quarter:

Tenement	Location	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
Jerdacuttup Project				
P74/0349	Western Australia	Expired	100%	0%

The Company acquired the following tenement during the quarter, which remains ungranted:

Tenement	Location	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
Ravensthorpe Gold Project				
E74/0683	Western Australia	Application	0%	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

MEDALLION METALS LIMITED

ABN

89 609 225 023

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(81)	(636)
(b) development	-	-
(c) production	-	-
(d) staff costs	(342)	(751)
(e) administration and corporate costs	(28)	(622)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	113
1.8 Other (provide details if material)	-	
1.9 Net cash from / (used in) operating activities	(451)	(1,895)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(23)
(d) exploration & evaluation	-	(136)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(159)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	12,504	12,504
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	4
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(752)	(752)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(1,000)	(1,000)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	10,752	10,756
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	658	2,255
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(451)	(1,895)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(159)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	10,752	10,758

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	10,959	10,959

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	10,925	624
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Cash held as bank securities)	34	34
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,959	658

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	129
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Payments disclosed at 6.1 are in respect of Directors' fees, salaries and superannuation accruing to Directors' for services rendered during the period.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	4,000	4,000
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	4,000	4,000
7.5 Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	<p>Loan disclosed at 7.1 is a shareholder loan from Bolong (Australia) Investment Management Pty Ltd ("Bolong"). The loan accrues interest at 6% p.a. payable in arrears at the end of each calendar quarter. The Bolong loan is repayable in full within 120 days of a decision to commence development at the RGP to bring the project into production.</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(451)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(451)
8.4 Cash and cash equivalents at quarter end (item 4.6)	10,959
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	10,959
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	24.30
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: Not applicable
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: Not applicable

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Not applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2021

Authorised by: The board of directors of Medallion Metals Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.