



30 July 2021

ASX:MM8

Quarterly Activities Report

for the period ended 30 June 2021

Highlights

- 32,000m drilling programme at the Ravensthorpe Gold Project commenced in early April 2021.
- Multiple high-grade gold and copper assays returned confirming the grade and structural continuity of the Project and identifying a new high-grade massive sulphide lode.
- Significant bank of samples with the laboratory ensuring strong news flow over the coming quarter.
- Royalty over the Ravensthorpe Gold Project extinguished for consideration of \$200,000 paid in Medallion shares.
- \$3.1M divestment of prospective nickel ground holding to Australasian Mining Limited, to be renamed NickelSearch Limited with intention to list on the ASX during 2021.
- Camp revenue of \$0.5M during the quarter.
- Cash balance at quarter end \$8.9 million.

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

RAVENSTHORPE GOLD PROJECT

Drill Program

Medallion commenced a combined reverse circulation (“RC”) and diamond (“DDH”) drill program totalling 32,000m during the quarter. Dedicated RC and DDH drill rigs were deployed to site and commenced drilling in April. A total of 11,318m of drilling was completed during the quarter with the program on target to be completed by the end of 2021. Of the planned 32,000m of drilling, ~26,000m will be undertaken at the Kundip Mining Centre (“KMC”), which is host to the Company’s high grade JORC 2012 gold Mineral Resource Estimate (“MRE”) of approximately 674,000 oz¹.

The drilling is targeting 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 85m and a maximum depth of only 300m below surface, which is relatively shallow for Archaean gold lodes.

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.



Figure 1 is a section through the Project area looking west. Drill traces with one-meter composites above 5 g/t Au are highlighted, demonstrating the open nature of the mineralised structures at depth, down plunge and to where they are projected to intersect.

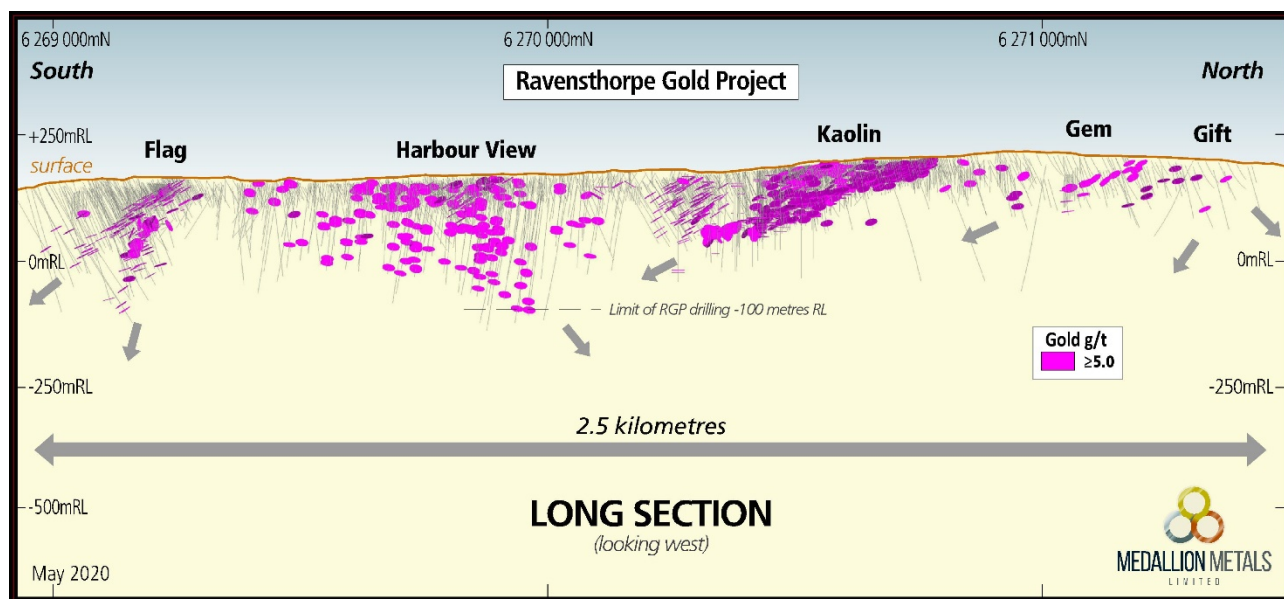


Figure 1: Long section through KMC (looking west) with drill traces and 1m composites >5.0 g/t Au².

The Gem Restored prospect is an advanced exploration target located immediately north of the deposits which host the MRE. During the quarter and subsequent to quarter end, the Company reported the results from 22 RC and 5 DDH holes with significant intercepts shown in Figure 2. All drilling reported from Gem Restored is outside the current MRE.

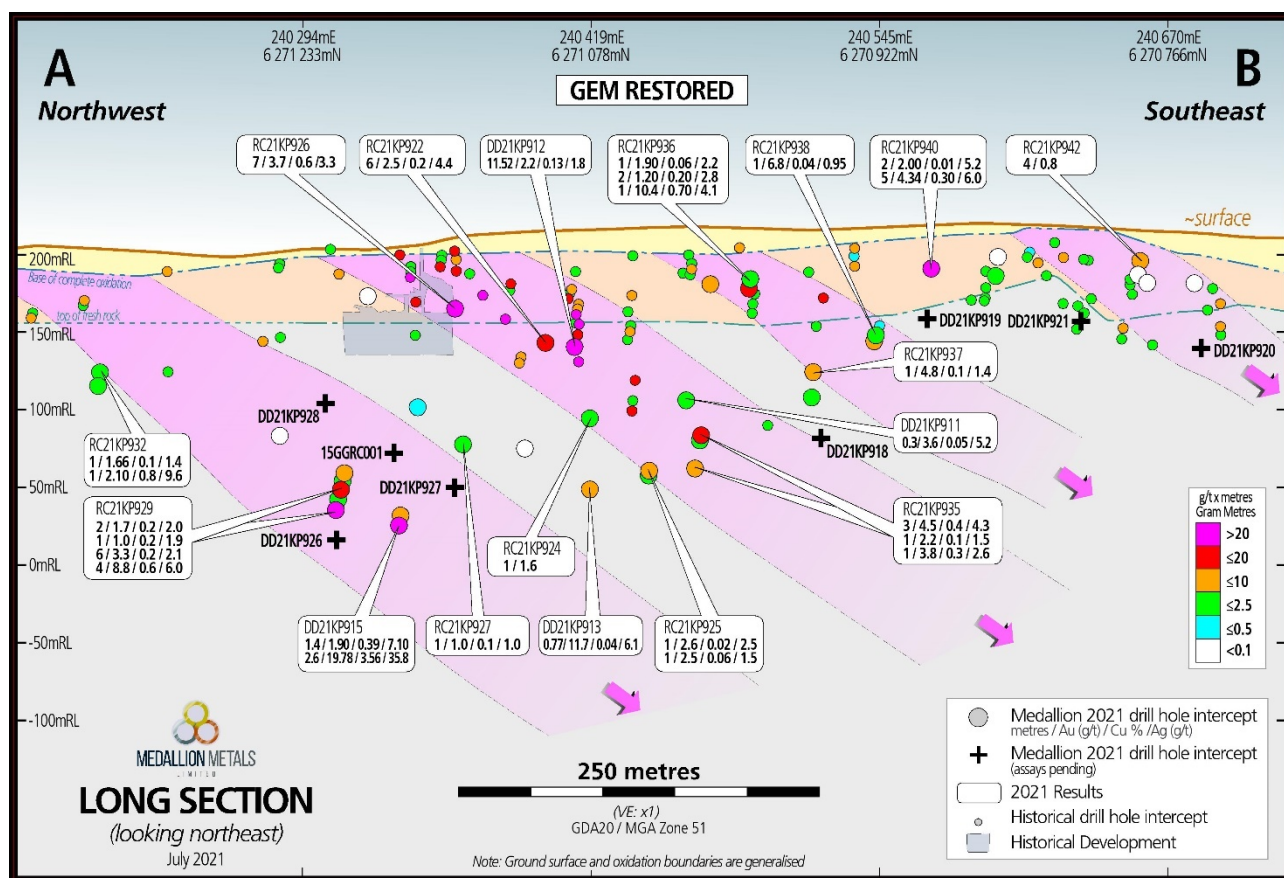


Figure 2: Longsection through Gem Restored showing drilling highlights reported during 2021² (looking NE)

² Refer to the Company's ASX announcements on 16 June 2021 and 14 July 2021 for further details.



Phase 1 drilling has successfully tested strike, dip and plunge extensions of the Gem Restored Main Lode and has so far identified a continuous zone of mineralisation up to 12m wide, approximately 500m along strike and to a current depth of 150m below surface, with mineralisation remaining open at depth and along strike. Drilling has also intersected what is interpreted to be a new parallel lode situated 30m in the footwall of the Main Lode that extends from the historical workings, northwest for approximately 250m and is also open at depth and along strike. This new structure is referred to as the Northern Lode.

Both RC and DDH drilling has been undertaken on an approximate 40m x 40m pattern, extending to an 80m x 40m pattern in the south and north. In combination with historical drilling, the expanded and enhanced dataset will support a MRE at Gem Restored which is expected to be completed by end of September 2021. At the time of writing, a total of 35 drill holes had been completed at Gem Restored with the results of 8 holes pending assay.

Upon completion of the Gem Restored Phase 1 drill program, focus shifted to the following areas within Kundip Mining Centre:

- Kaolin Deposit: resource extensions and exploration to the southeast and southwest.
- Harbour View Deposit: resource extensions down dip and along strike to the northeast.
- New positions: exploration of the previously undrilled area between the Kaolin and Harbour View structural trends.

A significant quantity of samples are with the laboratory and are being reported on a regular basis. Sample submissions have been made regularly throughout the drill programme and the Company expects results will continue to flow on a consistent basis.

Geophysical Surveys

Gap Geophysics completed a Sub-Audio Magnetics ("SAM") survey across key parts of KMC and surrounding areas during the quarter. A MagnetoMetric Conductivity image is highlighted in Figure 3 with known mineralised trends and Feasibility Study open pit extents overlain. Analysis of the SAM survey results is ongoing.

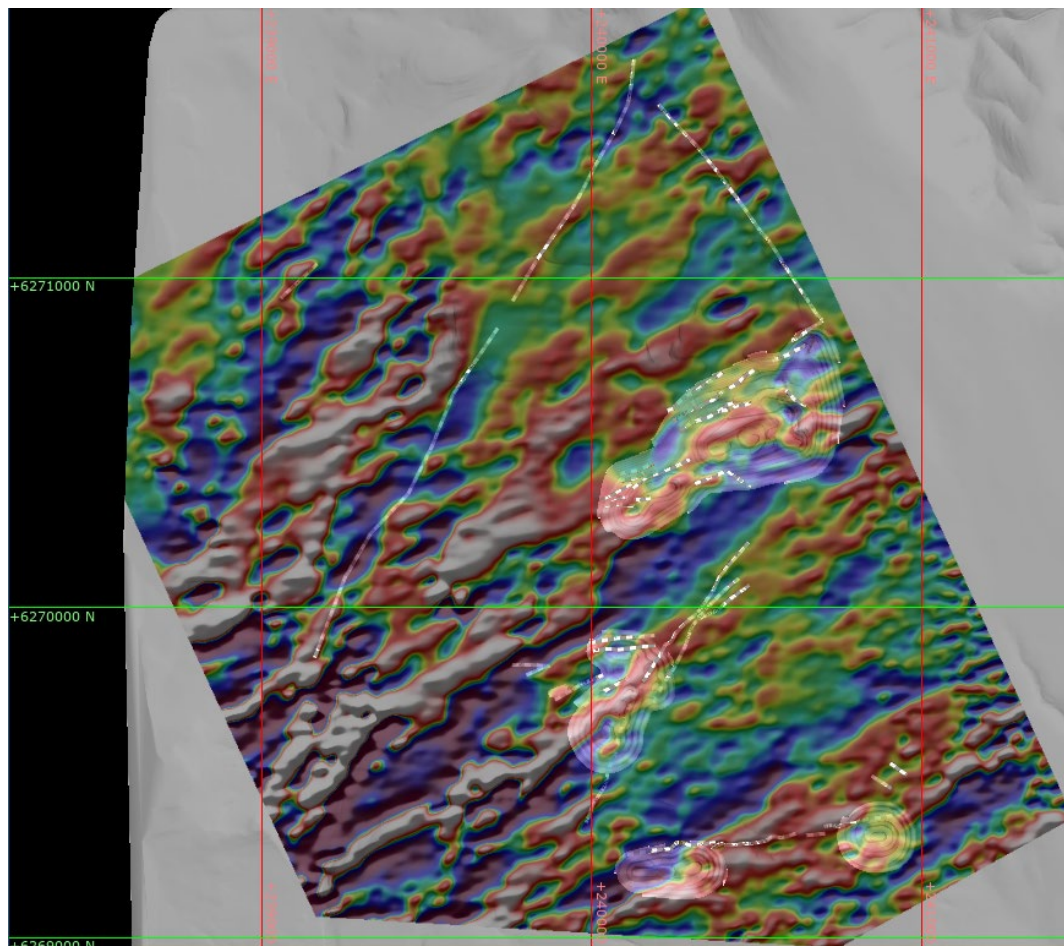


Figure 3: SAM survey extents at KMC.



JERDACUTTUP PROJECT

Five (5) RC holes for a total of 336m was completed during the quarter at the Tripod/Theo prospect immediately north of the Trilogy deposit. Drilling was completed on a single drill traverse with collars spaced ~300m. The objective of the drilling was to identify the favourable Trilogy host package of graphitic shales while at the same time investigating Electro Magnetic ("EM") and ground gravity anomalies.

All drill holes intersected the graphitic shales with no sulphide mineralisation identified. The Company intends to undertake a further 1,600m of drilling at the Jerdacuttup Project during 2021 upon completion of the RGP drilling.

During the quarter, Medallion mandated Argonaut Capital Limited to act as financial advisor to a potential transaction that would enable a more aggressive advancement of the Jerdacuttup Project. A review of the optimal pathway to maximising the value of the Jerdacuttup Project for Medallion shareholders is ongoing. Further updates will be provided as and when they are available.

RAVENSTHORPE CAMP

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

During the June quarter, the Camp was host to 4,577 paying guests. Total Camp revenue for accommodation services provided during the quarter was approximately \$0.5 million. The Company expects strong demand to continue for accommodation services at the Camp for the foreseeable future.

CORPORATE

Cash Position

At 30 June 2021, Medallion held approximately \$8.9 million in cash (31 March 2020: \$11.0 million).

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 extinguished a royalty held by Essential Metals Limited ("ESS") over the RGP ("ESS Royalty"). In consideration for the termination of the ESS Royalty, Medallion issued ESS 785,695 Medallion shares at a deemed value of \$200,000 on 23 June 2021.

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.

Nickel Divestment

As announced on the ASX on 21 May 2021, Medallion entered into an agreement to divest some interests in nickel prospective ground within its tenement portfolio to Australasian Mining Limited ("AML"). The transaction comprises the outright sale of some mineral tenements and the grant of nickel, cobalt and PGM rights over tenure co-incident with the Bandalup Ultramafics which have been the subject of extensive historical exploration for nickel sulphides. Medallion will receive 15,713,662 AML shares as consideration for the sale of tenure and mineral rights.

AML intends to be renamed NickelSearch Limited ("NickelSearch") and will seek to list on the ASX before the end of 2021, creating a new Western Australian based nickel exploration company. The IPO shares are to be issued at \$0.20 per share which would value Medallion's shareholding at \$3.14 million. Medallion will consider



allocating NickelSearch shares to its shareholders via an in-specie distribution at the completion of any ASX imposed escrow period and subject to any regulatory approvals.

The transaction with NickelSearch maximises the value of the prospective nickel tenure within the Medallion portfolio and further sharpens the Company's focus on the high-grade gold and copper opportunity at RGP. Medallion will keep shareholders informed of progress toward completion of the transaction and NickelSearch's listing on the ASX.

This announcement is authorised for release by the Board of Medallion Metals Limited.

~ ENDS ~

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 \$1,312,000 (exclusive of RGP exploration salaries and payments for property, plant and equipment). 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	1.8	6.8
Corporate and administration	2.3	0.2	2.1
Expenses of the Offer	0.9	0.1	0.8
Shareholder loan principal and interest payments	0.6	0.8	(0.2)
General working capital	0.1	-	0.1
Total	12.5	2.9	9.6

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 one quarter and 14 days is represented against the two year "use of funds" statement. The Company believes it is on schedule to achieve its objectives as stated in its IPO Prospectus.

Corporate and administration has been presented net of Camp cash receipts received during the period of approximately \$0.3 million.

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	Granted	100%	100%
L74/0034	Western Australia	Granted	100%	100%
L74/0058	Western Australia	Application	0%	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%
E74/0665	Western Australia	Granted	100%	100%
E74/0671	Western Australia	Granted	100%	100%
L74/0035	Western Australia	Granted	100%	100%
L74/0045	Western Australia	Granted	100%	100%
M74/0176	Western Australia	Granted	100%	100%
P74/0369	Western Australia	Expired	100%	0%
P74/0378	Western Australia	Expired	100%	0%
P74/0385	Western Australia	Granted	100%	100%
P74/0386	Western Australia	Granted	100%	100%

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

The Company disposed of the following tenements during the quarter:

Tenement	Location	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
Jerdacuttup Project				
P74/0369	Western Australia	Expired	100%	0%
P74/0378	Western Australia	Expired	100%	0%

The Company acquired the following tenement during the quarter, which was pending application at quarter end:

Tenement	Location	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
Ravensthorpe Gold Project				
L74/0058	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")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	321	321
1.2	Payments for		
	(a) exploration & evaluation	(191)	(827)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(569)	(1,320)
	(e) administration and corporate costs	(287)	(909)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	3
1.5	Interest and other costs of finance paid	(7)	(7)
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	(732)	(2,626)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(91)	(114)
	(d) exploration & evaluation	(1,121)	(1,256)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(1,212)	(1,370)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	(120)	(872)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(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	(120)	10,636

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10,959	2,255
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(732)	(2,626)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,212)	(1,370)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(120)	10,636

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	8,895	8,895

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	8,821	10,925
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (Cash held as bank securities)	74	34
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,895	10,959

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.

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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	<p>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> <p>Loan disclosed at 7.1 is a shareholder loan from Bolong (Australia) Investment Management Pty Ltd ("Bolong"). The loan is unsecured and 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)	(732)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,121)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,853)
8.4	Cash and cash equivalents at quarter end (item 4.6)	8,895
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	8,895
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.80
	<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?	
	<p>Answer:</p> <p>Not applicable</p>	
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?	
	<p>Answer:</p> <p>Not applicable</p>	

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 July 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.