

QUARTERLY ACTIVITIES AND CASHFLOW REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021

HIGHLIGHTS

- * Assay results received from diamond drill core at the Chakata Gold Project's GT Prospect include:
 - o CKDD010: 11m @ 2.88 g/t Au from 22m (*including 5m @ 3.42 g/t Au*)
 - o CKDD008: 4m @ 0.75 g/t Au 23m (*including 1m @ 2.24 g/t Au*) and 1m @ 1.45 g/t Au from 34m
 - o CKDD009: 1m @ 1.47 g/t Au from 69m
 - o CKDD011: 1.1m @ 0.72 g/t Au from 22m
- * GT Prospect drilling campaign targeted historical trench result of 25m @ 2.57g/t Au
- * Babicho Gold Project's second phase trenching program returned broad gold mineralisation throughout the program, highlighted by:
 - o BBTR016 - 6m @ 3.03g/t Au (*within 30m @ 1.06g/t Au*)
 - o BBTR015 - 6m @ 2.13g/t Au (*within 14m @ 1.09g/t Au*)
 - o BBTR012 - 11m @ 2.55g/t Au (*within 21m @ 1.46g/t Au*) & 6m @ 1.75g/t Au
 - o BBTR011 - 10m @ 2.04g/t Au (*within 30m @ 0.84g/t Au*)
- * Geological observations from drillholes and trenching indicate similar alteration and mineralisation to that observed at Lega Dembi and Sakaro deposits (>3Moz Au)
- * Quartz veining with visible sulphides (pyrite) up to 7m wide within broad alteration zones 20-30m wide observed across trenching and drilling programs thus far
- * Trenching proximal to peak drilling result BBDD001 which ran *4.1m @ 1.97g/t Au* (within 11m @ 0.81g/t Au) from 98m under trench BBTR001 (11.1m @ 3.21g/t Au) (previously announced)
- * Second phase drilling program to commence post-rainy season
- * New expatriate, residential Exploration Manager in Ethiopia since 3 August 2021



Megado Gold Ltd

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ASX: MEG

Issued Capital

71.5m Shares
16.3m Options

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Brad Drabsch (Non-Exec. Chair)
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Chris Bowden (Exec. Tech. Director)
Marta Ortiz (Non-Exec. Director)
Aaron Bertolatti (Finance Director)

Ethiopian-focused gold explorer Megado Gold (ASX:MEG) (Megado or the Company) is pleased to provide the following commentary on its activities and an Appendix 5B for the quarter ended 30 September 2021.

CHAKATA GOLD PROJECT: ONGOING ACTIVITIES

On 11 August 2021, the Company announced the Chakata Gold Project's maiden drilling results from the GT Prospect. Six diamond drillholes totalling 1,122m were completed. The results from this first drilling program were extremely encouraging, highlighted by hole CKDD010 which returned assays of **11m @ 2.88 g/t Au** from 22m (including **5m @ 3.41 g/t Au** from 28m) (refer to Table 1 for details). Additional results from this drilling program were announced on 24 September 2021. They included CKDD008 which had a peak of 1m @ 2.24g/t Au from 26m and 1m @ 1.45g/t Au from 34m (refer to Table 1 for details).

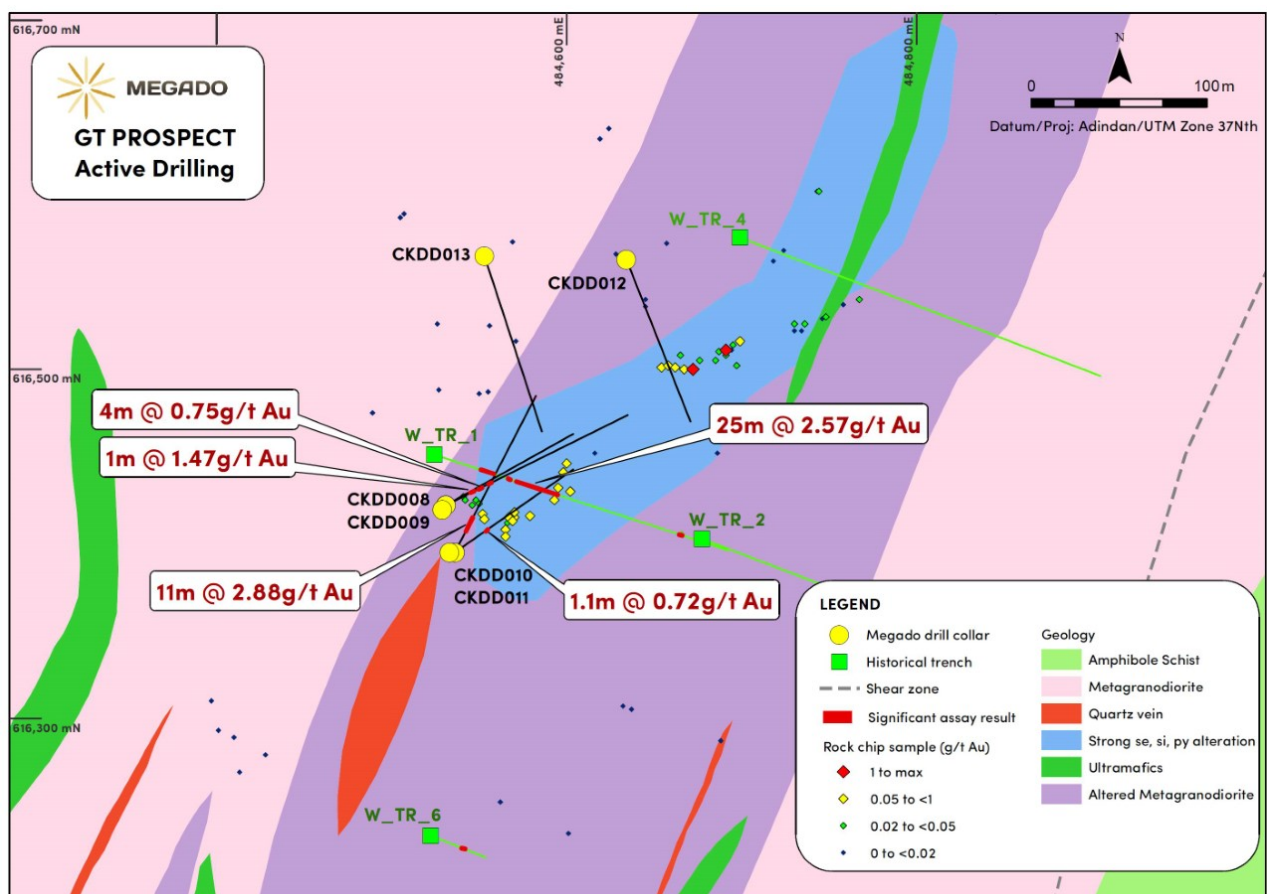


Figure 1: Megado's drilling activities and results at the GT Prospect, in the Chakata Gold Project's south-east corner

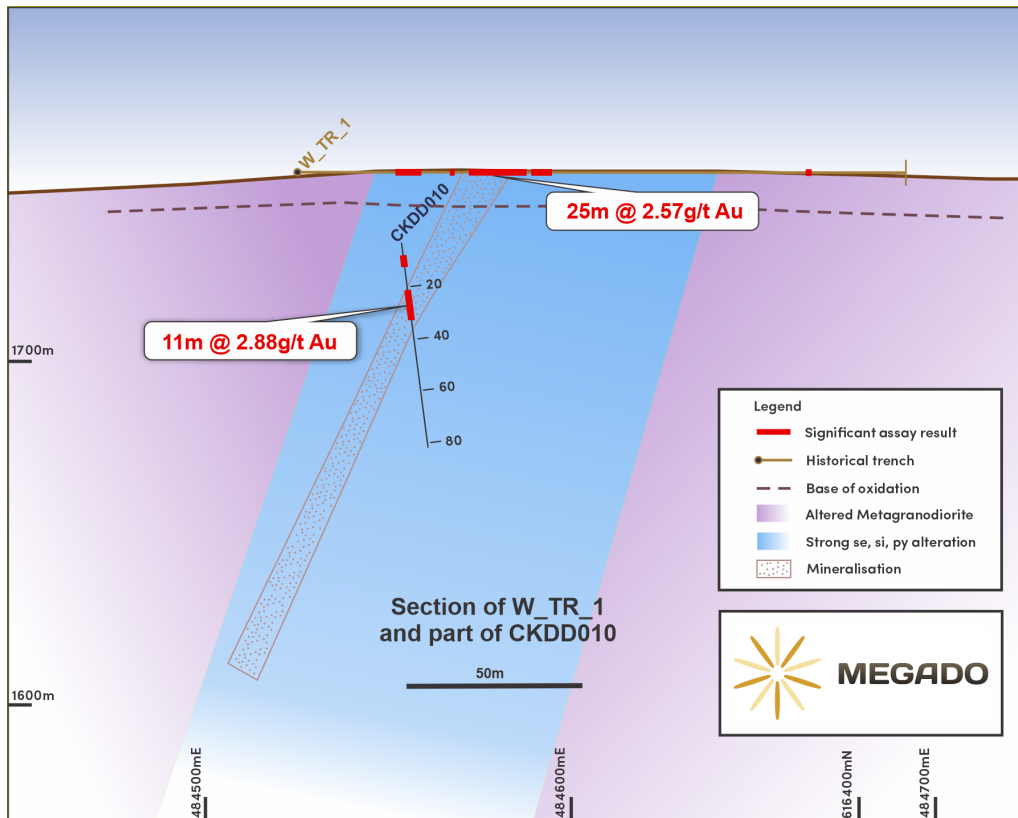


Figure 2: Cross-section showing CKDD010 and historical trench WTR-1 with mineralised zone open down plunge and down dip

The drilling program itself targeted mineralisation along strike and down-dip from the outcrops hosting high-grade rock chips of **4.40g/t Au** and **4.17g/t Au** (refer to announcement of [9 June 2021](#)). The program also followed up historically reported trench results highlighted by a historical trench interval of **25m @ 2.57g/t Au** (refer to announcement [12 November 2020](#)) with no known drill testing at depth beneath the trench or down plunge.

Table 1 - Significant Intercepts from initial drilling program at GT Prospect, Chakata Gold Project

Drillhole ID	From (m)	To (m)	Depth (m)	Au (g/t)
CKDD010	22	33	11	2.88
<i>inc.</i>	<i>23</i>	<i>25</i>	<i>2</i>	<i>5.28</i>
<i>inc.</i>	<i>26</i>	<i>28</i>	<i>2</i>	<i>1.38</i>
<i>inc.</i>	<i>28</i>	<i>33</i>	<i>5</i>	<i>3.41</i>
CKDD008	23	24	1	0.73
<i>and</i>	26	27	1	2.24
<i>and</i>	34	35	1	1.45
CKDD011	22	23.1	1.1	0.72
CKDD009	63	64	1	0.54
<i>and</i>	69	70	1	1.47

All reported widths are downhole and are not necessarily indicative of true widths.

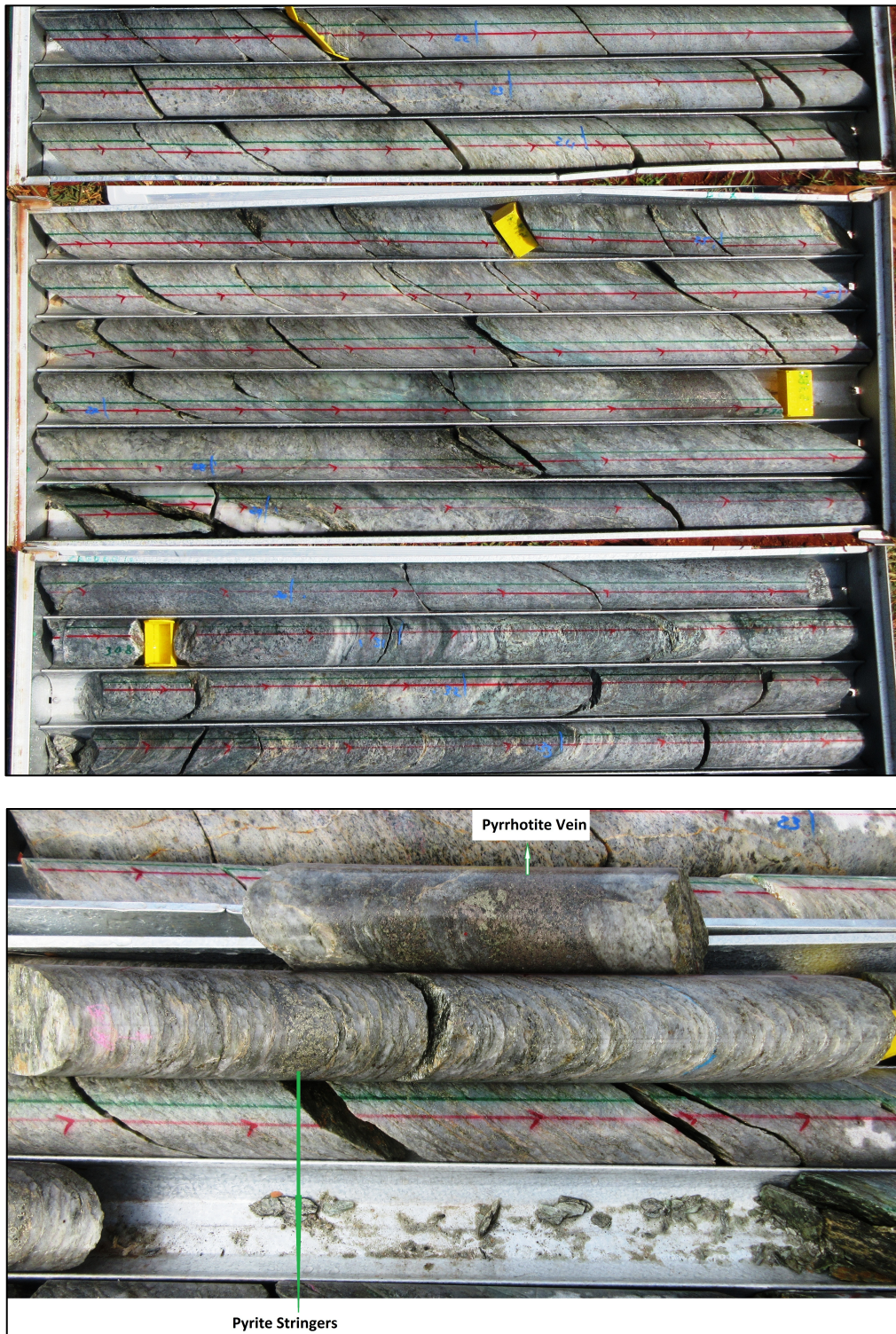


Figure 3: CKDD010: UPPER: 11m @ 2.88 g/t Au from 22m sheared meta-granodiorite with sulphide-sericite-silica-chlorite alteration hosting quartz veins and veinlets (c. 5%) visually with 5 -10% pyrite, 1-2% chalcopyrite and 5-10% pyrrhotite mineralisation. LOWER: detail from CKDD010 at ca. 28m.

Most importantly, these initial results at GT Prospect supported Megado's thesis that the limited previous work at Chakata misinterpreted its geology. Megado's fieldwork identified numerous structures and stockwork vein zones at the GT Prospect that trend parallel to historical drilling and trenching. Previous efforts focused on testing the north-northeast trending primary structure by trenching and drilling along east-southeast lines. In contrast, Megado's field observations showed mineralisation locally trends east-

northeast (noted by rock sampling in Figure 4). Previous historical trenching and drilling sub-parallel to these structures likely explains their sporadic historical intercepts. Consequently, Megado drilling at GT Prospect oriented to test these local structures and a much broader zone of mapped intense alteration and veining thereby yielding these strong initial results.

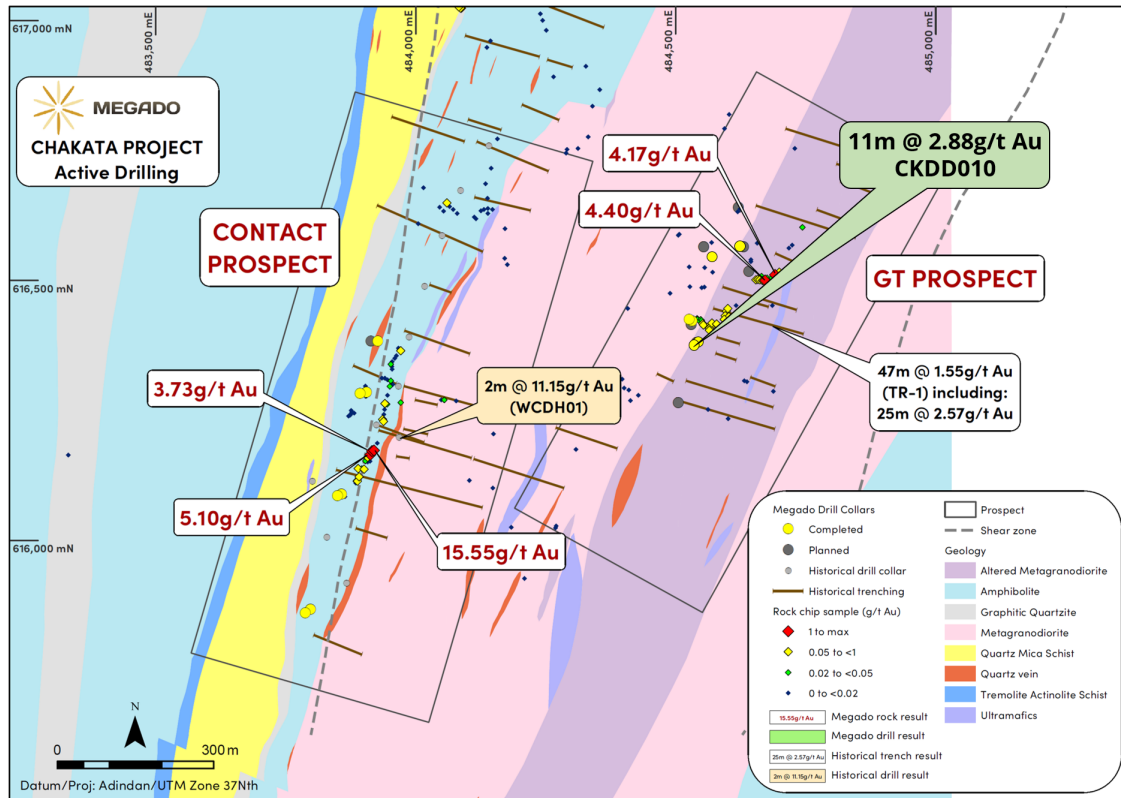


Figure 4: Megado's results at the Contact and GT Prospects, in the Chakata Gold Project's south-east corner

Moreover, CKDD012 and CKDD013 were drilled towards the south, testing an alternate hypothesis to mineralisation. The lack of significant gold results in these holes further bolsters the initial understanding Megado has of the system. It also increases the confidence to follow-up the mineralisation trend the team has identified from CKDD010, through WTR1, and at surface continuing to the north-east.

CHAKATA GOLD PROJECT: FOLLOW-UP ACTIVITIES

Megado has a high degree of confidence of having identified the controls to gold mineralisation at GT. The team will continue its field reconnaissance to gather as much surface and drill core structural data to assist in building a 3D model of gold mineralisation. Follow-up drill programs are being planned for after the rainy season and will be targeting the down dip and down-plunge extensions to the known mineralisation, including untested repeating sub-parallel structures, evident from mapping and rock sample assays.

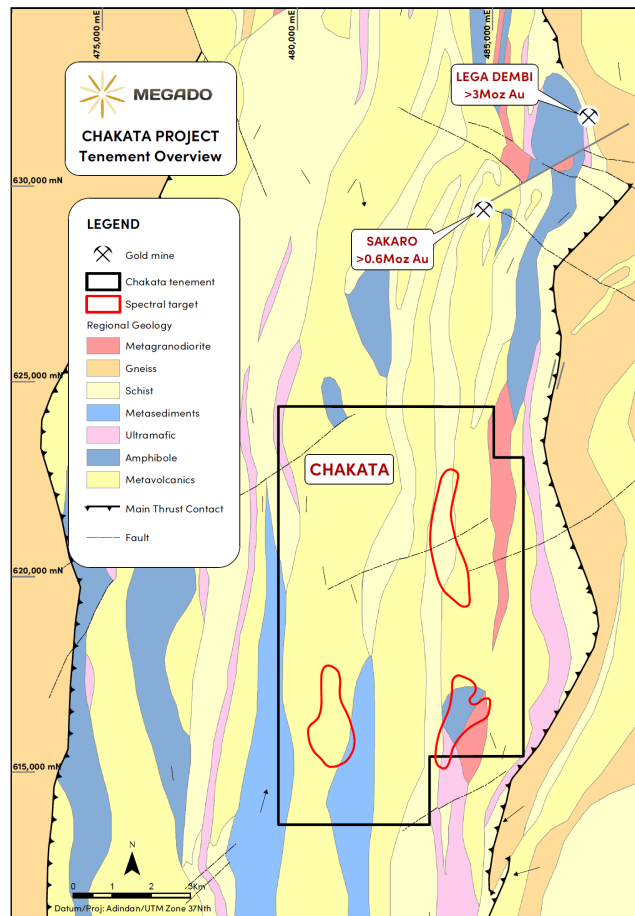


Figure 5: Megado has multiple prospects at the Chakata Gold Project, including the Contact and GT Prospects in the southwest of the tenement; the Elle Prospect in the west; and the Dragon Prospects in the northeast and northwest.

Moreover, Megado’s work at Chakata is in its infancy. The area drill-tested thus far at the GT Prospect represents a mere fraction of the more than 9km of strike that extends through the tenement towards the Sakaro and Lega Dembi gold mines, which have produced >3Moz gold. Moreover, drill core at both the CT and GT Prospects consistently produced zones of intense mineralisation similar to that reported at Lega Dembi, including strongly sericite-fuchsite altered and silicified metagranodiorite hosting quartz veins containing up to 3% sulphides (pyrite, chalcopyrite and pyrrhotite). There remains much work to be completed to test these quartz veins further.

BABICHO GOLD PROJECT: ONGOING ACTIVITIES

On **16 September 2021**, Megado announced more encouraging Phase 2 trenching results at Babicho. Trench BBTR012 returned **11m @ 2.55g/t Au** (within **21m @ 1.46g/t Au**) and **6m @ 1.75g/t Au**; BBTR011 returned **10m @ 2.04g/t Au** (within **30m @ 0.84g/t Au**) (see announcement on [23 August 2021](#)); and BBTR016 returned **6m @ 3.03g/t Au** (within **30m @ 1.06g/t Au**) and BBTR015 returned **6m @ 2.13g/t Au** (within **14m @ 1.09g/t Au**) (see Table 2). Encouraging for the Company is that these trenching results continue to support the assertion that the system at Babicho is one capable of hosting gold deposits of significant size.

Table 2 - Significant Intercepts from trenching program at the Roba Shakisso Prospect, Babicho Gold Project

Trench ID	From (m)	To (m)	Depth (m)	Au (g/t)
BBTR016	72	102	30	1.06
<i>inc.</i>	96	102	6	3.03
BBTR012	70	91	21	1.46
<i>inc.</i>	80	91	11	2.55
and	45	51	6	1.75
BBTR015	123	137	14	1.09
<i>inc.</i>	123	129	6	2.13
BBTR011	55	85	30	0.84
<i>inc.</i>	71	81	10	2.04

All reported widths are downhole and are not necessarily indicative of true widths.

Moreover, throughout this and previous trenching and drilling programs, wide zones of quartz veining upwards of 10-20m have been consistently intersected along a strike length of 1.5km. Visually mineralised core from Megado's maiden drilling program at Babicho returned encouraging gold mineralisation, peaking at **11m @ 0.81g/t Au** (including **4m @ 1.97g/t Au**) from drillhole BBDD001 (from 98m); and earlier trenching returned a peak result of **30m @ 1.27g/t Au** (including **11.1m @ 3.21g/t Au**) from BBTR002 (Figure 6).

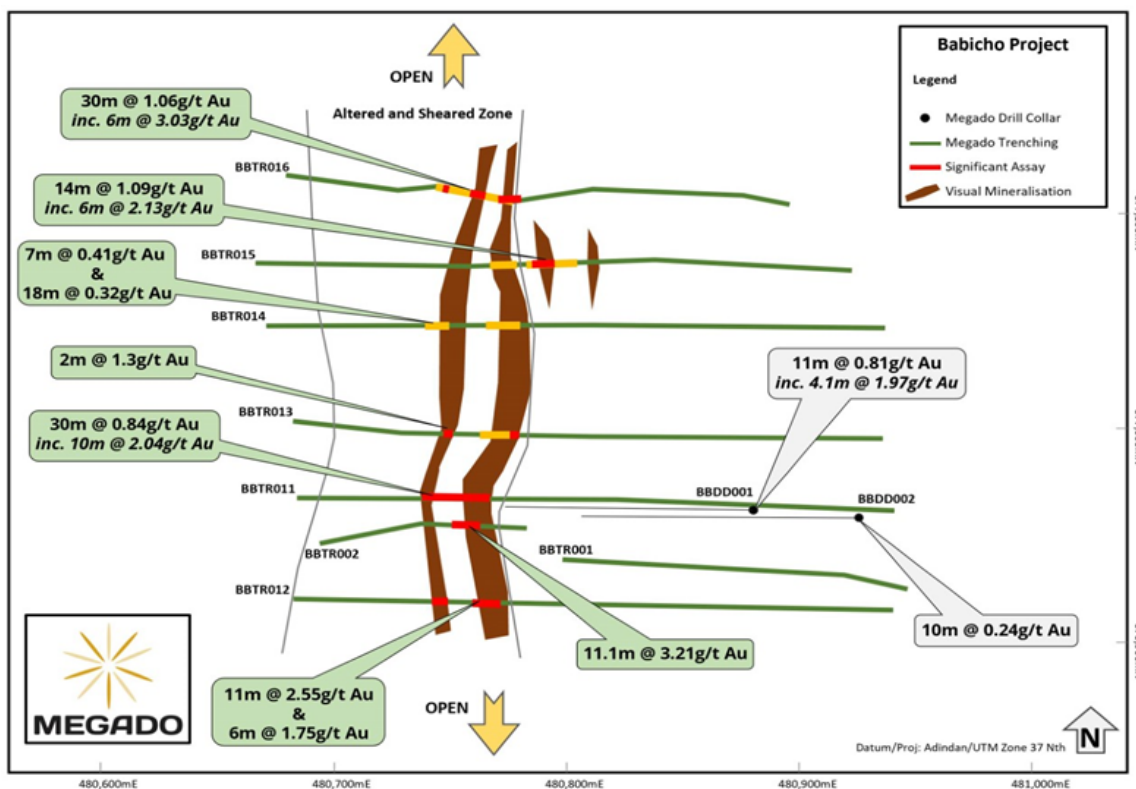


Figure 6: Phase 2 trenching results at the Babicho Gold Project

Results and visual observations of all trenching and drilling at Babicho have exhibited broad mineralisation zones (see Appendices 1 & 2). In particular, Megado’s geologists have noted wide zones of sericite altered meta-granodiorite hosting quartz veining with heavily oxidised sulphides (pyrite).

This is noteworthy because it compares favourably to that of the attributes noted in the lithology, alteration, and mineralisation of Lega Dembi and Sakaro, which have produced >3Moz Au and are situated 50km along strike to the south. As an example, the gold mineralisation from hole BBDD001 (11m @ 0.81g/t Au, from 98m) is located within intervals of highly silicified schist (from 101m to 120m) hosting quartz veins with pyrite (3%) and chalcopyrite (<1%), similar to Lega Dembi. This result at BBDD001 also showed a strong indication of a mineralised zone dipping moderately east and plunging to the north.

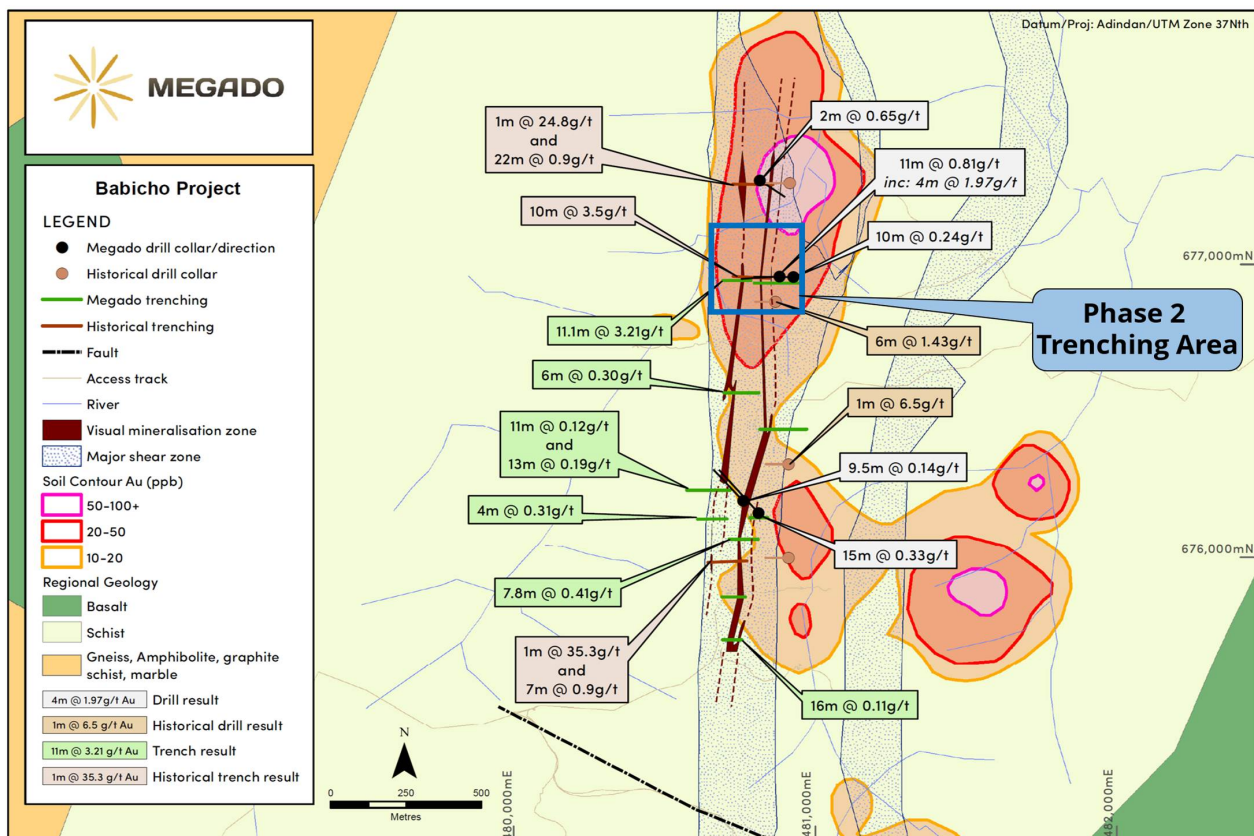


Figure 7: Results from recent and historical drilling and trenching at the Babicho Gold Project, and highlighted area showing the focus for the Phase 2 trenching program.

BABICHO GOLD PROJECT: FOLLOW-UP ACTIVITIES

In view of the strong trenching results, broad mineralisation, and Lega Dembi similarities, Megado remains extremely confident at Babicho’s potential. A follow-up drilling program will commence following the rainy season (likely Q4 2021). The program will test the strike and depth extension at what the Company is now referring to as the Roba Shakisso Prospect within Babicho. Roba Shakisso hosts the highly altered Silingo shear zone that trends north-south and dips primarily to the east with lineation measurements indicating a northerly plunge. This zone will be the target of the drilling phase with the expectation that gold mineralisation will exhibit continuity along the Silingo Shear. Until then, the team will continue trenching further to the north and south of the identified mineralised zone along the Silingo Shear.

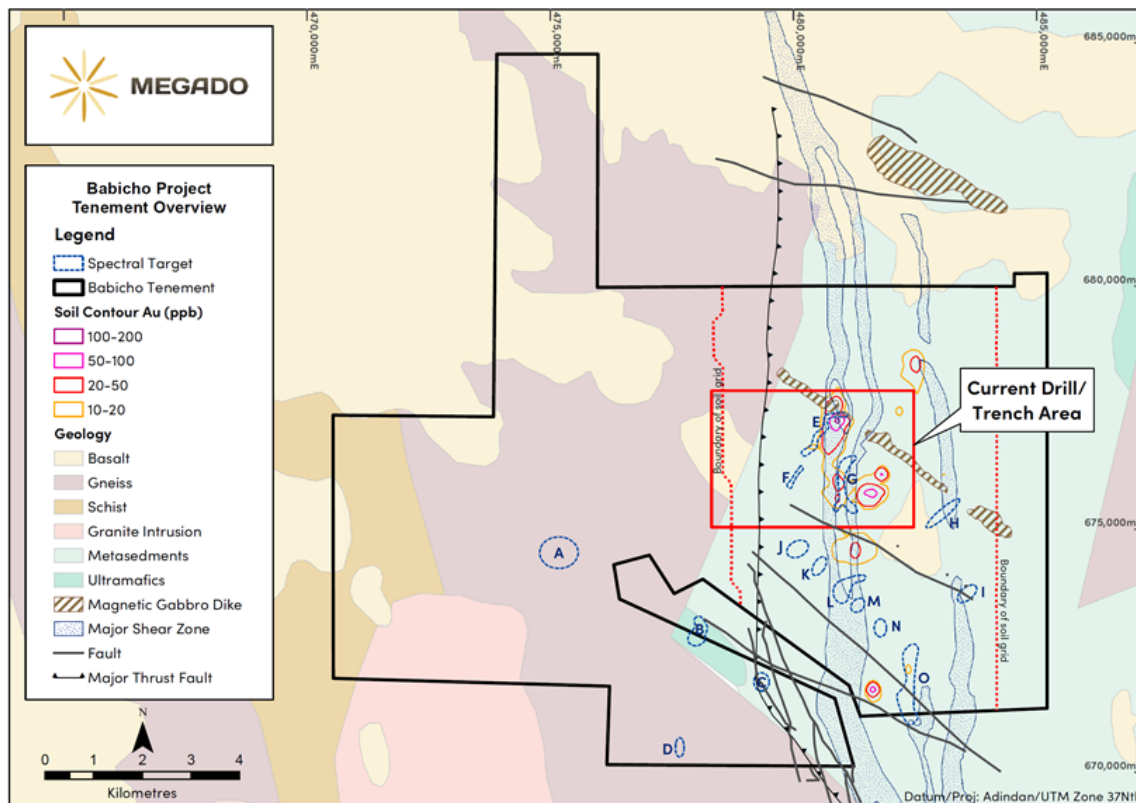


Figure 8: Babicho Gold Project Overview - Silingo Shear in centre (coincident with soil anomaly), Biloya Shear to the east – both part of the tenement scale Babicho Shear Zone, which in turn is part of the belt-wide Lega Dembi-Sakaro Shear Zone.

FINANCIAL COMMENTARY

The Quarterly Cashflow Report (Appendix 5B) for the period ending 30 September 2021 provides an overview of the Company's financial activities.

- The Company had A\$1.83 million in cash at the end of the quarter. This is considered sufficient to fund corporate costs into the first half of 2022 and to also continue exploration activities at the Company's gold assets in southern and western Ethiopia.
- Expenditure on exploration during the reporting period amounted to A\$585k, and included expense items such as sample analysis (\$277k) and exploration manager fees (\$56k). Payments for administration and corporate costs amounted to \$197k and related to costs for and associated with listing and compliance, marketing/promotion, investor relations and consulting fees. The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities was \$128k (refer to Table 3).

Statement of Commitments

The current quarter is covered by the Statement of Commitments¹ outlined in the Prospectus dated 4 September 2020. A summary of expenditure to date is outlined in Table 3:

Table 3: Statement of Commitments

DESCRIPTION	YEAR 1 September 2020 to August 2021	YEAR 2 September 2021 to August 2022	TOTAL	ACTUAL (September 2020 to September 2021)
Acquisitions	-	-	-	-
Sampling Costs	389,919	336,482	726,401	563,906
Remote Sensing	7,917	-	7,917	-
Field Work	52,777	54,888	107,665	390,326
Trenching	98,957	32,986	131,942	15,952
Drilling	1,220,564	1,255,045	2,475,609	1,444,905
Daily Labourers	5,481	5,846	11,327	14,620
Field Office	10,951	11,083	22,034	124,623
Geological Consulting	9,946	7,308	17,254	14,200
Community Investment	66,063	33,078	99,141	65,991
Tenement Fees	18,555	18,555	37,110	25,000
SUB-TOTAL	1,881,130	1,755,270	3,636,400	2,659,522
Estimated expenses of the Offer	587,276	-	587,276	527,994
Directors' fees	646,000	646,000	1,292,000	661,335
General administration fees & working capital	340,682	343,641	684,323	568,856
TOTAL	3,455,089	2,744,911	6,200,000	4,417,707

¹ The above table is a statement of current intentions. Investors should note that the allocation of funds set out in the above table may change depending on a number of factors including the results of exploration, outcome of development activities, regulatory developments and market and general economic conditions. In light of this the Board reserves the right to alter the way the funds are applied.

Table 4: Payments to Related Parties of the Entity and their Associates

Item	Current Quarter (A\$)	Previous Quarter (A\$)
Directors' Remuneration		
Managing Director's Fees	52,083	125,000
Non-Executive Chairman's Fees	12,500	15,000
Executive Director Fees	58,750	70,500
Non-Executive Director Fees	5,000	10,000
Total payments to related parties of the entity and their associates	128,333	220,500

Table 5: Schedule of Tenements

Tenements	Licence Number	Grant Date	Regional State	Land Area (Km ²)	Interest (%)
Babicho	EL\00106\2019	26/09/2019	Oromia	131.96	80%
Chakata	MOM\EL\00556\2019	19/08/2020	Oromia	62.08	100%
Chochi	MOM\EL\2013\276	06/01/2014	Benishangul-Gumuz	137.28	80%
Dawa	MOM\EL\00813\2019	19/08/2020	Oromia	41.22	100%
Dermi Dama	MOM\EL\00175\2020	<i>In Application</i>	Oromia	227.32	100%
Mormora	EL\00313\2019	26/09/2019	Oromia	138.98	100%

Mining Tenements disposed: Nil

Beneficial percentage interests held in farm-in or farm-out agreements: Nil

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed: Nil

Related ASX Announcements

20210924	<u>Encouraging Gold Results at the Chakata Gold Project</u>
20210916	<u>Encouraging Trenching Results at Babicho Gold Project Continue</u>
20210823	<u>Broad Gold Zones in Second Trenching Program at the Babicho Gold Project</u>
20210811	<u>Significant Gold Intercepted in Drilling at the Chakata Gold Project</u>
20210610	<u>High-Grade Gold in Rocks Returned from Chakata Gold Project</u>
20210506	<u>High-Grade Gold in Trenches at Babicho Gold Project</u>
20210422	<u>Visible Mineralisation Intersected at the Chakata Gold Project</u>
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

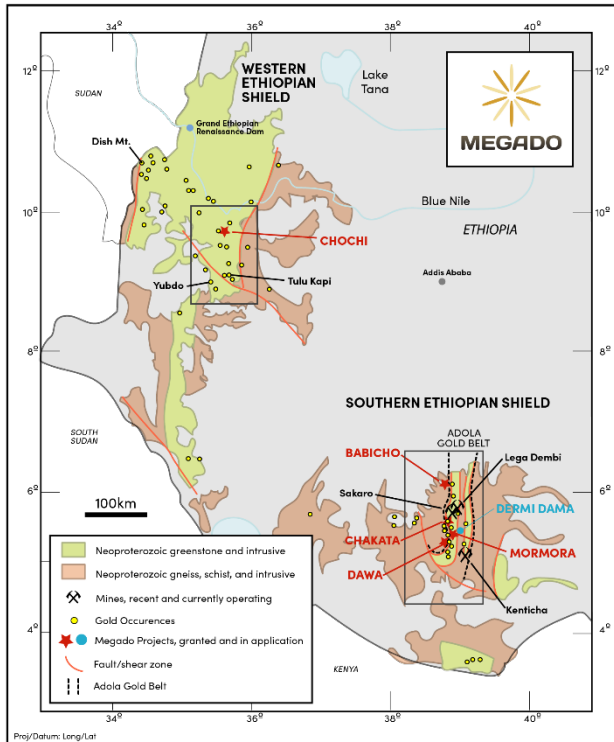
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About Megado Gold

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.

APPENDIX 1: CHAKATA DRILL COLLAR DATA

HoleID	Easting	Northing	RL	Depth	Azimuth	Dip
CKDD001	483857	616089	1559	156.6	102	-50
CKDD002	483857	616089	1559	147	102	-65
CKDD003	483797	615867	1527	168	82	-50
CKDD004	483797	615867	1527	213.5	82	-65
CKDD005	483905	616285	1585	163	102	-50
CKDD006	483905	616285	1585	210	102	-65
CKDD007	483927	616383	1570	145.8	102	-50
CKDD008	484531	616422	1726	175	62	-50
CKDD009	484531	616422	1726	204.5	62	-65
CKDD010	484536	616395	1737	153.8	27	-50
CKDD011	484536	616395	1737	191.5	60	-65
CKDD012	484630	616565	1797	234.6	162	-65
CKDD013	484553	616565	1745	162.7	160	-50

APPENDIX 2: CHAKATA TRENCH COLLAR DATA

TrenchID	Easting	Northing	RL	Length	Azimuth
CKTR003	484778	623576	1530	225	90
CKTR004	484732	623689	1597	263	92

APPENDIX 3: BABICHO DRILL COLLAR DATA

HoleID	Easting	Northing	RL	Depth	Azimuth	Dip
BBDD001	480880	676962	2191	203.9	272	-55
BBDD002	480926	676959	2191	243.5	272	-60
BBDD003	480760	676194	2185	273.7	322	-60
BBDD004	480810	676154	2177	348.3	322	-60
BBDD005	480815	677289	2107	174.0	122	-55

APPENDIX 3: BABICHO TRENCH COLLAR DATA

TrenchID	Easting	Northing	RL	Length	Azimuth
BBTR001	480798	676938	2173	154	92
BBTR002	480694	676948	2165	91	92
BBTR003	480815	676440	2224	156	92
BBTR004	480783	676137	2175	57	92
BBTR005	480608	676132	2211	101	92
BBTR006	480573	676231	2204	143	92
BBTR007	480714	676063	2100	95	92
BBTR008	480689	675866	2206	77	92
BBTR009	480689	675721	2210	63	92
BBTR010	480696	676564	2214	116	92
BBTR011	480684	676968	2160	261	92
BBTR012	480684	676921	2167	261	92
BBTR013	480682	677004	2152	258	92
BBTR014	480671	677049	2169	272	92
BBTR015	480666	677077	2153	263	92
BBTR016	480680	677120	2190	221	92



APPENDIX 3: JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>All diamond holes are sampled at geological intervals with a nominal maximum interval of 2 metres.</p> <p>Cross section interpretations as well as geological logs were done to a level suitable to apply selective sampling at this early-stage exploration drilling.</p> <p>Half core samples are preserved for future assay as required. Samples were collected from the core trays after they had been transported from the drill site to the base camp at Adola. They were marked up and recovery recorded. They were then split (cut) in half-length wise (downhole) with a core saw. Sample downhole intervals lengths ranged from 0.5m to 2.0m. Individual sample weights were in the range of 2kg minimum, to 5kg maximum, and an average of 3kg. Measures taken to ensure sample representivity include controls on sample quality and sample location, including for drilling, collar position; downhole survey; and downhole depths. These are validated by GPS, compass; wireline DH survey tools; and regular counting of drill rods downhole to verify reported core block depths.</p> <p>Core quality is checked by the geologist to ensure removal from core tube to core tray is done correctly, that drill core has not been re-drilled, and other checks, including core recovery measurements, to ensure drill core is representative of in-situ material drilled.</p> <p>Certified reference material, blanks and duplicates (coarse and pulp) were inserted at regular intervals.</p> <p>All samples were submitted to internationally accredited ALS Laboratories both in Addis Ababa, Ethiopia (sample preparation) and then to Perth, Australia (analysis) for 50g Fire Assay gold analysis and ME-ICP61 a multi-element suite (33 element four acid ICP-AES). ALS is an ISO/IEC 17025:2005 certified laboratory.</p>
Drilling techniques	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i></p>	<p>Diamond drilling was carried out by Orezone a local contractor, using a customized track-mounted and purpose-built wireline diamond core drill rig.</p> <p>Drill core was oriented by downhole wireline ezi-marker method every drill run (typically 3m), back-checked for consistency between orientation marks across multiple runs. Downhole surveys were conducted using Reflex Ezitrac precision instrument every 20m by Orezone the drill contractor.</p> <p>Drill holes were drilled from surface at dips ranging from -50 to -65 degrees using inner/outer tube HQ/PQ diameter diamond core drill string.</p> <p>Drilling fluids were used to maximise cutting penetration, improve water circulation.</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>Drill core recovery was calculated per run by measuring core length recovered against drill depth as reported on core blocks.</p> <p>Drilling depths were cross-checked by visually verifying the length and number of drill rods downhole, for example during bit changes and rods pulled out.</p> <p>Analysis of the measured core recovery data show recoveries for the drilling program averaged 98%.</p>

Criteria	JORC Code explanation	Commentary
		<p>The ground conditions encountered to date at have return high degrees of sample returns with good RQD.</p> <p>Half-core samples were packed in plastic bags with sample tickets stapled to the bag, weighed and recorded in a hard-copy sample register and digital database.</p> <p>A plot of sample recovery to gold grade shows no observable relationship, and therefore no sample bias.</p>
Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>All drill core was geologically logged for total length of holes by Megado geologists.</p> <p>Drill core was oriented and marked-up for RQD and structural measurements plus all core was photographed.</p> <p>Geological logging used a standardized logging system recording mineral and rock types and their abundance, as well as alteration, silicification, level of weathering.</p> <p>Half core was retained in the core boxes after core cutting as a representative sample for each drill meter for future reference and logging checks.</p>
Sub-sampling techniques and sample preparation done	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>Drill core was cut lengthwise (downhole) using an industry standard Core saw by trained personnel along cut lines marked by the Megado geologists.</p> <p>Sample intervals were chosen selectively to reflect geological features relevant to the target style of mineralisation.</p> <p>Half-core samples were packed in plastic bags with sample tickets stapled to the bag, weighed, and recorded in a hard-copy sample register and digital database.</p> <p>Duplicates were also taken to evaluate representativeness.</p> <p>All drill core samples were transported to the ALS laboratory in Addis Abba, Ethiopia for sample preparation and then ALS Perth for chemical analysis.</p> <p>At the laboratory, samples were weighed and finely crushed to 90% passing 2mm (CRU-32) and riffle split off 1kg for pulverization.</p> <p>The samples were pulverized for a 1kg split to 90% passing 75 microns (PUL-32a).</p> <p>Gold was assayed by Fire Assay (50gm) with AA finish (Au-AA26).</p> <p>Multi-element analysis was also done by ME-ICP61 (33 element four-acid digestion with ICP-AES).</p> <p>Four acid digestion quantitatively dissolves nearly all minerals in most geological materials. However, it may sometimes be necessary to use even stronger dissolution techniques such as fusions to achieve fully quantitative results for refractory minerals. Analysis of the reject tails and size pass rates for both the crush and grind circuits indicates that the coarse and pulp split samples are considered representative of the primary sample.</p> <p>Analysis of coarse and pulp duplicate results are within acceptable variance thresholds (nominally 10%) and thus the sample sizes and laboratory preparation are considered representative and appropriate for this early stage exploration.</p> <p>Sample pulps are retained at the ALS laboratory under secure "chain of custody" procedure for possible future analysis.</p>
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in</i></p>	<p>Pulp samples prepared in Ethiopia are sent through with DHL to ALS laboratory in Perth for Au analysis, with a split (250g) and for multi-element analysis.</p> <p>ALS is an ISO/IEC 17025:2005 and ISO9001:2015 certified laboratory.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p>	<p>Gold is analyzed by fire assay using a 50g charge with AAS finish to a lower detection limit of 0.01ppm Au and an upper detection limit of 100ppm Au.</p> <p>A 33 multi-element suite is also carried out on 25g pulp sample split using HF-HNO₃-HClO₄ acid digestion, HCl leach, (acids listed 4 acid) with ICP-AES finish.</p> <p>The nature of the laboratory assay sampling techniques used are considered 'industry standard' and appropriate.</p> <p>No data from geophysical tools were used to determine analytical results in this report.</p> <p>A review of certified reference material and sample blanks inserted by the Company indicated no significant analytical bias or preparation errors in the reported analyses.</p> <p>Results of analyses for field sample duplicates are consistent with the style of mineralisation evaluated and considered to be representative of the geological zones which were sampled.</p> <p>Internal laboratory QAQC checks are reported by the laboratory and a review of the QAQC reports suggests the laboratory is performing within acceptable limits.</p>
<p>Verification of sampling and assaying</p>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>Assay data is verified by the database manager responsible for importing laboratory results into the database.</p> <p>Logging data and core sample intervals have been compiled by the senior geologists directly involved in the drilling program, under guidance of the Exploration Manager (Competent Person).</p> <p>No twinned holes have been done for this program as it is early-stage exploration.</p> <p>Primary data is recorded preferentially into proprietary data capture software or otherwise into digital spreadsheets or hand-written documents.</p> <p>All original hardcopy logs and sample reference sheets are kept for reference.</p> <p>Digital data entry is validated through the application of database validation rules and is also visually verified by the responsible geologist through GIS and 3D software. Any failures are sent back to the responsible geologist for correction and re-submission.</p> <p>Data is stored in an SQL database managed through proprietary software. The database is backed up as part of the Company server backup protocol.</p> <p>Assay data is imported into the Company database from original lab files via automated queries, thus minimizing error in tagging samples with results.</p> <p>No adjustments are made to the assay data.</p>
<p>Location of data points</p>	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control</i></p>	<p>Preliminary drill collar XYZ locations are determined with a handheld Garmin 62s GPS, using an averaging waypoint method (3 minutes) producing levels of accuracy +/- 3m.</p> <p>At the end of a drilling campaign (or as required), collar XYZ locations are subsequently picked up by local surveyors using GPS units to sub cm-scale XYZ accuracy.</p> <p>The drilling contractor (Orezone) conducted downhole surveys every 20m using a Reflex Ezitrac orientation precision instrument.</p> <p>The grid system used is Universal Transverse Mercator (Adindan), Zone 37 Northern Hemisphere.</p> <p>Topographic control to date has used GPS data, which is adequate considering the small relief difference (100m) in the area.</p>

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.</i>	Drill holes have not been located at a regular spacing because drilling at this stage is of an early exploration nature. No Mineral Resource or Ore Reserve have been estimated. Drill core sample intervals within each drillhole range from 0.5m to 2.0m, selectively sampled to end of hole depths. Drill collars vary within each pad in azimuth and dip targeting down dip mineralisation of surface mineralisation. Sampling intervals were based on geological boundary and alteration/veining where possible. No sample compositing has been applied.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Exploration is at an early stage and, as such, knowledge on exact location of mineralisation and its relation to lithological and structural boundaries is not accurately known. However, the current drill hole orientation is considered appropriate for the program to reasonably assess the prospectivity of known structures interpreted from other data sources.
Sample security	<i>The measures taken to ensure sample security.</i>	All samples are sent to the ALS laboratory in Addis under full security and “Chain of Custody” of procedure by the Company. This is done by the following procedures: Drill core produced at the rig is inspected regularly (multiple times daily) and collected by the Company at the end of nightshift. Core and samples are securely locked overnight in an on-site secure facility. After on-site logging and processing, core is transported to the Company’s long-term core storage facility under the direct supervision of a Company representative where it is securely locked. Core is further processed for sampling by Company representatives under guidance of the Competent Person. Bagged samples are secured by tags and delivered by a Company representative to ALS Addis (sample preparation laboratory). The preparation laboratory, ALS Addis then sends pulp samples directly to the assay laboratory at ALS Perth for analysis via a door-to-door courier service (DHL). All rejects are returned under courier service and stored in the Company’s secure lock-up long-term core storage facility.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No external audits or reviews of the Company’s sampling techniques or data have been undertaken at this early exploration stage time.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The results reported here are all contained within the Chakata permit which is held 100% by Megado Gold limited. The Chakata permit is in good standing, with an expiry date of 08/2023.

Criteria	JORC Code explanation	Commentary
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</i>	
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	The area presently covered by Chakata was explored intermittently by several companies prior to 2019. Exploration work included regional soil geochemistry, ground geophysics, geological mapping and few rock chip sampling and trenching. Canyon Resources Africa from 1995-98. JCI (Ethiopia) PLC from 1997-99. Midroc from 2004-11 did further detailed mapping, rock chip sampling and trenching, followed by 8 known diamond drillholes.
Geology	<i>Deposit type, geological setting, and style of mineralisation.</i>	The orogenic style gold deposit is targeted for exploration here. The target area is underlain by rocks of meta-volcano-sediments that include quartzite, graphitic quartzite, metavolcanics, chlorite schist, amphibolite, amphibole-biotite schist, and meta-granodiorite. The rock units generally strike north-south dipping subvertical (40-88°) towards west. The quartz veins occur at the contact between amphibolite and meta-granodiorite, and as fracture filling and stockwork in meta-granodiorite and quartzite/graphitic quartzites. The main bodies hosting mineralisation are silicified and sericite altered meta-granodiorite, and the tectonic contact between amphibolite and meta-granodiorite units.
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	Reported results are summarized in Table 1 and within the main body of the announcement. Drill collar elevation is defined as height above sea level in meters (RL). All holes were drilled at an angle deemed appropriate to the local structure as understood at the time of drilling. Down hole length of the hole is the distance from the surface to the end of the hole, as measured along the drill trace.
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	Weighted average sample assay intercepts have been calculated from individual sample interval downhole widths and related assay results, as reported in Table 1 in the main body of this ASX Release. The weighted average intercepts are calculated by multiplying the assay of each drill sample by the length of each sample, adding those products, and dividing the product sum by the entire downhole length of the mineralised interval. No data aggregation methods have been used. A minimum cut-off of 0.4g/t has been applied with an internal dilution of 2m. No maximum cut-off has been applied. No metal equivalent reporting is used or applied.
Relationship between mineralisation	<i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with</i>	The results reported in this announcement, are of an early stage in the exploration of the project.

Criteria	JORC Code explanation	Commentary
n widths and intercept lengths	<i>respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	Mineralisation geometry is not accurately known as the exact orientation and extent of known mineralized structures are not yet determined. Mineralisation results are reported as “downhole” widths as true widths are not yet known.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Drill hole location plans and sections are provided in the body of this release.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Not all sample assay data has been included in this report as it is not considered material beyond the representatively reported high and low grade results presented in the main body of this ASX Release. Visual Estimates: visual estimates of sulphide abundance in this release are based on field geologists observations and estimates. Visual estimates should never be considered a proxy or substitute for laboratory analyses where metal concentrations or grades are the factor of principle economic interest; nor do visual estimates provide information regarding impurities or deleterious physical properties. More substantive and reliable data in the form of laboratory analyses will be available once final sample analysis has been completed.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	No other exploration data that is considered meaningful and material has been omitted from this report.
Further work	<i>The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Upon completion of the entire program further diamond drilling is expected to be planned to follow up the results reported in this announcement and upon receipt of the remaining assays for holes not reported in this release, subject to results.

Appendix 5B

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

Name of entity

MEGADO GOLD LIMITED

ABN

74 632 150 817

Quarter ended ("current quarter")

30 September 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	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(124)	(393)
(e) administration and corporate costs	(197)	(832)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(320)	(1,218)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(585)	(1,957)
(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)		
	- reclamation bond	-	-
2.6	Net cash from / (used in) investing activities	(585)	(1,957)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Repayment of convertible debt securities	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,737	5,021
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(320)	(1,218)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(585)	(1,957)

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
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	(14)
4.6	Cash and cash equivalents at end of period	1,832	1,832

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	824	230
5.2 Call deposits	1,008	2,507
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,832	2,737

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	128
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>	
- Payment of Directors Fees and Remuneration - \$128k	

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

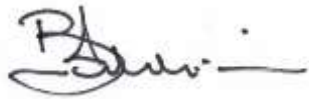
7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(320)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(585)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(905)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,832
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,832
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.02
<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: N/A	
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: N/A	
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: N/A	
<i>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.</i>	

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: 28 October 2021



Authorised by: Aaron Bertolatti – Director & Company Secretary

(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.