

# ASX ANNOUNCEMENT

14 April 2022



## MEGADO SECURES TRANSFORMATIONAL ACQUISITION OF HIGH-GRADE RARE EARTH ELEMENT PROJECT IN IDAHO, USA

Megado Gold Limited (ASX: MEG) (the '**Company**' or '**Megado**') is pleased to announce it has entered into a definitive agreement with Felix Strategic Minerals Pty Ltd ('**FSM**') to acquire 100% of the issued share capital in FSM. FSM, through its wholly owned subsidiary, Felix Strategic Minerals LLC, holds the contractual rights to acquire 100% of the rights, title and interest in the North Fork Rare Earth Project ('**North Fork**'), located in the mining-friendly Idaho Cobalt Belt region of Idaho, USA.

### HIGHLIGHTS

- \* North Fork consists of up to 499 claims (granted and in application), covering approximately **10,309 acres (42km<sup>2</sup>)** with outcropping, high-grade, rare earth element (REE) mineralised rock.
- \* North Fork contains **multiple carbonatite-hosted, high-grade, REE mineralised veins** that have been observed at surface across numerous prospects over 10km along strike.
- \* Previous exploration has returned exceptional grades in channel samples:
  - o Silver King Prospect: **2m @ 10.3% Total Rare Earth Oxides (TREO)** incl. **1.2% Critical Rare Earth Oxides (CREO)**; and **2m @ 5.8% TREO**; and **1.52m @ 17.7% TREO**
  - o Jackpot Prospect: **0.76m @ 21.5% TREO**; and **0.76m @ 14.5% TREO**
  - o Monazite Queen Prospect: **0.91m @ 21% TREO**; and **3m @ 2.16% TREO**
- \* REE mineralisation displayed at North Fork is high-grade and enriched in critical rare earths (CREE), (typically: Nd, Pr, Dy, Tb, Y).
- \* Operational team in USA is headed by **Greg Schifrin, former President of US Rare Earths and Colorado Rare Earth Minerals**. It is proposed that Mr Schifrin will join Megado's Board upon acquisition completion. Marta Ortiz will step down from the Board.
- \* **Walk-up drill targets have been delineated by historic exploration activities** that included geological mapping, channel sampling, and geophysical surveys.
- \* Located in **Idaho, USA: ranked best mining policy jurisdiction in the world** in 2020 by Fraser Institute.
- \* Company to complete a placement **to raise \$2.4 million to fund initial exploration program** at North Fork expected to commence at completion of the acquisition.

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

*"The North Fork Rare Earth project is a tremendous opportunity for Megado. The incorporation of a high-grade rare earth element project in an extremely receptive mining jurisdiction is an incredible addition to the Company's portfolio. Importantly, historical exploration, sampling mineralised outcropping veins, indicated extremely high-grade total rare earth oxides in excess of 20%, including significant returns of "critical rare earths".*



#### Megado Gold Ltd

ACN 635 895 082  
ASX: MEG

#### Issued Capital

71.5m Shares  
16.3m Options

#### Australian Registered Address

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PERTH WA 6000 Australia

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#### Directors

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

***The US government has designated rare earth elements as strategically critical and thus made domestic production integral to its clean energy transition and national security.***

***We are excited that Megado will benefit from the accommodating political climate, the welcoming Idaho jurisdiction, an existing strong US investor base, and obvious drill-ready targets to commence exploration upon finalisation of the North Fork acquisition.***

***In addition, Megado remains committed to its Ethiopian portfolio. The company is actively investigating REE potential in Ethiopia as it progresses its gold exploration."***

### **RARE EARTH ELEMENTS (REE)**

REE's are fundamental facets of the modern economy. While the elements themselves are not technically rare, ore bodies containing sufficient concentrations to make processing economically viable are exceedingly rare, thus making the North Fork opportunity particularly appealing. The elements' unique magnetic and electrochemical properties have led to a proliferation of applications. REE's have thus become critical components of clean energy, information technology, communication systems, electric vehicles, as well as many other defence and industrial applications. As such, applications continue to expand, REE's will undoubtedly see an increased role intrinsic to advanced economies worldwide.



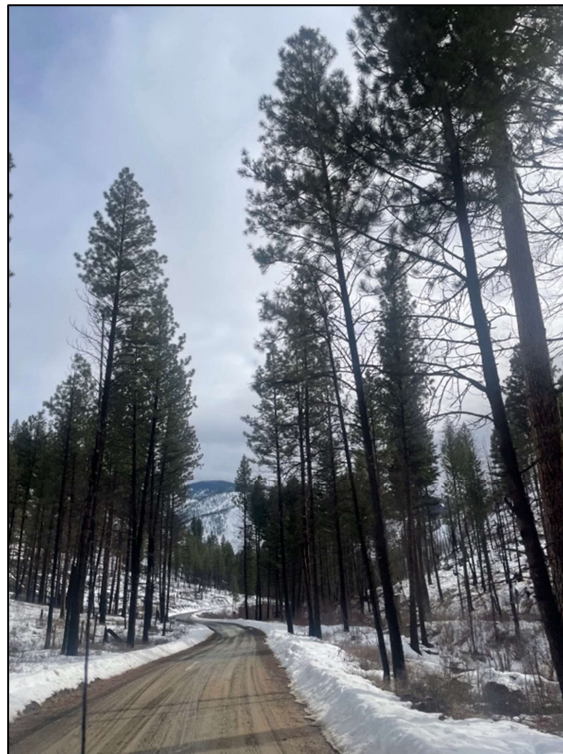
*Figure 1: Silver King vein sample showing carbonatite (grey) with rare earth mineralisation (orange-brown)*

Indeed, it is the critical nature of the rare earth element suite which has triggered action in the United States and beyond. In response to Executive Order (EO) 14017 "America's Supply Chains", the current Administration has invoked the Defence Production Act and ordered Federal Government agencies to secure reliable and sustainable supplies of critical minerals and materials. The White House foresees demand for critical minerals increasing by some 400-600 percent and, in view of its reliance on REE's from foreign sources, it has deemed expanding domestic mining, production, processing, and recycling of critical minerals and material a matter of economic and national security.

## LOCATION, INFRASTRUCTURE AND TENURE

The North Fork claims are located approximately 40 km (25 miles) northwest of Salmon, Idaho and consist of up to 499 unpatented/patented BLM mining lode claims (listed in Appendix A and illustrated in Figures 4 and 5). The North Fork Project has seven (7) historical prospect areas warranting further exploration in the initial exploration phase. These are Silver King, Cardinal, Jackpot, Radiant, Monazite Queen, and Upper & Lower Lee Buck.

Access to North Fork from major cities is by highway, driving from Idaho Falls or Missoula, both of which have commercial airports and are approximately 2.5 hours drive from Salmon. The state capital, Boise, is 5 hours drive from the project. The principal prospect areas at North Fork are served by existing roads previously used for logging operations. This infrastructure will allow the exploration team immediate access to the targets and assist to expedite the drilling permit process.



*Figure 2: Access road direct to the Silver King Prospect*

The North Fork Project is located at an elevation of about 1,000 – 2,100 meters. This area of Idaho can receive snowfall starting in late October lasting through the end of May. The project area is situated in the Salmon River Mountain range as part of the Rocky Mountain Cordillera and has a semi-arid climate with average annual low and high temperatures between -1°C and 15°C. Vegetation at the project consists of low growing shrubbery, various grasses, and pine forests.



## REGIONAL SCALE

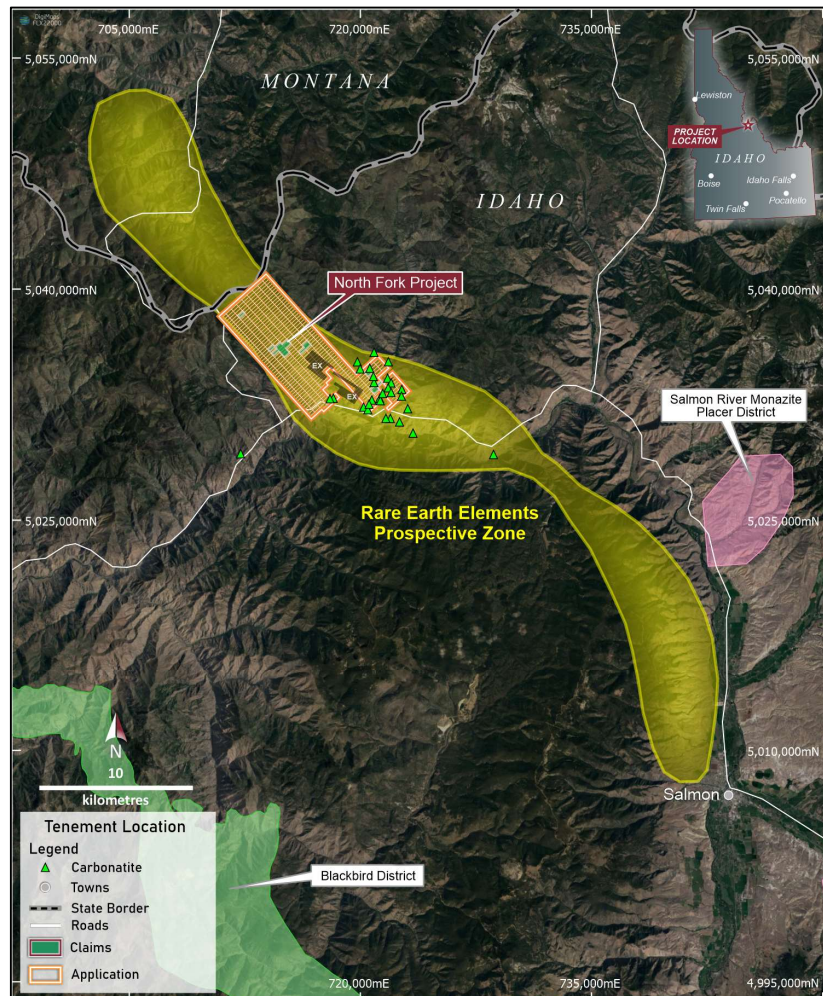


Figure 3: The North Fork Project area within Idaho, USA.

The North Fork Project forms part of the Rocky Mountain cordillera in Idaho, near the Montana border in north-western USA. The cordillera, which runs from Mexico, through Idaho, and into Canada, is well known to be mineralised along its length, typically associated with intrusives. The North Fork Project (Figure 3) is situated within the Sheep Creek-Spring Creek southeast-northwest belt. This zone is approximately 6km wide and 30km long, extending from the Salmon township northwest into Montana. Historical and active mining areas in the region include the Blackbird Mining District (approximately 30km to the south) home to Jervis Global's (ASX:JRV) highly significant cobalt deposit, and Lemhi Pass (approximately 80km to the southeast). Lemhi Pass is recognised as having some of the highest grades of REE mineralisation in the USA. Other active miners in the vicinity include Perpetua Resources (NASDAQ:PPTA), Freeman Gold Corp (TSXV:FMAN), and Revival Gold (TSXV:RVG).

Geologically, the area consists predominantly of Proterozoic metamorphosed amphibolite and augen gneiss, with younger Palaeozoic igneous carbonatite intrusions, and minor felsic dykes. Thrust and block faulting is common within the property and surrounds. Thrust faulting is interpreted to be associated with continental compressional stresses induced by the Farallon plate subduction. Block faulting is interpreted to be associated with ancient rifting and regional stresses coeval with thrusting. Rocks of the area commonly show folding and faulting offset.

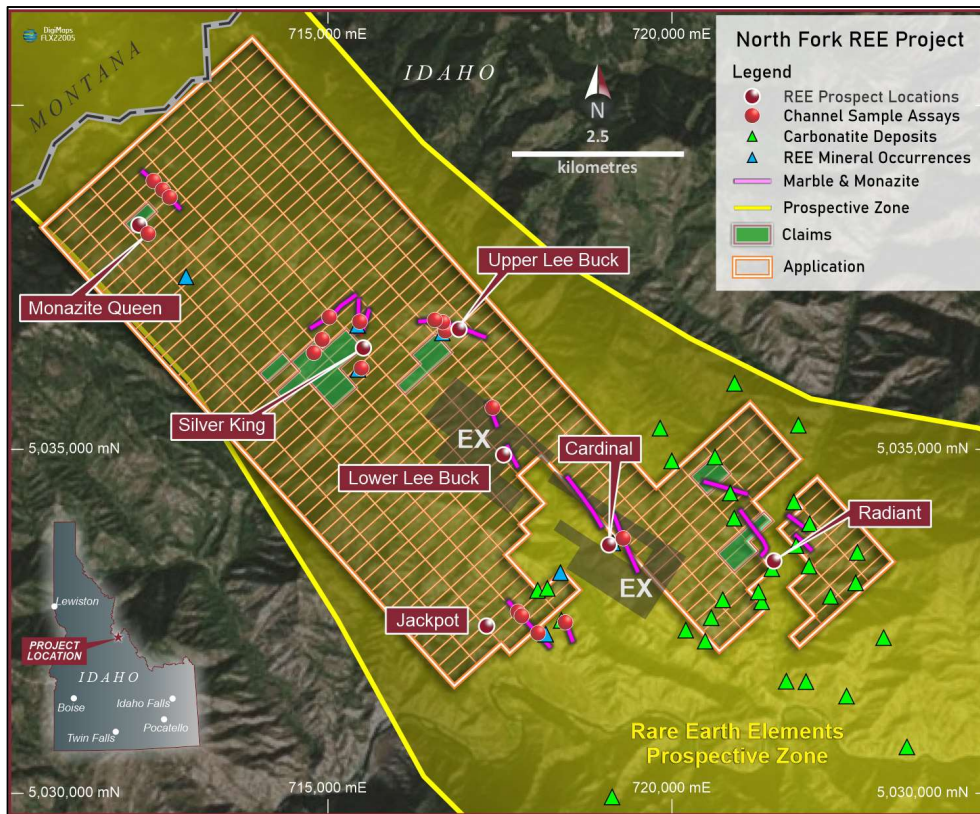


Figure 4: The North Fork Project: 499 claims granted and in application. Seven (7) Prospects in the area cover ca. 10km strike length and 4km width.

## MINERALISATION

The North Fork Project REE mineralisation is carbonatite-hosted. Rare earth element mineralisation is primarily associated with the igneous carbonatite intrusions as dykes and sills, with additional mineralisation noted within pegmatites, and disseminated within the host rock gneiss and schistose amphibolite rocks.

The carbonatite dykes/veins appear to be emplaced along faults, fractures, and foliation, and at lithological contacts. Detailed structural controls to mineralisation are not yet fully understood, and present an opportunity to better comprehend the extents, offsets, and locations of the carbonatite veins and the full potential for rare earth element mineralisation.



Monazite, allanite and niobium bearing rutile were identified by previous workers as the most significant minerals hosting rare earth elements at North Fork. Carbonatites are known to be significant sources of rare earth mineralisation, with Lynas Rare Earths' (ASX:LYC) Mt Weld deposit in Western Australia a globally significant carbonatite-hosted rare earth deposit. Notably, the sole operating United States' REE mine, MP Materials' (NYSE:MP) Mountain Pass deposit, is also a carbonatite-hosted deposit, delivering 15% of global rare earths consumed annually.

Based on historical records and exploration efforts, the North Fork rare earth mineralisation is known to have low levels of associated thorium in concentrations less than an average of 165 ppm. At this level the thorium is not anticipated to significantly impair or add cost to any future project development.

### HISTORICAL EXPLORATION ACTIVITIES

Historically, limited exploration has been done in the area. During the 1950's, the US Geological Survey (USGS), Idaho Bureau of Mines and Geology (IBMG), and the Atomic Energy Commission (AEC) investigated the occurrence of thorium, associated rare earths elements and niobium within the North Fork area. These early investigations lead to the property being staked in the early 2000's by previous workers.

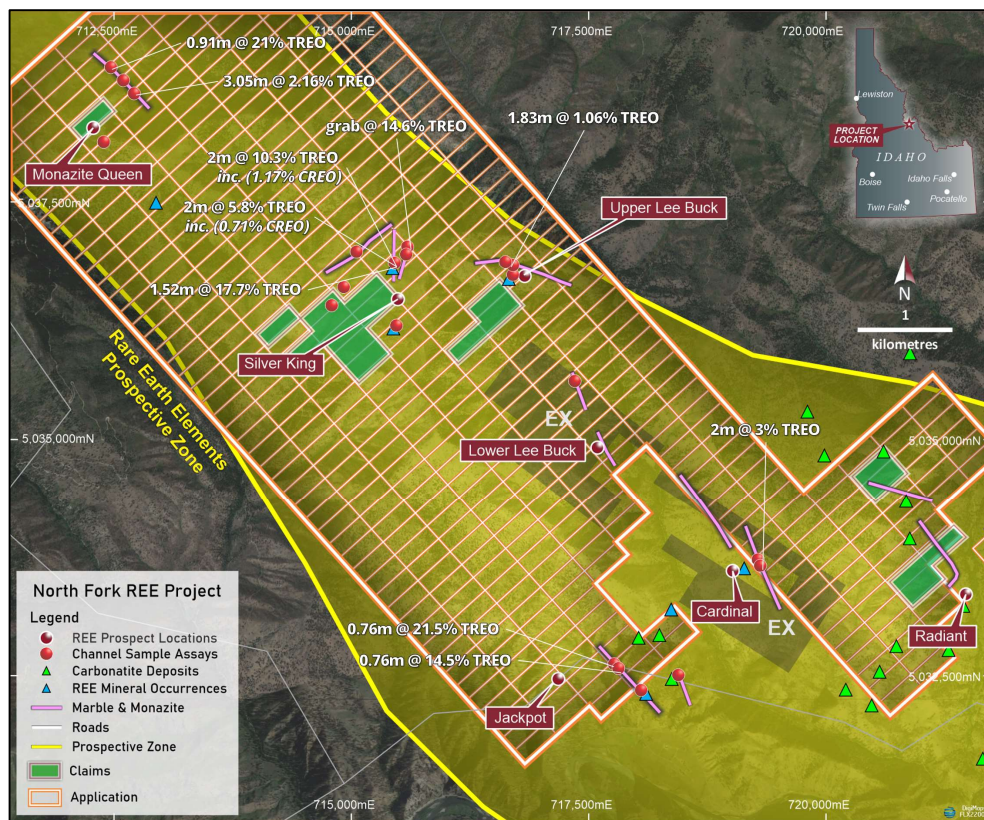


Figure 5: Significant historical trench intercepts within the North Fork Project area.

Exploration in the 2000's at Silver King, Cardinal, and Jackpot Prospects yielded indications of highly significant mineralisation warranting further work (Appendix B). One Cardinal Prospect "SB" vein has been traced for **1,317m (4,323ft) along strike** with trench samples returning moderate to high total rare earth oxide mineralisation grades up to 30,165g/t (**3% TREO**) with an along strike approximate estimated weighted average of 12,800 g/t (1.2% TREO).

A Jackpot Prospect vein has been traced along the surface for **400m (1,300ft)**, with historical trench results of **0.76m @ 21.5% TREO**, and **0.76m @ 14.5% TREO**. The Silver King Prospect contains two known veins of approximately 210 and 170 meters long exposed at surface and costean sampled. The Silver King vein samples had high concentrations of total rare earth oxides with the North Vein and South Vein returning grades of 103,100 g/t (**10.3% TREO**) and 58,000 g/t (**5.8% TREO**) respectively. These Silver King North and South Veins also showed significant critical rare earth (Y, Nd, Tb, Dy, Er) content with total critical rare earth (CREO) sample grades of 11,700 g/t (**1.17% CREO**) and 7,000 g/t (**0.7% CREO**) respectively. Additional historical trench results at Silver King returned **1.52m @ 17.7% TREO**.

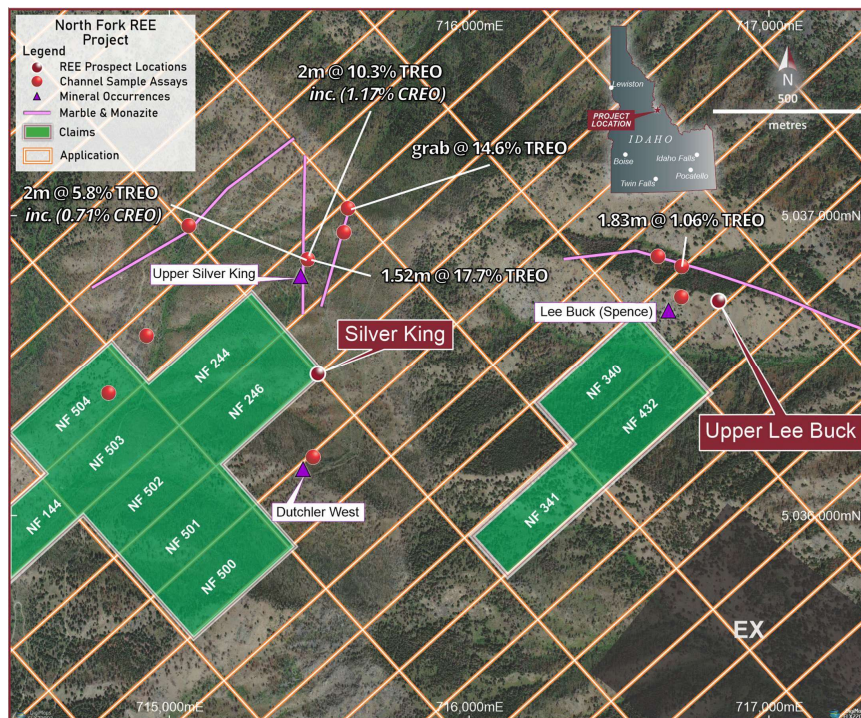


Figure 6: The Silver King Prospect will be the focus of early exploration activities.



## TRANSACTION SUMMARY

Megado has entered into a definitive agreement to acquire 100% of the issued share capital in FSM, which holds the contractual rights to acquire 100% of the rights, title and interest in North Fork. The key acquisition terms are as follows:

1. 32,000,000 fully paid ordinary shares in Megado ("**Consideration Shares**") and 5,000,000 options with an exercise price of \$0.15 and expiring on 31 December 2024.
2. Reimbursement of expenses incurred up to A\$700,000 cash.
3. ASX has confirmed to the Company that Chapter 11 approvals are not required
4. The transaction is conditional upon receipt by MEG of all necessary shareholder and regulatory consents or approvals. It is expected that the necessary approvals will be obtained by the end of May 2022.

## CAPITAL RAISING

The Company intends, subject to shareholder approval, to conduct a capital raising through a placement to professional and sophisticated investors of 30,000,000 shares at an issue price of \$0.08 per share to raise \$2.4m (before costs) (**Placement**). The Directors of the Company intend to invest in the Placement. The Directors participation in the Placement will be subject to, inter alia, shareholder approval under ASX Listing Rule 10.11. The shares issued under the Placement will rank equally with the Company's existing fully paid ordinary shares.

CPS Securities Limited (**CPS**) will act as Lead Manager to the Placement. The Company will pay CPS a capital raising fee of 6% of the gross proceeds raised under the Placement. In addition, the Company has agreed to issue CPS 500,000 options with an exercise price of \$0.15 and expiring on 31 December 2024 (**CPS Options**). In consideration for the provision of corporate advisory services associated with facilitating the acquisition, Megado has entered into a mandate with Corporate Advisory Pty Ltd, a non-related party of the Company, pursuant to which the Company will issue 4,000,000 fully paid ordinary shares in the Company and 5,000,000 options with an exercise price of \$0.15 and expiring on 31 December 2024 ("**Corporate Advisory Securities**").

The Company will seek shareholder approval for the Placement and the issue of Consideration Shares, Corporate Advisory Securities and CPS Options at an upcoming general meeting, with the Company expected to release a Notice of Meeting for the requisite approvals within the coming weeks.

The Company's pro forma capital structure based on the effect of the acquisition and the Placement is as follows:

	Ordinary Shares	Options
<b>Existing on Issue</b>	71,500,003	16,250,000
<b>Acquisition</b>	32,000,000	5,000,000
<b>Corporate Advisory</b>	4,000,000	5,000,000
<b>Capital Raising</b>	30,000,000	-
<b>CPS Mandate</b>	-	500,000
<b>TOTAL</b>	<b>137,500,003</b>	<b>26,250,000</b>



- ENDS -

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

**For further information on the Company and our projects, please visit:**

[www.megadogold.com](http://www.megadogold.com)

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### **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 A - List of Claims (Granted and Pending)

### Granted Claims

Claim Name	Serial Number	Lead Serial Number
NF 109	IMC222958	IMC222955
NF 340	IMC222960	IMC222955
NF 341	IMC222961	IMC222955
NF 342	IMC222962	IMC222955
NF 436	IMC222969	IMC222955
NF 438	IMC222970	IMC222955
NF 457	IMC222972	IMC222955
NF 459	IMC222973	IMC222955
NF 467	IMC222977	IMC222955
NF 140	IMC222979	IMC222955
NF 144	IMC222981	IMC222955
NF 244	IMC222992	IMC222955
NF 246	IMC222993	IMC222955
NF 500	IMC222997	IMC222955
NF 501	IMC222998	IMC222955
NF 502	IMC222999	IMC222955
NF 503	IMC223000	IMC222955
NF 504	IMC223001	IMC222955



**Pending (Note: Some excisions may be required due to existing claims)**

Claim Name	Serial Number	Claim Name	Serial Number	Claim Name	Serial Number
NF 1	327955	NF 42	327996	NF 83	328039
NF 2	327956	NF 43	327997	NF 84	328040
NF 3	327957	NF 44	327998	NF 85	328041
NF 4	327958	NF 45	327999	NF 86	328042
NF 5	327959	NF 46	328000	NF 87	328024, 328043
NF 6	327960	NF 47	328001	NF 88	328044
NF 7	327961	NF 48	328002	NF 89	328045
NF 8	327962	NF 49	328003	NF 90	328046
NF 9	327963	NF 50	328004	NF 91	328047
NF 10	327964	NF 51	328005	NF 92	328048
NF 11	327965	NF 52	328006	NF 93	328049
NF 12	327966	NF 53	328007	NF 94	328050
NF 13	327967	NF 54	328008	NF 95	328051
NF 14	327968	NF 55	328009	NF 96	328052
NF 15	327969	NF 56	328010	NF 97	328053
NF 16	327970	NF 57	328011	NF 98	328054
NF 17	327971	NF 58	328012	NF 99	328055
NF 18	327972	NF 59	328013	NF 100	328056
NF 19	327973	NF 60	328014	NF 101	328057
NF 20	327974	NF 61	328015	NF 102	328058
NF 21	327975	NF 62	328016	NF 103	328059
NF 22	327976	NF 63	328017	NF 104	328060
NF 23	327977	NF 64	328018	NF 105	328061
NF 24	327978	NF 65	328019	NF 106	328062
NF 25	327979	NF 66	328020	NF 107	328063
NF 26	327980	NF 67	328021	NF 108	328064
NF 27	327981	NF 68	328022	NF 109	328067
NF 28	327982	NF 69	328023	NF 110	328068
NF 29	327983	NF 70	328026, 328025	NF 111	328069
NF 30	327984	NF 71	328027	NF 112	328070
NF 31	327985	NF 72	328028	NF 113	328071
NF 32	327986	NF 73	328029	NF 114	328072
NF 33	327987	NF 74	328030	NF 115	328073
NF 34	327988	NF 75	328031	NF 116	328074
NF 35	327989	NF 76	328032	NF 117	328075
NF 36	327990	NF 77	328033	NF 118	328076
NF 37	327991	NF 78	328034	NF 119	328077



<b>NF 38</b>	327992	<b>NF 79</b>	328035	<b>NF 120</b>	328078
<b>NF 39</b>	327993	<b>NF 80</b>	328036	<b>NF 121</b>	328079
<b>NF 40</b>	327994	<b>NF 81</b>	328037	<b>NF 122</b>	328080
<b>NF 41</b>	327995	<b>NF 82</b>	328038	<b>NF 123</b>	328081
<b>NF 124</b>	328082	<b>NF 166</b>	328125	<b>NF 207</b>	328167
<b>NF 125</b>	328083	<b>NF 167</b>	328126	<b>NF 208</b>	328168
<b>NF 126</b>	328084	<b>NF 168</b>	328127	<b>NF 209</b>	328169
<b>NF 127</b>	328085	<b>NF 169</b>	328128	<b>NF 210</b>	328170
<b>NF 128</b>	328086	<b>NF 170</b>	328129	<b>NF 211</b>	328171
<b>NF 129</b>	328087	<b>NF 171</b>	328130	<b>NF 212</b>	328172
<b>NF 130</b>	328088	<b>NF 172</b>	328131	<b>NF 213</b>	328173
<b>NF 131</b>	328089	<b>NF 173</b>	328132	<b>NF 214</b>	328174
<b>NF 132</b>	328090	<b>NF 174</b>	328133	<b>NF 215</b>	328175
<b>NF 133</b>	328091	<b>NF 175</b>	328134	<b>NF 216</b>	328176
<b>NF 134</b>	328092	<b>NF 176</b>	328135	<b>NF 217</b>	328177
<b>NF 135</b>	328093	<b>NF 177</b>	328136	<b>NF 218</b>	328178
<b>NF 136</b>	328094	<b>NF 178</b>	328137	<b>NF 219</b>	328180
<b>NF 137</b>	328095	<b>NF 179</b>	328139	<b>NF 220</b>	328181
<b>NF 138</b>	328096	<b>NF 180</b>	328140	<b>NF 221</b>	328182
<b>NF 139</b>	328097	<b>NF 181</b>	328141	<b>NF 222</b>	328183
<b>NF 140</b>	328098	<b>NF 182</b>	328142	<b>NF 223</b>	328184
<b>NF 141</b>	328099	<b>NF 183</b>	328143	<b>NF 224</b>	328185
<b>NF 142</b>	328100	<b>NF 184</b>	328144	<b>NF 225</b>	328186
<b>NF 143</b>	328101	<b>NF 185</b>	328145	<b>NF 226</b>	328187
<b>NF 144</b>	328102	<b>NF 186</b>	328146	<b>NF 227</b>	328188
<b>NF 145</b>	328103	<b>NF 187</b>	328147	<b>NF 228</b>	328189
<b>NF 146</b>	328104	<b>NF 188</b>	328148	<b>NF 229</b>	328190
<b>NF 147</b>	328105	<b>NF 189</b>	328149	<b>NF 230</b>	328191
<b>NF 148</b>	328106	<b>NF 190</b>	328150	<b>NF 231</b>	328192
<b>NF 149</b>	328107	<b>NF 191</b>	328151	<b>NF 232</b>	328193
<b>NF 150</b>	328108	<b>NF 192</b>	328152	<b>NF 233</b>	328194
<b>NF 151</b>	328109	<b>NF 193</b>	328153	<b>NF 234</b>	328195
<b>NF 152</b>	328110	<b>NF 194</b>	328154	<b>NF 235</b>	328196
<b>NF 153</b>	328111	<b>NF 195</b>	328155	<b>NF 236</b>	328197
<b>NF 154</b>	328112	<b>NF 196</b>	328156	<b>NF 237</b>	328198
<b>NF 155</b>	328113	<b>NF 197</b>	328157	<b>NF 238</b>	328199
<b>NF 156</b>	328114	<b>NF 198</b>	328158	<b>NF 239</b>	328200
<b>NF 157</b>	328115	<b>NF 199</b>	328159	<b>NF 240</b>	328201
<b>NF 158</b>	328116	<b>NF 200</b>	328160	<b>NF 241</b>	328202

<b>NF 159</b>	328118	<b>NF 201</b>	328161	<b>NF 242</b>	328203
<b>NF 160</b>	328119	<b>NF 202</b>	328162	<b>NF 243</b>	328204
<b>NF 161</b>	328120	<b>NF 203</b>	328163	<b>NF 244</b>	328205
<b>NF 162</b>	328121	<b>NF 204</b>	328164	<b>NF 245</b>	328206
<b>NF 163</b>	328122	<b>NF 205</b>	328165	<b>NF 246</b>	328207
<b>NF 164</b>	328123	<b>NF 206</b>	328166	<b>NF 247</b>	328208
<b>NF 165</b>	328124	<b>NF 207</b>	328167	<b>NF 248</b>	328209
<b>NF 249</b>	328212	<b>NF 291</b>	328254	<b>NF 333</b>	328301
<b>NF 250</b>	328213	<b>NF 292</b>	328255	<b>NF 334</b>	328302
<b>NF 251</b>	328214	<b>NF 293</b>	328256	<b>NF 335</b>	328303
<b>NF 252</b>	328215	<b>NF 294</b>	328257	<b>NF 336</b>	328304
<b>NF 253</b>	328216	<b>NF 295</b>	328258	<b>NF 337</b>	328305
<b>NF 254</b>	328217	<b>NF 296</b>	328259	<b>NF 338</b>	328306
<b>NF 255</b>	328218	<b>NF 297</b>	328260	<b>NF 339</b>	328307
<b>NF 256</b>	328219	<b>NF 298</b>	328261	<b>NF 340</b>	328308
<b>NF 257</b>	328220	<b>NF 299</b>	328262	<b>NF 341</b>	328309
<b>NF 258</b>	328221	<b>NF 300</b>	328263	<b>NF 342</b>	328310
<b>NF 259</b>	328222	<b>NF 301</b>	328264	<b>NF 343</b>	328311
<b>NF 260</b>	328223	<b>NF 302</b>	328265	<b>NF 344</b>	328312
<b>NF 261</b>	328224	<b>NF 303</b>	328266	<b>NF 345</b>	328313
<b>NF 262</b>	328225	<b>NF 304</b>	328267	<b>NF 346</b>	328314
<b>NF 263</b>	328226	<b>NF 305</b>	328268	<b>NF 347</b>	328315
<b>NF 264</b>	328227	<b>NF 306</b>	328269	<b>NF 348</b>	328316
<b>NF 265</b>	328228	<b>NF 307</b>	328270	<b>NF 349</b>	328317
<b>NF 266</b>	328229	<b>NF 308</b>	328271	<b>NF 350</b>	328318
<b>NF 267</b>	328230	<b>NF 309</b>	328277	<b>NF 351</b>	328319
<b>NF 268</b>	328231	<b>NF 310</b>	328278	<b>NF 352</b>	328320
<b>NF 269</b>	328232	<b>NF 311</b>	328279	<b>NF 353</b>	328321
<b>NF 270</b>	328233	<b>NF 312</b>	328280	<b>NF 354</b>	328322
<b>NF 271</b>	328234	<b>NF 313</b>	328281	<b>NF 355</b>	328323
<b>NF 272</b>	328235	<b>NF 314</b>	328282	<b>NF 356</b>	328324
<b>NF 273</b>	328236	<b>NF 315</b>	328283	<b>NF 357</b>	328325
<b>NF 274</b>	328237	<b>NF 316</b>	328284	<b>NF 358</b>	328326
<b>NF 275</b>	328238	<b>NF 317</b>	328285	<b>NF 359</b>	328327
<b>NF 276</b>	328239	<b>NF 318</b>	328286	<b>NF 360</b>	328328
<b>NF 277</b>	328240	<b>NF 319</b>	328287	<b>NF 361</b>	328329
<b>NF 278</b>	328241	<b>NF 320</b>	328288	<b>NF 362</b>	328330
<b>NF 279</b>	328242	<b>NF 321</b>	328289	<b>NF 363</b>	328331
<b>NF 280</b>	328243	<b>NF 322</b>	328290	<b>NF 364</b>	328332

<b>NF 281</b>	328244	<b>NF 323</b>	328291	<b>NF 365</b>	328333
<b>NF 282</b>	328245	<b>NF 324</b>	328292	<b>NF 366</b>	328334
<b>NF 283</b>	328246	<b>NF 325</b>	328293	<b>NF 367</b>	328335
<b>NF 284</b>	328247	<b>NF 326</b>	328294	<b>NF 368</b>	328336
<b>NF 285</b>	328248	<b>NF 327</b>	328295	<b>NF 369</b>	328337
<b>NF 286</b>	328249	<b>NF 328</b>	328296	<b>NF 370</b>	328338
<b>NF 287</b>	328250	<b>NF 329</b>	328297	<b>NF 371</b>	328339
<b>NF 288</b>	328251	<b>NF 330</b>	328298	<b>NF 372</b>	328340
<b>NF 289</b>	328252	<b>NF 331</b>	328299	<b>NF 373</b>	328341
<b>NF 290</b>	328253	<b>NF 332</b>	328300	<b>NF 374</b>	328342
<b>NF 375</b>	328343	<b>NF 417</b>	328385	<b>NF 459</b>	328434
<b>NF 376</b>	328344	<b>NF 418</b>	328386	<b>NF 460</b>	328435
<b>NF 377</b>	328345	<b>NF 419</b>	328387	<b>NF 461</b>	328436
<b>NF 378</b>	328346	<b>NF 420</b>	328388	<b>NF 462</b>	328437
<b>NF 379</b>	328347	<b>NF 421</b>	328389	<b>NF 463</b>	328438
<b>NF 380</b>	328348	<b>NF 422</b>	328390	<b>NF 464</b>	328439
<b>NF 381</b>	328349	<b>NF 423</b>	328391	<b>NF 465</b>	328440
<b>NF 382</b>	328350	<b>NF 424</b>	328392	<b>NF 466</b>	328441
<b>NF 383</b>	328351	<b>NF 425</b>	328393	<b>NF 467</b>	328442
<b>NF 384</b>	328352	<b>NF 426</b>	328394	<b>NF 468</b>	328443
<b>NF 385</b>	328353	<b>NF 427</b>	328395	<b>NF 469</b>	328445
<b>NF 386</b>	328354	<b>NF 428</b>	328396	<b>NF 470</b>	328446
<b>NF 387</b>	328355	<b>NF 429</b>	328404	<b>NF 471</b>	328447
<b>NF 388</b>	328356	<b>NF 430</b>	328405	<b>NF 472</b>	328448
<b>NF 389</b>	328357	<b>NF 431</b>	328406	<b>NF 473</b>	328449
<b>NF 390</b>	328358	<b>NF 432</b>	328407	<b>NF 474</b>	328450
<b>NF 391</b>	328359	<b>NF 433</b>	328408	<b>NF 475</b>	328451
<b>NF 392</b>	328360	<b>NF 434</b>	328409	<b>NF 476</b>	328452
<b>NF 393</b>	328361	<b>NF 435</b>	328410	<b>NF 477</b>	328453
<b>NF 394</b>	328362	<b>NF 436</b>	328411	<b>NF 478</b>	328454
<b>NF 395</b>	328363	<b>NF 437</b>	328412	<b>NF 479</b>	328455
<b>NF 396</b>	328364	<b>NF 438</b>	328413	<b>NF 480</b>	328456
<b>NF 397</b>	328365	<b>NF 439</b>	328414	<b>NF 481</b>	328457
<b>NF 398</b>	328366	<b>NF 440</b>	328415	<b>NF 482</b>	328458
<b>NF 399</b>	328367	<b>NF 441</b>	328416	<b>NF 483</b>	328459
<b>NF 400</b>	328368	<b>NF 442</b>	328417	<b>NF 484</b>	328460
<b>NF 401</b>	328369	<b>NF 443</b>	328418	<b>NF 485</b>	328461
<b>NF 402</b>	328370	<b>NF 444</b>	328419	<b>NF 486</b>	328462
<b>NF 403</b>	328371	<b>NF 445</b>	328420	<b>NF 487</b>	328463



<b>NF 404</b>	328372	<b>NF 446</b>	328421	<b>NF 488</b>	328464
<b>NF 405</b>	328373	<b>NF 447</b>	328422	<b>NF 489</b>	328465
<b>NF 406</b>	328374	<b>NF 448</b>	328423	<b>NF 490</b>	328466
<b>NF 407</b>	328375	<b>NF 449</b>	328424	<b>NF 491</b>	328467
<b>NF 408</b>	328376	<b>NF 450</b>	328425	<b>NF 492</b>	328468
<b>NF 409</b>	328377	<b>NF 451</b>	328426	<b>NF 493</b>	328469
<b>NF 410</b>	328378	<b>NF 452</b>	328427	<b>NF 494</b>	328470
<b>NF 411</b>	328379	<b>NF 453</b>	328428	<b>NF 495</b>	328471
<b>NF 412</b>	328380	<b>NF 454</b>	328429	<b>NF 496</b>	328472
<b>NF 413</b>	328381	<b>NF 455</b>	328430	<b>NF 497</b>	328473
<b>NF 414</b>	328382	<b>NF 456</b>	328431	<b>NF 498</b>	328474
<b>NF 415</b>	328383	<b>NF 457</b>	328432	<b>NF 499</b>	328475
<b>NF 416</b>	328384	<b>NF 458</b>	328433		



**Appendix B. Table of historical trench results**

Prospect Area	Sample Type	From (m)	To (m)	Interval (m)	TREO (%)	CREO (%)
Cardinal	trench	0	3	3	1.30	0.23
Cardinal	trench	0	2	2	0.03	0.01
Cardinal	trench	0	2	2	3.02	0.48
Cardinal	trench	0	2	2	1.00	0.15
Cardinal	trench	0	3	3	0.15	0.04
Cardinal	trench	0	1.5	1.5	0.92	0.16
Radiant	trench	0	1	1	0.06	0.02
Silver King	trench	0.5	2.5	2	10.31	1.17
Silver King	trench	0.5	2.5	2	5.80	0.71
Monazite Queen	trench			0.91	21.00	
Monazite Queen	trench			1.07	1.50	
Monazite Queen	trench			3.05	2.16	
Silver King	grab			0.00	14.60	
Silver King	trench			1.52	17.70	
Silver King	trench			0.61	4.46	
Jackpot	trench			0.76	21.50	
Jackpot	trench			0.76	14.50	
Cardinal	trench			0.91	0.00	
Cardinal	trench			0.34	3.84	
Lower Lee Buck	trench			3.05	0.28	
Upper Lee Buck	trench			1.83	1.06	

*Note to table: Some historical results were reported in feet total (no from/to), and were converted to metres*

## Appendix C – JORC Table

Appendix 2: 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	<i>Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	<p>The nature of the samples in the body of this ASX Release relate to historical trench and rock grab samples from the North Fork Project, Idaho, USA, within tenements (granted and in application) that Felix Strategic Minerals Pty Ltd hold the contractual rights over those tenements.</p> <p>Samples are historical and conducted by previous workers, thus the precise nature and quality of sampling are undetermined. Historical reports show trench sampling was undertaken along excavated trenches dug perpendicular to the inferred strike of the structures and channel sampled using a rock saw to 0.5 to 1m lengths.</p> <p>Sample intervals and sites appear to have been chosen selectively to reflect geological features relevant to the target style of mineralisation.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<p>Samples are historical and conducted by previous workers, thus the precise measures taken to ensure sample representivity are undetermined.</p> <p>Historical reports appear to suggest measures taken include controls on sample quality and sample location, including trench sample location by GPS and detailed trench and surface mapping.</p> <p>Historical reports note coarse and pulp duplicate samples were taken, as well as blanks and internally prepared standard samples inserted into analysis batches, to test for accuracy and precision in sample representivity.</p>
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	Key aspects are discussed within the body of this release.
	<i>In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘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>	Historical reports suggest all samples discussed in this ASX Release are derived from ‘industry standard’ trenching, sampling methods, laboratory preparation and element analysis, QAQC, and data review.
Drilling techniques	<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>	No historical drilling has been reported in the project area.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	No historical drilling has been reported in the project area.
	<i>Measures taken to maximise sample recovery and</i>	No historical drilling has been reported in the project area.



Criteria	JORC Code explanation	Commentary
	<i>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>	No historical drilling has been reported in the project area.
Logging	<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>	Historical reports suggest trenches were logged geologically.  No Mineral Resource estimation, mining studies or metallurgical studies have been conducted at this stage.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	Historical reports suggest geological logging was qualitative in nature.
	<i>The total length and percentage of the relevant intersections logged.</i>	Historical reports suggest all trenches have been logged, representing the total length for 100%.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No historical drilling has been reported in the project area.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Historical reports show trench samples were excavated by hand with the aid of a rock saw. Both ends of the channel were marked with aluminum survey pins, 1-meter intervals were measured using a survey tape and marked using either aluminum pins or steel spikes; the channel beginning was recorded using a waypoint averaging handheld GPS. Channel samples were taken perpendicular to the vein strike at 0.5 – 1 meter intervals along the known length of the core. Channels samples were cut using a rock saw to approximate the volume HQ core, having a width of 0.1 m and broken out the channel to a depth of 0.1 m. The channels ranged in length from 1 meter to 4 meters and were recovered incrementally by hand pick and chiseling of the cleaned cut area onto a canvas tarp, transferred into labeled sample bags.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Trench samples were sent to Activation Laboratories Ltd, Ancaster, Ontario, Canada. Activation Laboratories is accredited by the Standards Council of Canada (SCC), ActLab's quality system is accredited to international quality standards through the International Organization for Standardization/International Electro-technical commission (ISO/IEC) 17025 and includes ISO 9001 and ISO 9002 specifications) with CAN-P1579 (Mineral Analysis).
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Samples were prepared for analysis under the laboratory code RX-2 and, as required, the whole sample is dried and crushed to at least 70% (-18 mesh) using the TM Crusher. The sample is then split mechanically using the Riffle Splitter until one fraction is able to adequately fill the pulverizer bowl. The Crusher and Splitter are vacuumed or cleaned with compressed air between samples. A 100-150 gram aliquot is pulverized in a mild steel ring mill to normally more than 95% passing a -150 mesh screen; until there is no gritty feeling when the pulp is tested between the thumb and forefinger. A sand blank is run between each sample to avoid contamination. The only contamination from crushing and milling is Fe which depends

Criteria	JORC Code explanation	Commentary
		on hardness (0.01 to 0.2% Fe added).
	<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>	Historical reports suggest that the measures taken are such that sampling is representative of the in-situ material collected, and is considered appropriate for the target style of mineralisation, the requirements for laboratory sample preparation and analyses, and consideration reporting is for early-stage Exploration Results.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Historical reports suggest that the sample sizes are appropriate to the material being sampled, and is considered appropriate for the target style of mineralisation, the requirements for laboratory sample preparation and analyses, and consideration reporting is for early-stage Exploration Results.
<i>Quality of assay data and laboratory tests</i>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Analysis for rare earth elements used Code8-REE, a lithium metaborate/tetraborate fusion with subsequent analysis, inclusive of rare earths elements and yttrium, by ICP and ICP/MS Laboratory preparation. Historical reports suggest that the assaying and laboratory procedures used are considered appropriate for the target style of mineralisation, the requirements for laboratory sample preparation and analyses, and consideration reporting is for early-stage Exploration Results.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	Not applicable - no data from geophysical tools were used to determine analytical results in this ASX Release.
	<i>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>	Historical reports suggest that the QA/QC procedures used (blanks, duplicates and standards) are NI 43-101 compliant, and thus by correlation would be JORC Compliant.
<i>Verification of sampling and assaying</i>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Historical reports suggest that trench sampling was supervised and conducted by two NI 43-101 'Qualified Persons'.
	<i>The use of twinned holes.</i>	No twinned holes have been completed as part of this ASX Release, as the program is at an early stage.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Historical reports do not specifically outline primary data entry procedures, other than to state procedures are NI 43-101 compliant.
	<i>Discuss any adjustment to assay data.</i>	Historical reports do not suggest adjustments were made to the assay data.
<i>Location of data points</i>	<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>	Historical reports suggest GPS accuracy was +/- 2.5m.
	<i>Specification of the grid system used.</i>	Historical reports appear to have used WGS 84 Universal Transverse Mercator, Zone 11 Northern Hemisphere.
	<i>Quality and adequacy of topographic control.</i>	Historical reports suggest GPS accuracy was +/- 2.5m.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	Historical reports show trench spacing is variable.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and</i>	No Mineral Resource or Ore Reserve have been estimated in this ASX Release.

Criteria	JORC Code explanation	Commentary
	<i>grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	
	<i>Whether sample compositing has been applied.</i>	Historical reports do not suggest sample compositing has been applied.
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Historical reports suggest trench sampling is perpendicular to the strike of mineralisation.
	<i>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>	Not applicable.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	Historical reports suggest there was appropriate (NI 43-101 Compliant) Chain of Custody of samples from point of generation, to delivery to the lab, and data entry of assay results.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews of sampling techniques and data have been undertaken at this time.

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<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>	Information regarding tenure is included in the body of this release.
	<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>	The Concessions are believed to be in good standing with the governing authority and there is no known impediment to operating in the area.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Limited and historical exploration works have been done on the area, which include the reported historical trench results in this ASX Release.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	Regional geology of the area consists predominantly of Proterozoic metamorphosed amphibolite and augen gneiss, with younger Palaeozoic igneous carbonatite intrusions, and minor felsic dykes. Rare earth mineralisation is primarily associated with the igneous carbonatite intrusions as dykes and sills, with additional rare earth mineralisation noted within pegmatites, and disseminated within the host rock gneiss and schistose amphibolite rocks.
<i>Drill hole Information</i>	<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> <ol style="list-style-type: none"> <li><i>1. easting and northing of the drill hole collar</i></li> <li><i>2. elevation or RL (Reduced Level – elevation</i></li> </ol>	A summary of exploration results and associated grades is shown in Appendix B of this release.



Criteria	JORC Code explanation	Commentary
	<p><i>above sea level in meters) of the drill hole collar</i></p> <p>3. <i>dip and azimuth of the hole</i></p> <p>4. <i>down hole length and interception depth</i></p> <p>5. <i>hole length.</i></p>	
	<p><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></p>	<p>This information has not been excluded from this release.</p>
Data aggregation methods	<p><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></p>	<p>Historical reports do not state any data aggregation methods. It is assumed appropriate weighted average intercepts were calculated from the various trench sample lengths and reported grades, noting the historical report states results are NI 43-101 Compliant.</p>
	<p><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></p>	<p>Historical reports do not state any internal dilution allowance.</p>
	<p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>No metal equivalent values have been reported in this ASX Release.</p>
Relationship between mineralisation widths and intercept lengths	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p>	<p>The results reported in this announcement are considered to be of an early stage in the exploration of the project.</p>
	<p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p>	<p>Mineralisation geometry is not accurately known as the exact orientation and extend of the known mineralised are not yet determined.</p>
	<p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i></p>	<p>Historical reports suggest trench sample intervals are reported as 'downhole' measurements. More trenching and drilling and analysis of structural data is required to more accurately determine true widths of mineralisation from downhole widths.</p>
Diagrams	<p><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></p>	<p>Appropriate maps, sections, and tables have been included in this ASX Release.</p>
Balanced reporting	<p><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></p>	<p>Representative reporting of historical grades has been done, see Appendix B.</p>
Other substantive exploration data	<p><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</i></p>	<p>To the best of our knowledge, no meaningful and material exploration data have been omitted from this ASX Release.</p>

Criteria	JORC Code explanation	Commentary
	<i>method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
<i>Further work</i>	<i>The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Megado Gold is reviewing the data to determine the best way to advance the projects and will notify such plans once confirmed.
	<i>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>	Refer to figures in the main body of this ASX Release that shows where trenching (and other works) have been conducted, and highlight possible extensions and where future exploration campaigns may focus.

