Announcement Summary

Entity name

MEGADO GOLD LIMITED

Announcement Type

New announcement

Date of this announcement

14/4/2022

The Proposed issue is:

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
New class-code to be confirmed	Unlisted Options	5,000,000
New class-code to be confirmed	Unlisted Options	5,500,000
MEG	ORDINARY FULLY PAID	66,000,000

Proposed +issue date

20/5/2022

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

MEGADO GOLD LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

Registration Number

ABN

74632150817

1.3 ASX issuer code

MEG

1.4 The announcement is

☑ New announcement

1.5 Date of this announcement

14/4/2022

1.6 The Proposed issue is:

☑ A placement or other type of issue

Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1a Conditions

Approval/Condition

Date for determination

Is the date estimated or actual?

** Approval received/condition met?

+Security holder approval 20/5/2022

Estimated

Comments

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities? ☑ No

Details of +securities proposed to be issued

ASX +security code and description

MEG: ORDINARY FULLY PAID

Number of +securities proposed to be issued

32,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☑ No



Please describe the consideration being provided for the +securities

To acquire 100% of the issued share capital in Felix Strategic Minerals Pty Ltd, which holds the contractual rights to acquire 100% of the rights, title and interest in the North Fork Rare Earth Project.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

3,200,000.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class? Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)? New class

Will the proposed issue of this +security include an offer of attaching +securities? ☑ No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1? **⊘** No

Have you received confirmation from Will the entity be seeking quotation of the 'new' class of +securities on ASX? ☑ No

ASX +security code

+Security description

New class-code to be confirmed

Unlisted Options

+Security type

Options

Number of +securities proposed to be issued

5.000.000

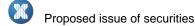
Offer price details

Are the +securities proposed to be issued being issued for a cash consideration? ☑ No

Please describe the consideration being provided for the +securities

To acquire 100% of the issued share capital in Felix Strategic Minerals Pty Ltd, which holds the contractual rights to acquire 100% of the rights, title and interest in the North Fork Rare Earth Project.

Please provide an estimate of the AUD equivalent of the consideration being



provided for the +securities

202,146.000000

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

Options details

+Security currency

Exercise price

Expiry date

AUD - Australian Dollar

AUD 0.1500

31/12/2024

Details of the type of +security that will be issued if the option is exercised

MEG: ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

1:1 basis

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

https://www.asx.com.au/asxpdf/20220414/pdf/4580t5vv4gmkk9.pdf

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities? ☑ No

Details of +securities proposed to be issued

ASX +security code and description

MEG: ORDINARY FULLY PAID

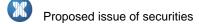
Number of +securities proposed to be issued

30,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes



In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.08000

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

New class

Will the proposed issue of this +security include an offer of attaching +securities?

☑ No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

☑ No

ASX +security code

+Security description

New class-code to be confirmed

Unlisted Options

+Security type

Options

Number of +securities proposed to be issued

5,500,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration? $\ensuremath{\mathfrak{C}}$ No

Please describe the consideration being provided for the +securities

5,000,000 as part consideration for the provision of corporate advisory services associated with facilitating the acquisition of the North Fork project and 500,000 as part consideration to the Lead Manager to the proposed placement.



Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

222,300.000000

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

Options details

+Security currency

Exercise price

Expiry date

AUD - Australian Dollar

AUD 0.1500

31/12/2024

Details of the type of +security that will be issued if the option is exercised

MEG: ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

1:1 basis

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

https://www.asx.com.au/asxpdf/20220414/pdf/4580t5vv4gmkk9.pdf

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

✓ No

Details of +securities proposed to be issued

ASX +security code and description

MEG: ORDINARY FULLY PAID

Number of +securities proposed to be issued

4,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☑ No

Proposed issue of securities

Please describe the consideration being provided for the +securities

As part consideration for the provision of corporate advisory services associated with facilitating the acquisition of the North Fork project.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities 400.000.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

✓ Yes

Part 7C - Timetable

7C.1 Proposed +issue date

20/5/2022

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

✓ Yes

7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1

20/5/2022

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

✓ Yes

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

☑ No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

✓ Yes

7D.4a Please enter the number and +class of the +securities subject to +voluntary escrow and the date from which they will cease to be subject to +voluntary escrow

16,000,000 Consideration Shares and 2,500,000 Consideration Options will be subject to a period of 3 months voluntary escrow from 14 April 2022; and

16,000,000 of the Consideration Shares and 2,500,000 Consideration Options will be subject to a period of 6 months voluntary escrow from 14 April 2022.

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue? ✓ Yes

7E.1a Who is the lead manager/broker?

CPS Securities Limited

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

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.

7E.2 Is the proposed issue to be underwritten? ⊗ No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

N/A

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

- 1. Pay for the acquisition of an asset
- 2. Pay for services rendered; and
- 3. Fund exploration activities and additional working capital,

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds? ⊗ No

7F.2 Any other information the entity wishes to provide about the proposed issue

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

☑ The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)