



Announcement Summary

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**Entity name**

MEGADO GOLD LIMITED

**Announcement Type**

New announcement

**Date of this announcement**

14/4/2022

**The Proposed issue is:**

A placement or other type of issue

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

<b>ASX +security code</b>	<b>+Security description</b>	<b>Maximum Number of +securities to be issued</b>
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

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**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**

ABN

**Registration Number**

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

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Part 7A - Conditions

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**7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?**

Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	20/5/2022	<input checked="" type="checkbox"/> Estimated	

**Comments**

Part 7B - Issue details

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**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

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**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)**

**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**

New class-code to be confirmed

**+Security description**

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

<b>+Security currency</b>	<b>Exercise price</b>	<b>Expiry date</b>
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

**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)**

**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**

New class-code to be confirmed

**+Security description**

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?**

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



**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

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Part 7C - Timetable

**7C.1 Proposed +issue date**

20/5/2022

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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

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**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

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**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)