



## Announcement Summary

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**Entity name**

MEGADO MINERALS LTD

**Announcement Type**

New announcement

**Date of this announcement**

17/2/2023

**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 \$0.10 Options	7,000,000
New class-code to be confirmed	Unlisted \$0.10 Options	3,650,000
MEG	ORDINARY FULLY PAID	116,955,555

**Proposed +issue date**

3/4/2023

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 MINERALS LTD

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**

17/2/2023

**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	31/3/2023	<input checked="" type="checkbox"/> Estimated	No

**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**

45,000,000

**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**

Shares to acquire the Cyclone Lithium Project in Quebec, Canada (Consideration Shares).

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

2,025,000.000000

**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 \$0.10 Options

**+Security type**

Options

**Number of +securities proposed to be issued**

7,000,000

**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**

Options to acquire the Cyclone Lithium Project in Quebec, Canada (Consideration Options).

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

145,951.000000



**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 0.1000	31/3/2026

**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.**

Refer to ASX release "Lithium Project Acquisition - James Bay Region, Quebec" dated 17 February 2023.

**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**

60,000,000

**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 0.04500



**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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**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**

2,400,000

**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 0.00001

**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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**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**

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**

Consideration for the provision of corporate advisory services associated with facilitating the acquisition of the Cyclone Project.

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

180,000.000000

**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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**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

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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**

5,555,555

**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 consideration for investor relations and marketing services to be provided over a 30 month period (Marketing Shares).

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

250,000.000000

**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 \$0.10 Options

**+Security type**

Options

**Number of +securities proposed to be issued**

3,650,000

**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**

Options issued to Directors, subject to shareholder approval (Incentive Options).





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

90,674.000000

**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 0.1000	1/3/2027

**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.**

Refer to ASX release "Lithium Project Acquisition - James Bay Region, Quebec" dated 17 February 2023.

#### Part 7C - Timetable

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

3/4/2023

#### 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**

31/3/2023

**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**

1. 45% of the Consideration Shares (20,250,000 Shares) will be subject to 6 months escrow from the date of issue.
2. 45% of the Consideration Shares (20,250,000 Shares) will be subject to 12 months escrow from the date of issue.
3. 5,555,555 Marketing Shares will be subject to 6 months escrow from the date of issue.

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 Capital Group Pty Ltd

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

1. A management fee of 2% for managing the placement, to be paid in cash (A\$54,000 plus GST); and
2. A placement fee of 4% for funds raised via the placement, to be paid in shares (2,400,000 shares).

**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. Consideration Shares & Options - acquire Cyclone Project;
2. Placement Shares - acquisition, exploration, working capital;
3. Incentive Options - part remuneration.
4. Lead Manager Shares - placement services
5. Marketing Shares - marketing services

**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)