Announcement Summary

Entity name

MEGADO MINERALS LTD

Announcement Type

New announcement

Date of this announcement

17/2/2023

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 \$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

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

Registration Number

ABN

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

Part 7A - Conditions

7A.1a Conditions

Approval/Condition

Date for determination

Is the date estimated or actual?

** Approval received/condition met?

+Security holder approval

31/3/2023

No

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

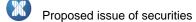
Number of +securities proposed to be issued

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)

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 \$0.10 Options

+Security type

Options

Number of +securities proposed to be issued

7,000,000

Offer price details

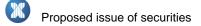
Are the +securities proposed to be issued being issued for a cash consideration? ☑ No

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

+Security currency **Exercise price Expiry date** AUD 0.1000 31/3/2026 AUD - Australian Dollar

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?

+security?

AUD - Australian Dollar

AUD 0.04500

What is the issue price per

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)?

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

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

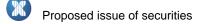
Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☑ Yes

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

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

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

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)

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 \$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

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${}^{\circ}$	Puo		uci	uno

+Security currency Exercise price

Expiry date

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

					he proposed	

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 1012DA(2)(f)