

13 July 2023

ASX:MM8

\$5 million Capital Raising to Continue to Advance the 1.62 Moz RGP

Highlights

- Medallion to raise \$5 million through a placement and a fully underwritten, non-renounceable entitlement issue
- Directors and Substantial Shareholders commit to support the Offer up to an amount of \$2.3 million through participation in the placement, entitlements offer, shortfall applications and loan conversion
- Strengthened balance sheet to support studies, exploration programmes and advance the Company's projects, primarily the Ravensthorpe Gold Project (RGP)
- The RGP has an existing Mineral Resource Estimate (MRE) of 19.2Mt @ 2.6 g/t AuEq for 1.62Moz and is shallowly drilled and open in multiple directions¹ (63% Indicated, 76% within 150m of surface)
- A Pre-Feasibility Study (Study) assessing the technical and commercial merits of developing the Mineral Resources within the Kundip Mining Centre (KMC) is significantly advanced and will be released in the September quarter of 2023
- Proceeds to be applied to a 7-10km drill programme at KMC to test priority extensional and near mine targets, completion of the PFS and for general working capital purposes

Managing Director, Paul Bennett, commented:

“Completion of this capital raising is critically important to maintaining Medallion’s growth ambitions and I’d like to acknowledge the ongoing support of Canaccord Genuity and our new supporters at Morgans Financial. We are now in a strong position to clear a major de-risking milestone which is the completion of the PFS. Additionally, having had time to assess the 54 kilometres of drilling undertaken since listing in 2021, a number of high priority drill targets have emerged at Kundip which we are eager to test to demonstrate that Medallion is just scratching the surface of that deposit. With a substantial resource base which is open, a strong balance sheet and a rich target portfolio we look forward to continuing to advance this outstanding project.”

¹ Refer to Table 2 and the Company’s announcement on the ASX on 13 February 2023 (‘RGP Resource Increases to 1.62Moz AuEq’) for further details regarding the MRE, Gold Equivalence and Competent Person’s Statements.



Offer Details

Medallion Metals Limited (ASX:MM8, the **Company** or **Medallion**) has completed a placement to raise \$2.0 million (**Placement**) before costs. The Company has also launched a pro-rata, non-renounceable entitlement issue to raise approximately \$3.0 million (**Rights Issue**) before costs. The Placement and Rights Issue (**Offer**) is priced at 6.5 cents with the Rights Issue component conducted on the basis of one (1) share for every five (5) shares held at the record date, being 18 July 2023. Canaccord Genuity (Australia) Limited (**Canaccord**) acted as Sole Bookrunner to the Offer and the Rights Issue component of the Offer which is fully underwritten by Canaccord and Morgans Corporate Limited (**Joint Lead Managers** or **Underwriters**).

Based on the capital structure of the Company, a maximum of 76,895,734 shares may be issued pursuant to the Offer, increasing the shares on issue from 230,632,518 to 307,528,252. The Offer shares will rank equally with existing shares on issue.

The issue price of 6.5 cents represents a 10% discount to the last traded price of 7.2 cents on 10 July 2023 and a 13% discount to the twenty-day volume weighted average (**VWAP**) price of 7.5 cents.

The Company will lodge its prospectus in respect of the Right Issue with ASIC on 13 July 2023 (**Prospectus**).

Under the terms of the Offer, Medallion's major shareholder, Bolong (Australia) Investment Management Pty Ltd (**Bolong**), has agreed to participate by way of conversion of loan principal. Prior to the Company's ASX listing, Bolong extended Medallion a loan facility (**Bolong Loan**), the current principal outstanding of this loan is \$4.0 million. Bolong's conversion of a portion of the Bolong Loan in the Offer will reduce the principal outstanding to approximately \$2.9 million. The Bolong Loan remains unsecured and is not repayable unless there is a change of control event or until a development decision is made at RGP².

The cash proceeds of the Offer will be approximately \$3.9 million, which will be applied to drilling of extensional and near mine targets at KMC, completion of the PFS, the Company's general working capital requirements, and to cover the costs associated with the Offer.

Use of funds	A\$ millions
Exploration activities (including drilling)	2.1
Pre-Feasibility Study completion	0.5
Offer costs	0.3
Working capital	1.0
Total	3.9

Table 1: Use of Offer Proceeds

Rights Issue

Medallion will offer all eligible shareholders who have a registered address in Australia, New Zealand, Singapore and Hong Kong the opportunity to participate in the Rights Issue.

Shortfall Offer

Pursuant to the Prospectus, eligible shareholders will also be entitled to apply for (in excess of their entitlement) any shares not subscribed for by other eligible shareholders in accordance with the Rights Issue (**Shortfall Offer**). Applications pursuant to the Shortfall Offer will only be satisfied to the extent that there is a shortfall pursuant to the Rights Issue and will be subject to the terms and conditions outlined in the Prospectus.

Underwriting Agreement

The Rights Issue is fully underwritten by the Underwriters upon and subject to the terms and conditions of the Underwriting Agreement. Refer to the Prospectus for a summary of the material terms of the Underwriting Agreement.

² Refer to the Company's Prospectus released to ASX on 18 March 2021 for further details of the Bolong Loan.



Proposed timing of the Rights Issue:

Lodgement of Prospectus with the ASIC and ASX	13 July 2023
Company announces Rights Issue and lodges Appendix 3B with ASX	13 July 2023
“Ex” date	17 July 2023
Record Date for determining Entitlements (7.00pm AEST)	18 July 2023
Offers Open, Prospectus sent out to Eligible Shareholders & Company announces this has been completed	20 July 2023
Last day Company can extend Closing Date	31 July 2023
Closing Date of the Rights Issue* (5.00pm WST)	3 August 2023
Securities quoted on a deferred settlement basis from market open	4 August 2023
Notification of Shortfall to Underwriter	7 August 2023
Announcement of results of the Rights Issue	8 August 2023
Settlement with Underwriter	8 August 2023
Issue date of Shares under the Rights Issue / Lodgement of Appendix 2A with ASX*	8 August 2023

* The dates above are indicative only and are subject to change. The Directors may vary these dates subject to any applicable requirements of the Corporations Act or the Listing Rules. The Directors may extend the Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

Shareholders will be provided with all relevant documents in relation to the Rights Issue in due course.

Exploration Programme Update

Combined with significant regional discovery potential within Medallion's dominant land position across the Annabelle Volcanics, the Company sees multiple opportunities to continue to grow resources at RGP to enhance the ability to support the development of a long-life, low-cost gold and copper mine. Results to date, in particular the substantial resource growth achieved, is clear evidence that well-funded exploration programmes, led by our capable and experienced team will deliver results at the RGP.

The Company continues to progress the PFS to assess the technical and commercial viability of the Mineral Resource at KMC. Multiple strands of the PFS work are significantly advanced and the findings are expected to be released in the third quarter of calendar year 2023.

Numerous exploration initiatives are also currently underway reviewing the data gathered during the 2021 and 2022 drill programmes. These include structural mapping and analysis, processing and interpretation of Down Hole Electro-Magnetic (DHEM) surveys and ground based Sub-Audio Magnetic (SAM) surveys completed during the drill programme at KMC and the regional targets. The outcomes of these various projects will form the basis of planning for future drill programmes, which seek to achieve two specific goals;

- 1) increase the confidence in the Mineral Resources at KMC, such that the volume and grade of material reporting to optimised mining shapes is maximised in the Indicated category, and
- 2) grow the global Mineral Resources, both at KMC and regional prospects.

One of the most significant outcomes of Medallion's drilling campaigns to date is confirmation that the KMC deposits are open in multiple directions, while remaining relatively shallowly drilled. In addition, numerous opportunities have been identified to uncover new mineralised lodes in close proximity to the known deposits. It is these opportunities in particular that will be the focus of the next phase of drilling at KMC. The Company is in the advanced stages of planning its next phase of growth from drilling and will inform the market of the details of those plans when finalised.



This announcement is authorised for release by the Board of Medallion Metals Limited.

~ ENDS ~

For further information please visit the Company's website www.medallionmetals.com.au or contact:

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DISCLAIMER

References in this announcement may have been made to certain ASX announcements, including exploration results, Mineral Resources and Ore Reserves. For full details, refer said announcement on said date. The Company is not aware of any new information or data that materially affects this information. Other than as specified in this announcement and mentioned announcements, the Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcement(s), and in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement.

INDIVIDUAL RESOURCE CATEGORIES REPORTED IN THIS ANNOUNCEMENT³

Mineral Resource Estimate for the Ravensthorpe Gold Project, February 2023							
	kt	Au g/t	Au koz	Cu %	Cu kt	AuEq g/t	AuEq koz
Indicated	12,110	2.0	790	0.3	36	2.5	980
Inferred	7,370	2.2	510	0.3	23	2.7	640
Grand Total	19,480	2.1	1,300	0.3	59	2.6	1,620

Table 2: Individual Resource categories at RGP

REPORTING OF GOLD EQUIVALENT GRADES

Gold Equivalent (AuEq) grades that are applied as cut off criteria and reported for the resource were calculated using the following formula: $AuEq\ g/t = Au\ g/t + (Cu\ \% \times 1.61) + (Ag\ g/t \times 0.01)$. Cu equivalence to Au was determined using the following formula: $1.61 = (Cu\ price \times 1\% \text{ per tonne} \times Cu\ recovery) / (Au\ price \times 1\ gram\ per\ tonne \times Au\ recovery)$. Ag equivalence to Au was determined using the following formula: $0.01 = (Ag\ price \times 1\ gram\ per\ tonne \times Ag\ recovery) / (Au\ price \times 1\ gram\ per\ tonne \times Au\ recovery)$. Metal prices applied in the calculation were: Au = 2,946 AUD per ounce, Cu = 16,768 AUD per tonne, Ag = 42 AUD per ounce. Metallurgical recoveries applied were: Au = 94.6%, Cu = 86.1%, Ag = 73.3%. Refer to the Company's ASX announcement dated 28 March 2022 for further information relating to metallurgical recovery.

³ Refer ASX announcements dated 13 February 2023 for further information.