



nmgcorporation

Level 29, 201 Elizabeth Street, Sydney NSW 2000
Ph: +61 2 8072 1400 | Fax: +61 2 8072 1440

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The Manager
Company Announcements
Australian Securities Exchange
Level 5, 20 Bridge Street
Sydney NSW 2000

By Electronic Lodgement

NMG GRANTS CONDITIONAL OPTION OVER CTP LICENCES

The Board of NMG Corporation Limited (**NMG** or **the Company**) is pleased to announce that it has entered into a conditional binding option agreement (**Agreement**) with AusGold Ghana Limited (**AusGold**), an unlisted Ghanaian company, under which NMG have granted an option to AusGold to acquire 100% legal and beneficial interest of NMG's wholly owned subsidiary, NMRGL and the entire Cape Three Points Licences (**Licences**).

Details of the Licences are as follows:

Licence name	Licence type	Minerals commission ref no
CTP North	Prospecting	PL2/33
CTP South*	Prospecting	PL2/439

* Note: subject to renewal

As previously disclosed to ASX, the Licences lies on the eastern margin of the Ashanti Gold Belt in Southwest Ghana.

Material terms of the Agreement are as follows:

- (1) **Conditions precedent:** Before AusGold can exercise the option, AusGold must satisfy the certain conditions precedent which includes:
 - (a) Manage, operate and complete a minimum expenditure of USD\$150,000, inclusive of GST or VAT, on field exploration and expenditure on programmes of works on the Licences; and
 - (b) AusGold will repay to the Company in cash any licence or joint venture related fees that may have been expended by the Company on the Licences from the date of the Agreement, excluding any NMRGL Directors or Employee payments.

- (2) **Consideration payment:** In consideration for granting the option, following confirmation of the licence status, AusGold will pay NMG (or its nominee) a fee of USD\$50,000, inclusive of GST or VAT.
- (3) **Purchase price:** The purchase price payable to the Company by AusGold on exercise of the option is USD\$750,000. AusGold may elect to settle 50% of the purchase price payment by making a cash payment, or if AusGold is listed at the time, paying the amount via the issue of shares in AusGold to NMG. NMG may elect to settle the remaining 50% of the purchase price payment by receiving a cash payment or if AusGold is listed at the time, receiving shares in AusGold for that amount.
- (4) **Exercise period:** AusGold agrees that the option must be exercised on or before 30 November 2018, otherwise the option will immediately lapse thereafter.
- (5) **Regulatory approvals:** Before the option is capable of exercise by AusGold, if required by ASX, NMG must obtain any regulatory or shareholder approvals of NMG shareholders as required by the Corporations Act (Cth) 2001 and/or the ASX Listing Rules.

For any questions, please contact the undersigned on +61 2 8072 1400.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Andrew Whitten', with a stylized flourish at the end.

Andrew Whitten
Company Secretary