

BABICHO GOLD PROJECT TRENCHING AND CURRENT ETHIOPIAN SITUATION

HIGHLIGHTS

- **Megado continues to monitor Northern Ethiopia situation with team safe and field works continuing in Southern Region**
- **Drilling to start at Babicho and Chakata imminently**
- **Remains on track to start extensive trenching program at Babicho**
- **Rock chip samples have been taken and submitted for analysis**

Ethiopian-focused gold explorer Megado Gold (ASX:MEG) (**Megado** or the **Company**) continues to monitor the evolving security situation in Tigray, Ethiopia. Megado's flagship projects are located more than 1,000km south from the current unrest. Of utmost importance, all staff remain safe and able to implement our exploration strategy without interruption to their daily activities. We are also fortunate to report that the Company is able to progress operations largely unimpeded, with the only disturbance being a supply chain issue delaying the maiden drilling program by approximately one week.

Other important works are proceeding rapidly. At the Babicho Gold Project, the Company's extensive trenching program has commenced. This trenching will enhance the Company's understanding of the terrane and structural setting of the mineralisation evident as well as identifying future drilling targets. As the Company announced on 5 November 2020, historical soil sampling at Babicho delineated a coherent and highly significant 2km long gold-in-soil anomaly with standout results headlined by 10m @ 3.5g/t Au and 1m @ 35.3g/t Au in trenching. This anomaly coincides with the major north-south trending shear zone that hosts the Lega Dembi and Sakaro gold deposits (+3Moz).

Five kilometres south along strike from Sakaro, field work also continues at Chakata. Hundreds of rock chip samples have been taken and submitted for analysis. Further, the bulldozer has been transferred from Babicho to site in order to prepare for Chakata's initial drilling phase.

Megado Gold CEO and Managing Director, Michael Gumbley, commented:

"Safety is of preeminent importance to Megado. We are fortunate that our staff and operations can proceed with the same impressive rapidity exhibited to date. We are extremely excited to have commenced our trenching program at the Babicho Gold Project as well as the sampling undertaken at Chakata. We look forward to sharing results with the market as soon as they are at hand."

"On a personal note, myself and our Executive Director, Dr. Chris Bowden, have both spent many months working in Tigray during previous roles. These experiences were part of why we were both motivated to work again in Ethiopia. The country's enviable political stability, immense economic potential and clear geological prospectivity remain compelling reasons to invest there."

We are hopeful – and confident – that this recent episode will be swiftly resolved. We stand with the United Nations, USA, United Kingdom and other entities urging all parties to reach a swift resolution.”

Related ASX Announcements

[20201112 High-Grade Gold Indicated at Chakata Gold Project Ethiopia](#)

[20201105 Surface Sampling at Babicho Highlights Anomalous Gold Trend](#)

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Authorised for release by: Michael Gumbley, MD and CEO.

For more information:

Michael Gumbley

Managing Director and CEO

+61 8 6141 3260

mgumbley@megadogold.com

Mark Flynn

Investor Relations and Media

+61 416 068 733

mflynn@megadogold.com

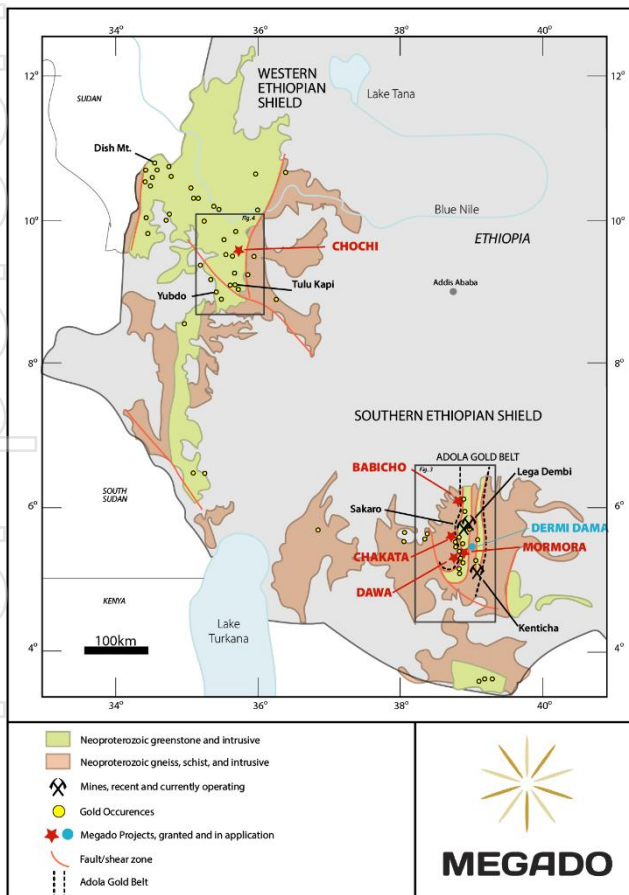
About Megado Gold

Megado Gold Ltd is an ASX listed company with five high-quality gold exploration assets covering 511km² and one licence application covering 227km² in southern and western Ethiopia with the geological potential

to host gold deposits of significant scale. Ethiopia contains a world-class greenstone geological terrane and hosts part of the prolific Arabian-Nubian Shield (ANS). The Megado Belt in southern Ethiopia is hosted within the broader Adola Belt, a granite-greenstone terrane that is part of the ANS, and is characterised by a dominant N-S trending suite of metamorphosed rocks hosting significant occurrences of gold mineralisation, including Ethiopia's only modern gold mines, Lega Dembi and Sakaro (+3.0Moz Au).

Megado has a premium land position immediately along strike to the north and south of the Lega Dembi and Sakaro deposits covering the same fertile greenstone host rocks and structural setting, in addition to an asset located proximal to Ethiopia's next gold mine, the +1.5Moz Tulu Kapi deposit (AIM-listed KEFI Minerals).

Megado has assembled a strong technical team with specific Ethiopian and gold exploration experience. Dr Chris Bowden, Executive Director, spent 5 years living in Ethiopia as General Manager for ASCOM Precious Metals Mining, where he was



responsible for the discovery and subsequent drill out of the initial 1.5Moz Dish Mountain Gold deposit in western Ethiopia, a virgin greenfields discovery.

Minimal modern exploration has been conducted in Ethiopia, in comparison to similar greenstone belts in West Africa, Canada and Western Australia where modern techniques have successfully delineated numerous gold deposits.

Competent Person Statement

Information in this "ASX Announcement" relating to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves has been compiled by Dr Chris Bowden who is a Fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy and is an Executive Director of Megado Gold Ltd.

He has sufficient experience that is relevant to the types of deposits being explored for and qualifies as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2012 Edition). Dr Bowden has consented to the release of the announcement.

