

MEDALLION METALS

LIMITED

ASX ANNOUNCEMENT

12 August 2024

ASX:MM8

\$5 Million Placement to Advance Near Term Production Opportunity During Forrestania Exclusivity

Highlights

- Medallion has received commitments to raise \$5 million through a Placement
- Placement strongly supported by new and existing institutional and sophisticated investors including established gold producer Alkane Resources Limited (ASX: ALK)
- Placement proceeds to support the Company's activities following the announcement of exclusive negotiations with IGO Limited (IGO) regarding the potential acquisition of certain assets of the Forrestania Nickel Operation (FNO), specifically the Cosmic Boy Process Plant and associated infrastructure
- Placement will fund infill drilling, test work and further studies considering the development of the Ravensthorpe Gold Project (RGP), continued due diligence on FNO and the advance of legally binding transaction documentation
- FNO opportunity presents a lower capital cost, lower risk and near term production pathway for the RGP Mineral Resources reported in fresh rock which total 5.6Mt @ 4.3 g/t Au & 0.6 % Cu for 770 koz Au and 36 kt Cu contained metal
- Studies will include the assessment of standalone processing of high-grade sulphide Mineral Resources at RGP versus trucking to the Cosmic Boy Process Plant
- Additionally, Medallion will advance a regional drill program to test priority near mine and regional exploration targets at RGP
- Medallion will emerge with a strengthened balance sheet comprising cash and receivables of over \$7.5 million to progress exploration efforts and to de-risk the sulphide development plan

Managing Director, Paul Bennett, commented:

"Medallion emerges from this capital raising well-funded to embark on a transformative new development strategy with the gold price at record levels. There is the opportunity to unlock tremendous value for Medallion shareholders by bringing Ravensthorpe resources together with Forrestania infrastructure. The Board thanks existing shareholders for their strong support of the capital raising. We welcome Alkane to the register and look forward to leveraging their development and operating experience as we set about to de-risk the sulphide development scenario. Drilling will commence in early September and news flow will be strong throughout the remainder of 2024 and into 2025."



Placement Details

Medallion Metals Limited (ASX:MM8, the Company or Medallion) has received binding commitments for a two tranche placement to raise approximately \$5 million before costs (Placement). Established gold producer Alkane Resources Limited (Alkane, ASX: ALK) corner stoned the Placement and will hold 4.9% of the Medallion shares on issue upon settlement. Alkane's support of the Placement is a strong endorsement of Medallion's management, assets and strategic direction.

In addition to Alkane's commitment, the Placement received strong support from new and existing institutional and professional shareholders.

The Placement comprises:

- the issue of 63,319,106 fully paid ordinary shares to sophisticated investors (Tranche 1 Placement) at an issue price of 5 cents per share, placed under the Company's ASX Listing Rule 7.1 and 7.1A capacity; and
- the issue of 36,680,894 fully paid ordinary shares at the same issue price as the Tranche 1 Placement (inclusive of 2,512,680 fully paid ordinary shares to directors of the Company) (Tranche 2 Placement), subject to shareholder approval.

The Placement shares will rank equally with existing shares on issue.

The issue price of 5 cents represents a 12.3% discount to the last traded price of 5.7 cents on 7 August 2022 and a 15.6% discount to the ten day volume weighted average (VWAP) price of 5.9 cents.

Tranche 1 Placement shares are expected to settle on 15 August 2024 and commence trading on the ASX on a normal basis on 16 August 2024.

Canaccord Genuity acted as Sole Lead Manager and Bookrunner to the Placement.

A general meeting of Shareholders to ratify Tranche 1 of the Placement and to approve Tranche 2 of the Placement in due course. The general meeting is expected to be held in late September 2024. Shareholders will be provided with a notice of meeting in due course.

The Company expects pro-forma cash and sub-lease receivables to total of \$7.5 million¹ at the completion of the Placement.

The Forresteria Opportunity

Medallion has entered into an Exclusivity Agreement with IGO Limited (IGO) that grants Medallion a period of exclusivity in which to negotiate a proposed acquisition of certain assets of the Forresteria Nickel Operation, including the Cosmic Boy Process Plant (FNO Assets) following completion of nickel production by IGO at FNO (Proposed Transaction). The exclusivity period is 9 months, with the ability to extend for up to a further 3 months (Exclusivity Period).

The RGP Mineral Resource, when reported in fresh rock and above a lower cut-off grade (COG) of 2g/t AuEq, yields 5.6Mt @ 4.3g/t Au and 0.6% Cu ²(772koz Au and 36kt Cu contained) and is considered potentially available for underground mining. With modification parameters from the October 2023 PFS³ applied, Medallion believes a substantial underground mine plan will coalesce with grades that will sustain trucking to the Cosmic Boy processing plant located at FNO.

In addition to RGP, multiple strategic growth opportunities present themselves through the establishment of gold processing capability at FNO. The Forresteria greenstone belt is a historically significant gold producing region, which includes the Bounty Gold Mine (historical production approximately 1.4Moz at 5.1 g/t gold) and remains

¹ Premised upon 30 June 2024 cash and receivables as disclosed in the Company's quarterly report released on ASX on 31 July 2024 plus the Placement proceeds (before costs).

² Refer to the Company's ASX Announcement dated 8 August 2024 for further information in relation.

³ Refer to the Company's ASX Announcement dated 23 October 2024 for further information in relation to the RGP PFS.



highly prospective for gold with multiple deposits and prospects situated within economic trucking distance of Cosmic Boy.

Proceeds from the Placement will be directed towards various work streams in addition to providing general working capital to the Company.

Work streams to include infill drilling, test work and further studies considering the development of the RGP, continued FNO Assets due diligence and advancing legally binding transaction documentation. Studies will include the assessment of various development opportunities for RGP, specifically standalone processing at RGP versus trucking the high grade Sulphide Mineral Resources to the Cosmic Boy Process Plant. For further details regarding the Proposed Transaction and the Exclusivity Agreement, please refer to the Company's ASX announcement dated 8 August 2024.

The Company also intends to progress the 2,200m drill program to test priority near mine and regional exploration targets at RGP, as announced on ASX on 20 May 2024.

An investor briefing will be held on Monday, 12 August 2024 at 2:00pm AEST/ 12:00pm AWST. Attendees will have the opportunity to ask questions directly of Managing Director, Mr Bennett during a moderated Q&A session.

The briefing can be viewed live via zoom and investors can register via the link below.

Registrations: <https://bit.ly/3T3TUjJ>

A recorded copy of the webinar will be made available following the event.

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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CAUTIONARY STATEMENT

The Company notes there is no guarantee that the Proposed Transaction will proceed or that negotiations will result in a binding sale agreement and that there is no guarantee that if the Proposed Transaction proceeds, that it will proceed on the terms disclosed as no binding terms have been agreed between Medallion and IGO in relation to the Proposed Transaction. If the Proposed Transaction proceeds, the Company will announce the binding terms of the negotiated transaction to ASX in due course.



PREVIOUSLY REPORTED INFORMATION

References in this announcement may have been made to certain ASX announcements, including exploration results, Mineral Resources, Ore Reserves, production targets and forecast financial information. For full details, refer to 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 other mentioned announcements, the Company confirms that 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, Ore Reserves, production targets and forecast financial information that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed other than as it relates to the content of this announcement. 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. For further details regarding the global RGP Mineral Resources refer to the Company's ASX announcements dated 22 June 2022 and 13 February 2023. For further information regarding the Ore Reserve refer to the Company's ASX announcement dated 9 January 2024.

FORWARD LOOKING STATEMENTS

Some statements in this announcement are forward-looking statements. Such statements include, but are not limited to, statements with regard to capacity, future production and grades, projections for sales, sales growth, estimated revenues and reserves, the construction cost of a new project, projected operating costs and capital expenditures, the timing of expenditure, future cash flow, cumulative negative cash flow (including maximum cumulative negative cash flow), the outlook for minerals and metals prices, the outlook for economic recovery and trends in the trading environment and may be (but are not necessarily) identified by the use of phrases such as "will", "would", "could", "expect", "anticipate", "believe", "likely", "should", "could", "predict", "plan", "propose", "forecast", "estimate", "target", "outlook", "guidance" and "envisage". By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside the Company's control. Actual results and developments may differ materially from those expressed or implied in such statements because of a number of factors, including levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, suppliers or customers, activities by governmental authorities such as changes in taxation or regulation. Given these risks and uncertainties, undue reliance should not be placed on forward-looking statements which speak only as at the date of this announcement. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the Company does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements contained in this material, whether as a result of any change in the Company's expectations in relation to them, or any change in events, conditions or circumstances on which any such statement is based.

RGP MRE FRESH COMPONENT INDIVIDUAL RESOURCE CATEGORIES

Mineral Resource Estimate for the Ravensthorpe Gold Project (fresh component)					
Classification	kt	Au g/t	Au koz	Cu %	Cu kt
Indicated	2,990	4.4	420	0.7	21
Inferred	2,630	4.1	350	0.6	15
Grand Total	5,620	4.3	770	0.6	36

Table 1: RGP MRE (fresh component) by resource classification