



MEDALLION METALS LIMITED - PRE-QUOTATION DISCLOSURE

Medallion Metals Limited (ACN 609 225 023) (the **Company**) provides the following confirmations to satisfy the conditions precedent to its admission to the Official List of the ASX. Defined terms have the same meaning as given to those terms in the Company's Prospectus dated 16 February 2021 (**Prospectus**).

1 Confirmation of Completion of Offers

The Company confirms the satisfaction of the conditions to the Offers, the close of each of the Offers, and completion of the issue of all securities under each of the Offers, comprising the issue of:

- (a) 50,000,000 ordinary fully paid shares (**Shares**) at an issue price of \$0.25 each;
- (b) 25,000,000 quoted options exercisable at \$0.35 each expiring 31 January 2023 (**Options**), free attaching to the issue of Shares on a 1:2 basis; and
- (c) 4,000,000 Options at an issue price of \$0.001 each.

2 Updated Commitments

Based on the amounts raised under the Offers, and only in respect of granted tenements, the Company intends to apply funds raised from the Offers as follows (refer to page 9 of the Prospectus for further details).

Use of Funds	Funds Raised (\$12.5 million)	
	\$ M	%
Exploration and related expenses	8.6	69%
Corporate and administration	2.3	18%
Expenses of the Offer	0.9	7%
Shareholder loan principal and interest payments	0.6	5%
General working capital	0.1	1%
Total	12.5	100%

Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of exploration activities, regulatory developments, and market and general economic conditions. Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 6 of the Prospectus).

3. Pro forma Statement of Financial Position

Following completion of the Offers, as set out in the Prospectus, based on raising \$12,500,000 under the Offer, a pro forma statement of financial position as at 30 June 2020 is set out below:

	Audited as at 30-Jun-20 \$	Subsequent events \$	Pro-forma adjustments \$	Pro-forma after Offer \$
CURRENT ASSETS				
Cash and cash equivalents	2,255,138	(99,560)	10,383,568	12,539,146
Other receivables	138,111	-	-	138,111
TOTAL CURRENT ASSETS	2,393,249	(99,560)	10,383,568	12,677,257
NON-CURRENT ASSETS				
Property, plant and equipment	287,458	-	-	287,458
Exploration and evaluation asset	4,262,154	-	-	4,262,154
Right of use asset	31,091	-	-	31,091
TOTAL NON-CURRENT ASSETS	4,580,703	-	-	4,580,703
TOTAL ASSETS	6,973,952	(99,560)	10,383,568	17,257,960
CURRENT LIABILITIES				
Trade and other payables	129,823	-	-	129,823
Borrowings	5,000,000	-	(5,000,000)	-
Lease liability	6,702	-	-	6,702
TOTAL CURRENT LIABILITIES	5,136,525	-	(5,000,000)	136,525
NON-CURRENT LIABILITIES				
Provision for rehabilitation	2,094,015	-	-	2,094,015
Lease liability	26,777	-	-	26,777
Borrowings	-	-	4,000,000	4,000,000
TOTAL NON-CURRENT LIABILITIES	2,120,792	-	4,000,000	6,120,792
TOTAL LIABILITIES	7,257,317	-	(1,000,000)	6,257,317
NET ASSETS/ (NET ASSET DEFICIENCY)	(283,365)	(99,560)	11,383,568	11,000,643
EQUITY				
Issued capital	8,104,240	3,585	11,424,500	19,532,325
Share based payments reserve	1,186,650	-	392,000	1,578,650
Accumulated losses	(9,574,255)	(103,145)	(432,932)	(10,110,332)
TOTAL EQUITY/ (DEFICIENCY IN EQUITY)	(283,365)	(99,560)	11,383,568	11,000,643

4 Terms of Incentive Options

The Company has 4,220,000 unquoted options on issue granted under the Company's Incentive Option Plan and with an exercise price of \$0.01 each expiring 15 October 2025 (**Incentive Options**).

The Incentive Options are subject to the terms and conditions of the Incentive Option Plan. They are also subject to the following Vesting Conditions:

- 50% of the Incentive Options will vest upon the Company declaring JORC Code compliant Mineral Resources of not less than 1,000,000 ounces of contained gold at RGP;
- 25% of the Incentive Options will vest upon the Company achieving a 20 trading day Volume Weighted Average Price ("VWAP") of \$0.40 per share; and

- (c) 25% of the Incentive Options will vest upon the Company achieving a 20 trading day VWAP of \$0.50 per share.

All unvested Incentive Options will vest if an entity acquires Voting Power (as defined in the Corporations Act) in the Company of more 50.0%.

5. Restricted Securities

The Company confirms the following securities are subject to restriction under the ASX Listing Rules.

Securities	Number	Restriction Period
Shares	89,552,459	24 months from the date of quotation of the Company's securities
Options (\$0.35 exercise price, expiring 31 January 2023)	4,000,000	24 months from the date of quotation of the Company's securities
Incentive Options (\$0.01 exercise price, expiring 15 October 2025)	3,150,000	24 months from the date of quotation of the Company's securities

6. Capital Structure

The Company's capital structure as at the date of admission is as follows.

Securities	Number
Fully paid, ordinary Shares	169,736,850
Options ¹	33,220,000

Note:

1. Comprising:

- 29,000,000 quoted options (\$0.35 exercise price, expiring 31 January 2023) of which 4,000,000 are subject to ASX imposed restriction for 2 years from the date of quotation of the Company's securities; and
- 4,220,000 unquoted options (\$0.01 exercise price, expiring 15 October 2025) granted under the Company's Incentive Option Plan, of which 3,150,000 are subject to ASX imposed restriction for 2 years from the date of quotation of the Company's securities.

7. ASX Waiver

The Company confirms that the ASX has granted the Company a waiver of ASX Listing Rule 1.1 Condition 12 to allow the 4,220,000 Incentive Options on issue to have an exercise price of less than \$0.20 each on the conditions that:

- the Incentive Options are not quoted or transferred;
- the Company releases an announcement to the market upon conversion of any of the Incentive Options and provides detail on the number of Incentive Options being converted and the number of Incentive Options remaining to be converted (if any); and
- details of the Incentive Options are included in each annual report during their period of issue.

By order of the Board



Paul Bennett
Managing Director