For personal use only

MEDALLION METALS
LIMITED

ASX ANNOUNCEMENT

3 February 2024 ASX:MM8

$6.5 Million Placement to Progress to Final Investment Decision

Highlights

- **Medallion has received commitments to raise $6.5 million through a single tranche Placement**
- **Pro-forma liquidity of approximately $9.5 million at settlement (before Placement costs)**
- **Placement proceeds to support the Company's activities as it progresses the potential acquisition of assets of the Forrestania Nickel Operation (FNO), specifically the Cosmic Boy Process Plant and associated infrastructure**
- **Additional funds bolster the Company's balance sheet as it advances toward legally binding transaction documentation in relation to FNO, providing flexibility to undertake certain pre-development activities, secure long lead time items and for general working capital purposes**
- **Placement strongly supported by new and existing institutional and sophisticated investors including established gold producer Alkane Resources Limited (ASX: ALK), now a substantial holder**
- **Scoping Study confirms the technical and commercial merits of the proposed Sulphide Development Strategy where Ravensthorpe mineral resources are mined and processed at the Cosmic Boy Process Plant yielding a capital light, rapid pathway to gold and copper production**
- **Infill drilling, test work and permitting activities continue to advance at the Ravensthorpe Gold Project (RGP), with preliminary work on a Bankable Feasibility Study (BFS) now underway**
- **Final Investment Decision (FID) targeted for late 2025, subject to successful completion of negotiations to acquire certain assets of FNO**

Managing Director, Paul Bennett, commented:

"Medallion emerges from this capital raising well-funded to accelerate the sulphide development strategy with the gold price at record levels. Recent drill results build confidence that tremendous value can be unlocked for Medallion shareholders by bringing Ravensthorpe resources together with Forrestania infrastructure. The Board thanks new and existing shareholders for their strong support of the capital raising. There is a strong pipeline of news and de-risking milestones to look forward to throughout 2025."

For personal use only

Placement Details

Medallion Metals Limited (ASX:**MM8**, the **Company** or **Medallion**) has received binding commitments for a single tranche placement to raise $6.5 million before costs (Placement).

The Placement comprises the issue of 65,000,000 fully paid ordinary shares to sophisticated investors at an issue price of 10 cents per share, placed under the Company's ASX Listing Rule 7.1 and 7.1A capacity. The Placement shares will rank equally with existing shares on issue.

The issue price of 10 cents represents a 4.8% discount to the last traded price of 10.5 cents on 30 January 2025 and an 18.1% discount to the ten-day volume weighted average (VWAP) price of 12.2 cents.

Placement shares are expected to settle on 7 February 2025 and commence trading on the ASX on a normal basis on 8 February 2025.

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

The Company expects its pro-forma cash balance to total $9.5 million[1] upon settlement of the Placement shares.

Corporate & Institutional Endorsement

Existing shareholder and established gold producer Alkane Resources Limited (Alkane, ASX: ALK) supported the Placement and will hold 6.3% of the Medallion shares on issue upon settlement. Alkane's ongoing support through this Placement the previous capital raising is a strong endorsement of the Company'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.

Specialist resources investor Lowell Resources Fund (ASX: LRT) continued its support of the Company through its participation in the Placement.

Medallion is also pleased to welcome Lion Selection Group (Lion, ASX: LSX) as a new shareholder. Lion has a long track record of success supporting the growth of mining and junior resource companies.

Numerous other Australian and United States domiciled institutions and professional investors participated in the Placement. Taken together, the support of these sophisticated groups highlights the merits of the Company's strategy to rapidly advance toward gold and copper production through the proposed acquisition of the Forrestania processing infrastructure.

The Forrestania Opportunity

Medallion is advancing exclusive discussions with IGO Limited (ASX: IGO) in relation to the proposed acquisition of certain assets of the Forrestania Nickel Operation (FNO), including the Cosmic Boy Process Plant (Proposed Transaction). As a sulphide flotation plant, FNO process infrastructure is well suited to treating Ravensthorpe Gold Project (RGP) gold-copper bearing sulphide mineralisation. The combination of the RGP mineral resources and FNO infrastructure creates a near term, capital light pathway to new gold and copper production in Western Australia.

In December 2024, Medallion reported the results of the initial Scoping Study for RGP with processing at Forrestania (the Project) (Study) [2].

The Study was premised upon the completion of the Proposed Transaction with IGO. Study results confirm the Project as a technically and commercially robust development opportunity, generating strong cashflows and offering returns on investment which are attractive relative to the risks identified through the Study process.

[1] Premised upon 31 December 2024 cash and receivables as disclosed in the Company's quarterly report released on ASX on 31 January 2025 plus the Placement proceeds (before costs).

[2] Refer to the Company's ASX Announcement dated 17 December 2024 for further information in relation to the Scoping Study.

All figures presented below are approximate. All dollars are Australian Dollars ($) unless stated otherwise.

Study Highlights:

- Initial production inventory of **2.7Mt @ 3.9 g/t Au & 0.6 % Cu for 342 koz Au & 16 kt Cu contained**
- Total initial metal production of **336 koz Au & 13 kt Cu**
- Mine life 5.5 years generating pre-tax cashflows averaging **$90 million per annum** under base case assumptions
- **Pre-tax free cash flow of $498 million** assuming A$3,615/oz Au, A$5.54/lb Cu (base case)
- **Pre-tax free cash flow of $637 million** assuming A$4,000/oz Au, A$6.15/lb Cu (spot)
- Forecast average **All-In-Sustaining-Cost (AISC) of A$1,845/oz** of Au produced (net of by-product credit)
- **Total pre-production capital cost of $73 million** inclusive of mine establishment and process plant modifications
- **Pre-tax NPV_{10} of $329 million & IRR 129%** (base case)
- **Pre-tax NPV_{10} of $429 million & IRR 169%** (spot)
- **Payback period: 12 months (base case), 9 months (spot)**
- Establishment of proven & industry standard process route of gravity-flotation-CIL (Deflector analogy) at Forrestania to deliver **high gold recovery (98%) and copper recovery (80%)** to saleable products over the Project life
- **Significant potential to enhance Project returns through increased throughput rate and mine life extension**

In addition to the initial production inventory considered in the Study, multiple strategic growth opportunities present themselves through the establishment of gold processing capability at FNO. The Forrestania 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 highly prospective for gold with multiple deposits and prospects situated within economic trucking distance of Cosmic Boy.

Next Steps

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

Medallion expects to provide material updates in relation to both the Proposed Transaction and the RGP permitting pathway during the current quarter. The 15,000 metre in-fill drilling is significantly advanced and is expected to conclude in April. Drilling results will inform a Mineral Resource Estimate (MRE) update which will in turn inform an updated mine plan to a BFS level standard.

The Company remains alert to opportunities to compress development timelines subject to the successful conclusion of negotiations to acquire FNO assets including certain pre-development works and securing of long lead time items. Placement proceeds provide flexibility to act on these initiatives when the Board determines those investments are appropriate.

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:

Paul Bennett
Managing Director
Phone: +61 8 6424 8700
Email: info@medallionmetals.com.au

For personal use only

For personal use only

DISCLAIMER

No representation or warranty, express or implied, is made as to the fairness, accuracy, or completeness of the information, contained in this material or of the views, opinions and conclusions contained in this material. To the maximum extent permitted by law, the Company, and its respective directors, officers, employees, agents and advisers disclaim any liability (including, without limitation any liability arising from fault or negligence) for any loss or damage arising from any use of this material or its contents, including any error or omission there from, or otherwise arising in connection with it.

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 sulphide subset of the RGP Mineral Resources refer to the Company's ASX announcement dated 8 August 2024. For further information regarding the Scoping Study refer to the Company's ASX announcement dated 17 December 2024.

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.

INCLUSION OF INFERRED MINERAL RESOURCES

The production target and forecast financial information referred to in this announcement is primarily underpinned by Indicated Mineral Resources (approximately Indicated 71% and approximately 29% Inferred Mineral Resources). The Company draws attention to there being a lower level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target will be achieved. Accordingly, the Company has scheduled production such that Inferred Mineral Resources do not feature as a significant proportion of the early stages of the 73 month mine plan. Inferred Mineral Resources represent approximately 8% of the material mined over the first 12 months and 18% of the material mined over the first 24 months respectively. The Company is satisfied that the Inferred Mineral Resources included in production target are not the determining factors of the viability of the Project.

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 Campany'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.

For personal use only