

13 September 2024

ASX:MM8

Drilling to Advance Near Term Gold and Copper Production Opportunity

Highlights

- Medallion to commence 15,000m Reverse Circulation (RC) and Diamond Drill Hole (DDH) program at the Ravensthorpe Gold Project
- Drilling planned comprises an in-fill component to improve confidence in the high-grade sulphide resource at Ravensthorpe and to collect samples for metallurgical testwork
- Extensional targets at the projected intersection of the Flag/Harbour View deposits and regional targets at Flanders, a large scale surface copper anomaly, will also be tested
- In-fill drilling will de-risk mine plan for near term production from the processing of high-grade sulphide material through the Cosmic Boy Process Plant located at Forrestania
- Drilling to be partially funded by a 'drill for equity' agreement with prominent Western Australian drilling contractor, Topdrill Pty Ltd
- Mobilisation of a RC drill rig is expected to occur in late September 2024, followed by the mobilisation of a DDH drill rig shortly thereafter

Managing Director, Paul Bennett, commented:

"It's great to be on the ground again with drills soon to be turning at Ravensthorpe. The team has done an excellent job having permits in place and all the logistical elements finalised in a short space of time, so we're well placed to get this program done safely and efficiently. News will flow quickly with the first results expected to be reported early in the fourth calendar quarter and the pace of reporting accelerating as the second rig mobilises. We also welcome Topdrill to the Ravensthorpe Gold Project for the first time and we are looking forward to working with them to test these exciting targets."

Medallion Metals Limited (ASX:MM8, the Company or Medallion) is pleased to report that a 15,000m Reverse Circulation (RC) and Diamond Drill Hole (DDH) drill program will commence at the Company's flagship Ravensthorpe Gold Project (RGP or the Project) in the coming weeks.

The objective of the drill program is to grow the high-grade sulphide underground resource in both size and confidence as well as support metallurgical testwork and studies assessing processing Ravensthorpe material at the Cosmic Boy Process Plant (Cosmic Boy) located at Forrestania, which is the subject of continuing exclusive negotiations with IGO Limited (IGO).

Additionally, Medallion will test several high priority near mine and regional exploration targets within and at the periphery of the Kundip Mining Centre (KMC) which forms part of RGP.



The Ravensthorpe-Forrestania Opportunity

Medallion has entered into an Exclusivity Agreement with IGO that grants Medallion a period of exclusivity in which to negotiate a proposed acquisition of certain assets of the Forrestania Nickel Operation (FNO), including the Cosmic Boy Process Plant, 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% Cu¹ (772koz Au and 36kt Cu contained) and is considered available for potential underground mining. With modification parameters from the October 2023 PFS² applied, Medallion believes a substantial underground mine plan will coalesce with grades that will sustain trucking to Cosmic Boy, which is approximately 160km from RGP by a predominantly sealed road.

In addition to RGP, 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.

Ongoing work streams include infill drilling, test work and further studies considering the development of the RGP, continued due diligence and advancing legally binding transaction documentation with IGO. 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 Cosmic Boy.

For further details regarding the Proposed Transaction and the Exclusivity Agreement, please refer to the Company's ASX announcement dated 8 August 2024.

Drilling to Advance the Ravensthorpe-Forrestania Opportunity

Medallion has conducted mine stope optimisations on the sulphide Mineral Resource and advanced a preliminary mine plan based on those results. A key objective of the upcoming drill program is to upgrade Inferred Resources that will form part of the underground mine plan to Indicated Resources. Drilling will focus on de-risking the first 2-3 years of the mine plan at the Gem and Harbour View deposits within KMC. Drilling will also collect metallurgical sample from KMC in areas where historical testwork is no longer spatially representative after significant Mineral Resource growth off the back of drill programs in 2021 and 2022.

Exploration Drilling

The Company also intends to test priority near mine exploration targets at the Flanders prospect and the Harbour View/Flag deposits intersection.

Flanders

The Flanders prospect is located within the southern extent of KMC, approximately 350m south of the Flag deposit, which contains a MRE of 1.5Mt @ 4.3 g/t Au & 0.4% Cu for 210 koz Au & 6kt Cu³. Flanders is defined by an 800m x 150m, east-west Cu-Zn soil geochemical anomaly, striking parallel with the known mineralisation defined at Flag (Figure 1).

This untested soil anomaly is located within Proterozoic sediments, which lie over the Annabelle volcanics that are host to the deposits at KMC. Drilling is designed to test both the overlying sediments as the potential source of geochemical anomalism, while then extending into the Archaean Annabelle volcanics at depth to test for KMC style mineralisation to the south of KMC.

¹ Refer to Appendix 1 and the Company's ASX Announcement dated 8 August 2024 for further information in relation.

² Refer to the Company's ASX Announcement dated 23 October 2024 for further information in relation to the RGP PFS.

³ Refer to Appendix 1 and ASX Announcement dated 13 February 2023 for further details.



8km further south of KMC, the overlying Proterozoic sediments are the host to Medallion's 100% owned Trilogy polymetallic deposit and Queen Sheba Au-Ag prospect. Trilogy has a JORC-compliant MRE of 5.6 Mt @ 0.9 g/t Au, 54 g/t Ag, 1.2 % Cu, 2.4 % Pb and 1.4 % Zn⁴.

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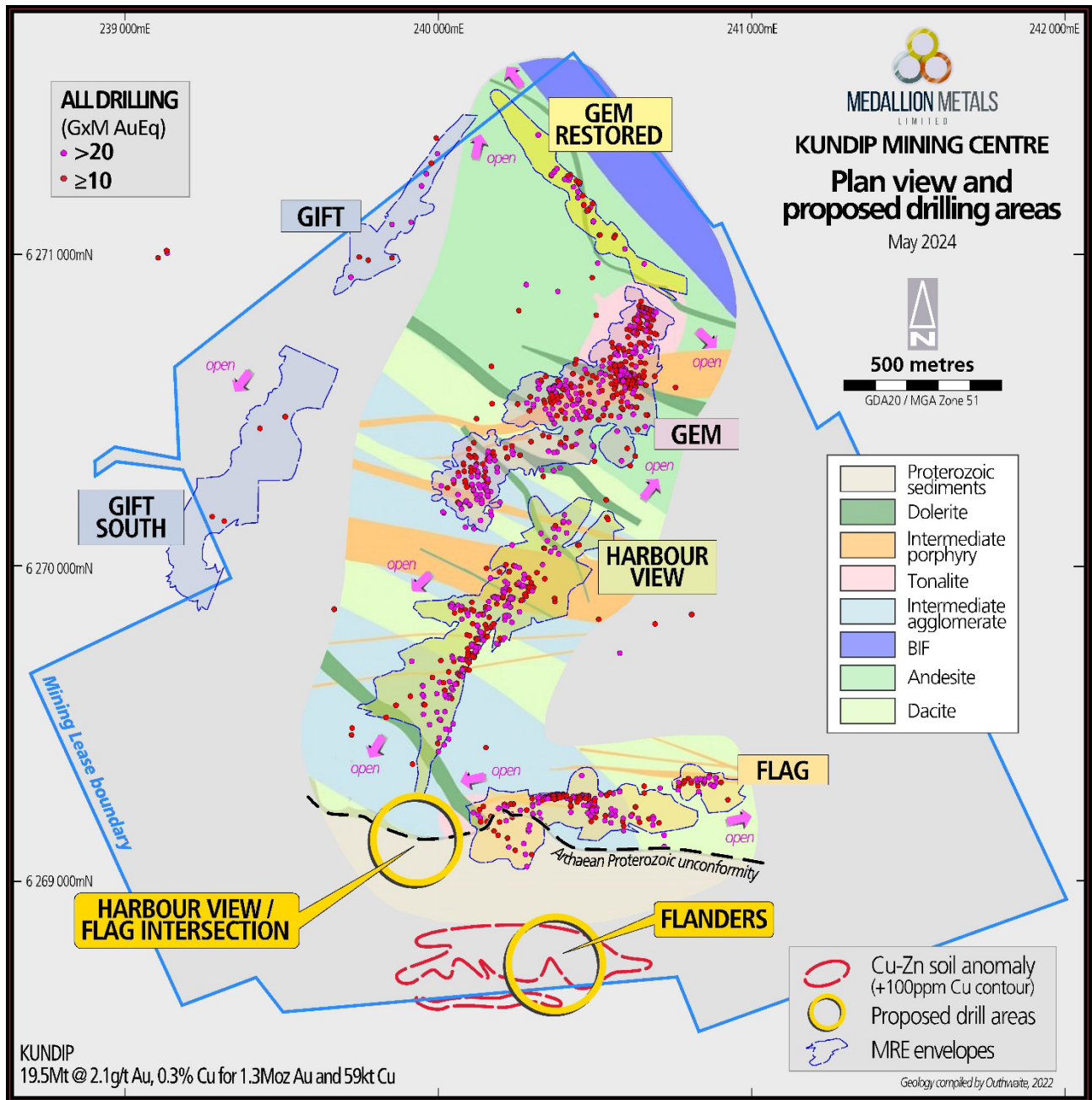


Figure 1: Plan view of the Flanders prospect with Cu in soils (+100ppm Cu contour) and the Harbour View/Flag intersection target

Harbour View and Flag Intersection

Drilling at the Harbour View and Flag deposits intersection at KMC (Figure 1) is designed to test the structural confluence and extend the defined mineralisation of these known mineralised structures. From the drilling and modelling completed to date at KMC, there appears to be an increase in grade and thickness of mineralisation where east-west structures (the 'Mays') intersect the main Harbour View mineralised trend.

At the Flag deposit, drilling to date has not targeted the western continuation of the mineralised zone beyond a southwest dipping post-mineral dolerite dyke

⁴ Refer to Appendix 1 the Company's Prospectus released to ASX on 18 March 2021 for further details.



Drill for Equity Agreement

Medallion has entered into a 'drill for equity' agreement (the Agreement) with prominent Western Australian drilling contractor, Topdrill Pty Ltd (Topdrill). The Agreement allows Medallion the option of settling up to 30% of the total drilling invoice value through the issue of fully paid ordinary shares (Shares) to Topdrill, capped at a maximum value of \$1,000,000. During the term of the Agreement, Medallion may elect not to issue any Shares and instead settle all invoiced amounts in cash.

Shares will be issued at the five-day volume weighted average price (VWAP) of the Company's shares as traded on the ASX for the five trading days immediately preceding the date of the invoice and will be subject to a six month voluntary escrow period.

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
Medallion Metals Limited
Phone: +61 8 6424 8700
Email: info@medallionmetals.com.au
Suite 1, 11 Ventnor Avenue, West Perth WA 6005

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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.

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

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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.

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APPENDIX 1: KUNDIP MINING CENTRE & TRILOGY MINERAL RESOURCES BY CLASSIFICATION

KUNDIP MINING CENTRE GLOBAL MRE

Deposit	Indicated					Inferred					Total				
	kt	Au g/t	Au koz	Cu %	Cu kt	kt	Au g/t	Au koz	Cu %	Cu kt	kt	Au g/t	Au koz	Cu %	Cu kt
Gem	7,840	1.6	400	0.1	10	3,110	2.3	230	0.2	5	10,950	1.8	630	0.1	15
Harbour View	2,650	2.3	200	0.7	19	1,780	1.7	100	0.6	10	4,430	2.1	290	0.7	29
Flag	870	4.5	130	0.5	4	630	4.1	80	0.3	2	1,500	4.3	210	0.4	6
Gem Restored	550	2.8	50	0.3	2	510	2.7	50	0.3	2	1,060	2.8	90	0.3	4
Gift	190	1.6	10	0.3	1	1,070	1.4	50	0.1	1	1,260	1.4	60	0.1	1
Total	12,110	2.0	790	0.3	36	7,110	2.2	510	0.3	20	19,210	2.1	1,290	0.3	56

Table 1: KMC MRE (global) by resource classification

KUNDIP MINING CENTRE FRESH COMPONENT MRE

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 2: KMC MRE (fresh component) by resource classification

TRILOGY MRE

	kt	Au g/t	Ag g/t	Cu %	Pg %	Zn %	Au koz	Ag koz	Cu kt	Pb kt	Zn kt
Indicated	4,633	0.9	53.2	1.4	2.7	1.6	133	7,929	63	126.2	72.2
Inferred	968	1.1	60.1	0.5	0.9	0.6	35	1,869	4.4	8.3	5.5
Total	5,601	0.9	54.4	1.2	2.4	1.4	169	9,798	67.3	134.4	77.7

Table 3: Trilogy MRE by resource classification

The preceding statement of Mineral Resources conforms to the JORC Code. All tonnages are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.

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