

17 March 2025

ASX:MM8

Multiple Offtake & Funding Proposals of up to \$50 million Received for Ravensthorpe-Forrestania Development

Key Points:

- Medallion has received strong interest from multiple counterparties seeking to secure offtake rights for the copper-gold concentrate proposed to be produced from the Ravensthorpe - Forrestania sulphide development strategy
- Strong interest shown from potential offtake partners in providing project finance solutions with indicative facility quantum of up to \$50 million, linked to securing offtake rights
- Indicative offtake terms presented are superior to those modelled in the Scoping Study, providing confidence in the attractiveness of the product in a market which is presently in deficit
- Minimum copper grade specifications have the potential to materially improve process capital and operating metrics relative to Scoping Study estimates, which also outlined \$73 million of Project pre-production capital
- Offtake and funding initiatives to be progressed rapidly in conjunction with the advancement of the proposed acquisition of the Forrestania assets and Bankable Feasibility Study

Medallion Metals Ltd (ASX: **MM8**, **Medallion** and the **Company**) is pleased to provide the following update on offtake and funding discussions associated with the proposed development of the Ravensthorpe Gold Project (**RGP** and **the Project**).

In August 2024, Medallion entered into an Exclusivity Agreement with IGO Ltd (ASX: IGO) that grants the Company 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 (**Proposed Transaction**) and associated infrastructure. The process remains on track with the Company's aim to reach binding status within the 9-month exclusivity period (May 2025)¹.

Following the announcement of the Proposed Transaction, Medallion received several unsolicited enquiries in relation to securing offtake rights to the copper-gold concentrate (**Concentrate**), a key saleable product generated by processing RGP mineralisation through the flotation plant located at FNO, in addition to gold and silver dore. RGP material is expected to yield a high value concentrate with copper grades of approximately 19-20% Cu and gold grades of approximately 30-40 g/t Au and free of deleterious elements. The Concentrate is expected to be highly sought after in a market that is favourable for concentrate producers at present, with the market forecast to remain in deficit over the short to medium term as evidenced by historically low treatment and refining charges (**TCRCs**).

Due to strong levels of interest, Medallion formalised the process calling for indicative proposals to purchase the Concentrate, subject to closure of the Proposed Transaction and development of the Project. The Company has now received indicative offers from 13 parties. Of those proposals, 7 contain offers of development funding linked to the offtake.

Managing Director, Paul Bennett, commented:

"The strong level of interest from potential off-take partners is further endorsement of the Company's sulphide development strategy. Not only does copper enhance the Project's already attractive economics, the demand for the concentrate product potentially provides access to a funding source capable of establishing the foundation capital piece to underwrite the proposed development."

¹ Refer to the Company's ASX announcement dated 8 August 2024 for further information in relation to the Proposed Transaction.



It is apparent through the market response that the current Concentrate market conditions have important implications for Medallion when considering modifications to the Cosmic Boy process infrastructure to enable treatment of Ravensthorpe material. Copper concentrate grades of below 19.5% Cu (Study assumption) appear readily saleable without incurring onerous penalties/deductions. This has important implications for target grind size, grinding power and the requirement or otherwise for re-grinding. The concentrate market's current flexibility is likely to be positive in terms of both time and cost associated with Cosmic Boy modifications and then its operation.

The Company's recently announced Scoping Study (**Study**)² for processing the RGP ore through the Cosmic Boy Plant outlined outstanding financial metrics including **\$637 million of pre-tax cash flow generated over an initial 5.5 year mine life at an all in sustaining cost of \$1,845/oz (net of by-product credits and assuming A\$4,000 gold price)**. The Study also outlined total pre-production Project capital of \$73 million. In the event that Medallion could progress an indicative financing proposal of \$50 million into a binding commitment, it would establish a foundational piece of the overall funding requirement at the time of Final Investment Decision (**FID**).

Next Steps

Medallion will continue to evaluate the indicative proposals and is seeking independent advice in relation to both the offtake and funding elements of each proposal. Subject to reaching binding documents in relation to the Proposed Transaction to acquire Forrestania, the Company will shortlist the proposals and then seek to progress to an offer capable of acceptance. Medallion may also consider funding alternatives that are not linked to offtake.

CAUTIONARY STATEMENT

The Company cautions that the indicative terms submitted by interested parties are non-binding and should not be construed as an expressed or implied commitment on the part of the interested parties to enter into offtake or finance transactions. Any transaction that might eventuate from these indicative terms will be subject to the parties entering into legally binding documentation and obtaining customary approvals for transactions of this nature. This announcement should be read in conjunction with the statements on page 3, which forms an integral part of this announcement.

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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² Refer to the Company's ASX announcement dated 17 December 2024 for further information on the Scoping Study.



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CAUTIONARY STATEMENT

The Company's ability to effectively implement its business and operational plans in the future, to take advantage of opportunities for future acquisitions or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds. The Company may seek to raise additional funds through equity or debt financing or other means. There can be no assurance that additional funding will be available when needed or, if available, the terms of the funding may not be favourable to the Company and might involve substantial dilution to Shareholders. Inability to obtain sufficient funding for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company. Loan agreements and other financing arrangements that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration.

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 non 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.

The Company notes there is no guarantee that any indicative offtake or funding proposal will proceed or that negotiations will result in a binding agreement and that there is no guarantee that if such a proposal proceeds, that it will proceed on the terms indicated in this announcement. If a proposal 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 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.