

## Statement of Commitments

Megado Gold Limited ("the Company") (ASX: MEG) intends to apply funds raised under the initial public offer (together with existing cash reserves) over the first two years following admission of the Company to the official list of ASX as follows (based on actual funds raised - \$6,000,000):

| Description            | Year 1 \$        | Year 2 \$        | Total \$         |
|------------------------|------------------|------------------|------------------|
| Exploration costs      | 1,881,130        | 1,755,270        | 3,636,400        |
| Acquisitions           | -                | -                | -                |
| Sampling costs         | 389,919          | 336,482          | 726,401          |
| Remote sensing         | 7,917            | -                | 7,917            |
| Field work             | 52,777           | 54,888           | 107,665          |
| Trenching              | 98,957           | 32,986           | 131,942          |
| Drilling               | 1,220,564        | 1,255,045        | 2,475,609        |
| Daily labourers        | 5,481            | 5,846            | 11,327           |
| Field office           | 10,951           | 11,083           | 22,034           |
| Geological consult.    | 9,946            | 7,308            | 17,254           |
| Community investment   | 66,063           | 33,078           | 99,141           |
| Tenement fees          | 18,555           | 18,555           | 37,110           |
| <b>Sub-Total</b>       | <b>1,881,130</b> | <b>1,755,270</b> | <b>3,636,400</b> |
| <b>Working capital</b> | <b>1,573,958</b> | <b>989,641</b>   | <b>2,653,599</b> |
| <b>TOTAL</b>           | <b>3,455,089</b> | <b>2,744,911</b> | <b>6,200,000</b> |

### Notes

- Figures in the above table are estimates only and are subject to rounding
- Working capital costs include the expenses of the offer (refer to Section 8.9 of the Prospectus dated 4 September 2020 for further details) and general costs associated with the management and operation of the Company including administration expenses, management salaries, directors' fees, rent and other associated costs.
- Refer to the Independent Geologist's report (Annexure C of the Prospectus dated 4 September 2020) for further detail of the Company's proposed expenditure program.

It should be noted that the Company's budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration and evaluation work carried out. This will involve an ongoing assessment of the Company's mineral interests. The results obtained from exploration and evaluation programs may lead to increased or decreased levels of expenditure on certain projects reflecting a change in emphasis.

The above table is a statement of current intentions as of the date of this announcement. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

For and on behalf of the Board



Aaron Bertolatti  
**Director and Company Secretary**  
**Megado Gold Limited**

REGISTERED OFFICE

Level 12, 197 St. Georges Terrace  
 PERTH WA 6000 Australia

Tel: +61 8 6141 3260 | Fax: +61 8 6141 3101