

Megado Executes Exploration Agreement with Option to Purchase with Iluka Subsidiary for North Fork Project

HIGHLIGHTS

- **Exploration Agreement with Option to Purchase executed with PURE Exploration (USA) LLC, a wholly owned subsidiary of Iluka Resources Limited for the North Fork Rare Earth Project, Idaho, USA**
 - **Three tranche transaction agreed**
 - = **First Tranche – Iluka to pay A\$500k and reimburse Megado up to US\$110k for claim maintenance fees incurred in 2024 for an exclusive two-year right to explore the property**
 - = **Second Tranche – During the two-year period, Iluka may elect to purchase 100% of the Project for A\$1m**
 - = **Third Tranche – Iluka to pay Megado A\$2m within 30 days of Iluka achieving US\$10m in revenues from the property. Iluka may convert this obligation to a 2% gross revenue royalty**
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Megado Minerals Limited (ASX: MEG) (**Megado** or the **Company**) is pleased to advise it has executed an Exploration Agreement with Option to Purchase with **PURE Exploration (USA) LLC, a wholly owned subsidiary of Iluka Resources Limited** (ASX: ILU) (**Iluka**) for the North Fork Rare Earth Project located in Idaho, USA (**North Fork Project**).

The proposed transaction under the agreement is split into three tranches:

1. **First Tranche:** Iluka to pay the Company A\$500k and reimburse the Company up to US\$110k for claim maintenance fees incurred in 2024, for an exclusive two-year right to explore the property with all exploration costs and claim maintenance fees on Iluka's account during this period;
2. **Second Tranche:** At any time during the two-year exclusive exploration period, Iluka may elect to purchase 100% of the Project by paying Megado A\$1m, minus any amounts that may be due to Iluka by Megado or a Megado subsidiary. The two-year period may be extended in certain circumstances; and
3. **Third Tranche:** Iluka to pay Megado A\$2m within 30 days of Iluka receiving US\$10m in revenues from the first sale of product from the North Fork Project after commencement of commercial production. Iluka may convert this obligation to a 2% gross revenue royalty.

ASX has confirmed to Megado that ASX Listing Rule 11.2 does not apply to the proposed transaction and, on that basis, Megado does not require shareholder approval of the proposed transaction.

-ENDS-

Authorised for release by: The Board of Megado Minerals Limited.

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