

## **MAIDEN DRILLING PROGRAM UNDERWAY AT BABICHO GOLD PROJECT**

### **HIGHLIGHTS**

- Maiden drilling program has commenced at the Babicho Gold Project
- Program objective to test >2km coherent gold-in-soil anomaly with six drill holes planned for a total of approximately 1,100 metres
- Historical trench sampling indicates potential for Babicho to host both high-grades and substantial widths of gold mineralisation
- Extensive trenching program continues at Babicho

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**Ethiopian-focused gold explorer Megado Gold** (ASX:MEG) (**Megado** or the **Company**) is pleased to advise that its maiden drilling program has commenced at the Company's Babicho Gold Project, located in the Adola Gold Belt in southern Ethiopia.

### **Maiden Drilling Program**

As the Company announced on 5 November 2020, historical soil sampling at Babicho delineated a coherent and highly significant 2km long gold-in-soil anomaly. This anomaly coincides with the major N-S trending shear zone that hosts the Lega Dembi and Sakaro gold deposits (>3Moz). Previous work included four trenches and four shallow drill holes with standout results headlined by 10m @ 3.5g/t Au and 1m @ 35.3g/t Au (see previous announcement on 5 November 2020).

Megado's preliminary fieldwork on the soil anomaly confirms Babicho's potential to host significant gold mineralisation. Based on its geologists' fieldwork and the historical data, Megado has selected two specific targets at Babicho to conduct its maiden drilling program. This program will consist of six drill holes for a total of approximately 1,100 metres and serve as the catalyst to more extensive drilling in early CY 2021 (see Figure 1).

### **Megado Gold CEO and Managing Director, Michael Gumbley, commented:**

*"Our team has demonstrated tremendous capacity to prepare the maiden drilling program at Megado's Babicho Gold Project. We are excited to have begun our first phase of drilling as this will build on our understanding of the geology and structural controls that host the gold mineralisation. We firmly believe that much of the historical exploration missed the opportunity to uncover the true value at Babicho."*

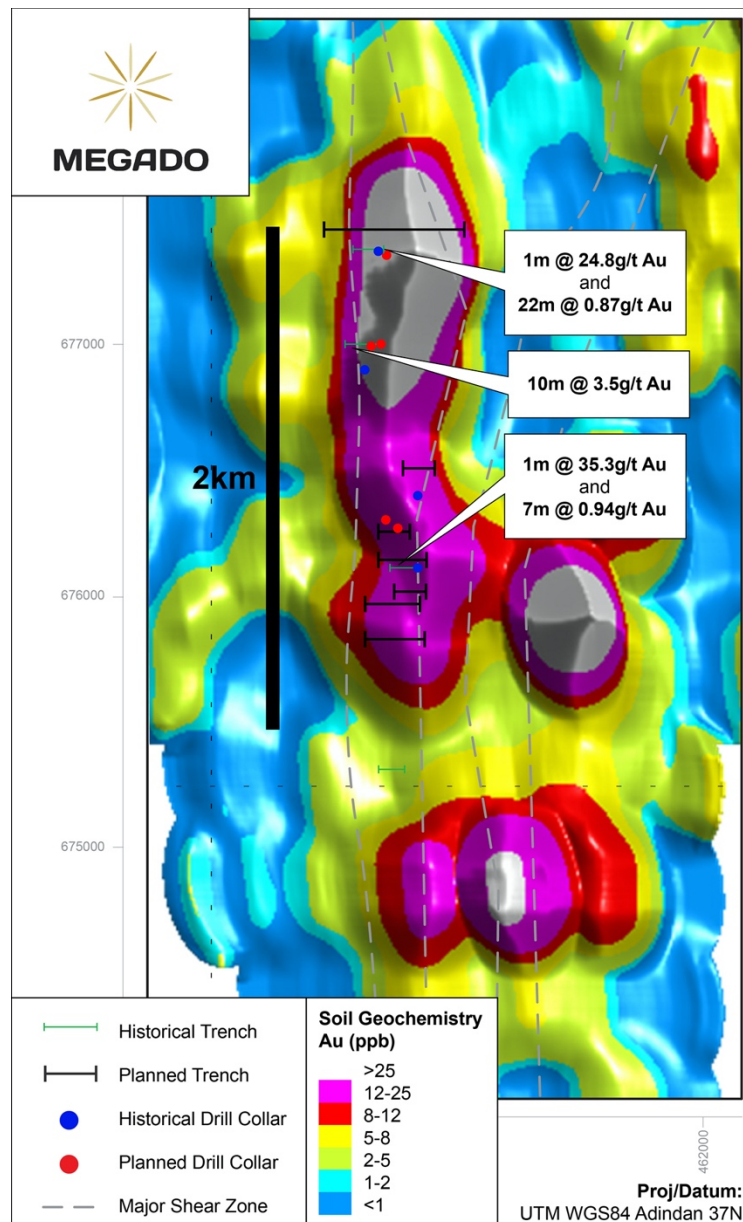


Figure 1: Location plan and cross-section for planned drill holes and trenching

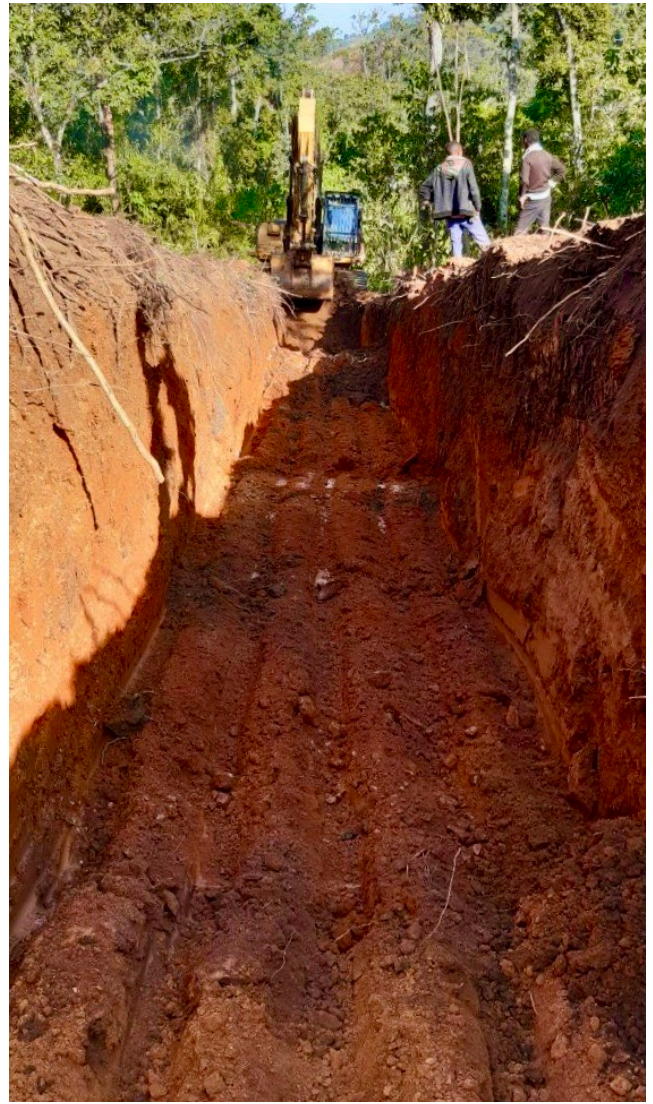
## Drilling Targets

The first target is a shear zone located in the hinge of a WSW-ESE trending synform that is expressed at surface by a WNW-ESE-trending creek. The limbs of the folds are dominated by meta-basalts and/or other meta-volcanics. Within the meta-basalts/volcanics, cross-cutting and foliation-parallel quartz veins are present, these quartz veins are also present within the shear zone. Local artisanal miners selectively target quartz veins to mine, crush, and pan gold, with anecdotal reports of gold nuggets exposed in these veins.





*Figure 2: First hole being drilled at the Babicho Gold Project*



*Figure 3: First trench at the Babicho Gold Project*

The second target is centred on Trench 6, excavated by previous workers. This trench exposed the highest gold grades from the historical trenching program. A single drill hole was completed here historically, however, it was collared approximately 90m to the south of the trench and recent mapping by Megado geologists suggests that the drill hole remained in meta-basalt/volcanics in the synformal limb and did not penetrate into the more prospective hinge zone, interpreted as hosting the auriferous shear. Megado's drill program is designed to test the possible down-dip continuation of the mineralization within the shear intersected in Trench 6.





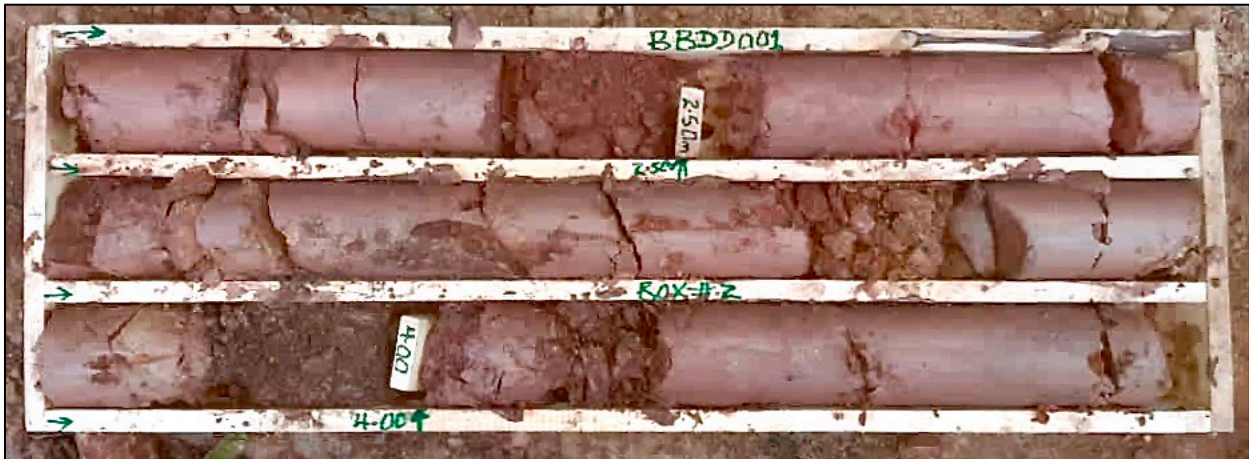


Figure 4: First core at the Babicho Gold Project

### Trenching

In parallel to the drilling program, a new phase of trenching is also underway. Megado intends to fully test the high-order soil anomaly at Babicho along its length and also into previously ignored areas of the anomaly. This target generation phase of work will lead to continued drilling into CY2021.

### Chakata

Upon completion of the initial drilling phase at Babicho, the team will immediately deploy the drill rig to Chakata. This program will test a number of targets, including the GT Prospect.

### Related ASX Announcements

[20201112 High-Grade Gold Indicated at Chakata Gold Project Ethiopia](#)

[20201105 Surface Sampling at Babicho Highlights Anomalous Gold Trend](#)

**-ENDS-**

**Authorised for release by:** Michael Gumbley, MD and CEO.

### For more information:

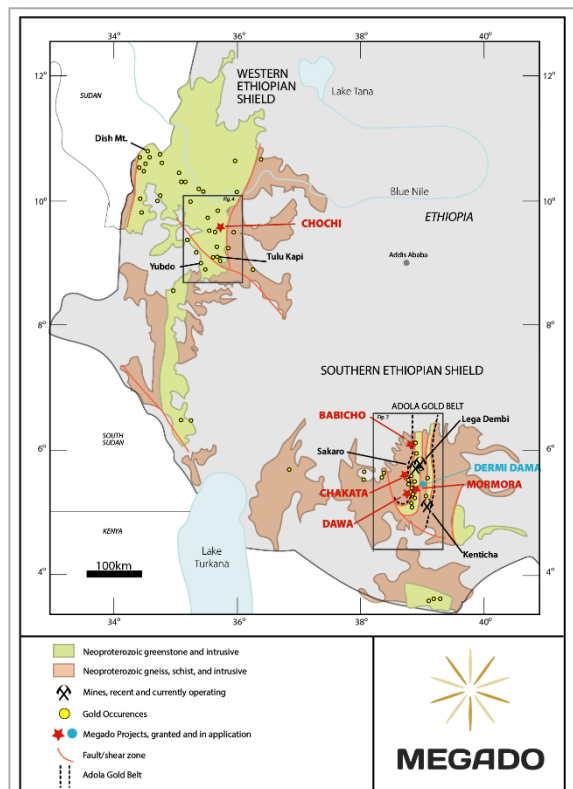
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## About Megado Gold

Megado Gold Ltd is an ASX listed company with five granted high-quality gold exploration assets covering 511km<sup>2</sup> and one licence application covering 227km<sup>2</sup> in southern and western Ethiopia with the geological potential to host gold deposits of significant scale.



Ethiopia contains a world-class greenstone geological terrane and hosts part of the prolific Arabian-Nubian Shield (ANS). The Megado Belt in southern Ethiopia is hosted within the broader Adola Belt, a granite-greenstone terrane that is part of the ANS, and is characterised by a dominant N-S trending suite of metamorphosed rocks hosting significant occurrences of gold mineralisation, including Ethiopia's only modern gold mines, Lega Dembi and Sakaro (+3.0Moz Au).

Megado has a premium land position immediately along strike to the north and south of the Lega Dembi and Sakaro deposits covering the same fertile greenstone host rocks and structural setting, in addition to the Chochi Project located proximal to Ethiopia's next gold mine, the +1.5Moz Tulu Kapi deposit.

Megado has assembled a strong technical team with specific Ethiopian and gold exploration experience. Dr Chris Bowden, Executive Director, spent 5 years living in Ethiopia as General Manager for ASCOM Precious Metals

Mining, where he was responsible for the discovery and subsequent drill out of the initial 1.5Moz Dish Mountain Gold deposit in western Ethiopia, a virgin greenfields discovery.

Minimal modern exploration has been conducted in Ethiopia, in comparison to similar greenstone belts in West Africa, Canada and Western Australia where modern techniques have successfully delineated numerous gold deposits.

## Forward Looking Statements

This announcement contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.



## **Competent Person Statement**

Information in this “ASX Announcement” relating to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves has been compiled by Dr Chris Bowden who is a Fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy and is an Executive Director of Megado Gold Ltd.

He has sufficient experience that is relevant to the types of deposits being explored for and qualifies as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code 2012 Edition). Dr Bowden has consented to the release of the announcement.

