

AuMEGA Metals Announces Upsized Private Placement Financing of C\$16.3 million

Key Highlights

- Received commitments of approximately C\$16.3 million through a private placement financing utilising flow-through share provisions available under Canadian tax law and traditional hard dollar placement to institutions and accredited investors.
- Received very strong demand from new, global institutional investors and existing shareholders including B2Gold Corp who increased their ownership.
- Financing structured in two tranches to accommodate heavy demand above placement capacity with second tranche subject to shareholder approval.
- Proceeds from the financing to advance the Company's exploration programs in Newfoundland and Labrador, Canada and proceeds from the hard dollar placement are to be used for working capital purposes.

(EDMONTON, CANADA) **AuMEGA Metals Ltd** (formerly Matador Mining Ltd) (**ASX: AAM | TSXV: AUM | OTCQB: AUMMF**) ("AuMEGA" or "the Company") is pleased to announce that it has successfully raised approximately C\$16.3 million (before costs) through an upsized financing to institutional, professional and accredited investors of approximately 262.5 million shares at an average price of C\$0.062 / A\$0.067 per share ("New Share") (the "Financing").

The Financing was well supported by the Company's existing shareholders including B2Gold Corp who increased their overall ownership to 9.9% of total shares outstanding. The Financing included the addition of several new major, institutional investors from Canada, United States, Europe, Asia and Australia.

The New Share issuance utilises the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A. Given the increased demand, the Company has structured the Financing in two tranches as follows:

- **Tranche One Placement:** Under the Company's existing placement capacity of 78,808,211 shares under ASX listing rule 7.1 and 52,344,678 shares under ASX listing rule 7.1A for a total of 131,152,889 shares. ("Tranche One").
- **Tranche Two Placement:** Representing 131,372,815 shares that have been subscribed above the placement capacity and requiring shareholder approval which is expected during the first week of December ("Tranche Two").

The Financing is comprised of three components, being:

- **Premium Flow Through (or Charity Flow Through):** C\$10.2 million priced at C\$0.068 / A\$0.074 per New Share, representing a 36.5% premium to the deal price of C\$0.05 / A\$0.054 per New Share ("Offer Price"). A total of 149.9 million shares fall into this category. Of this amount, the issue of 28.0 million shares is subject to shareholder approval and availability of front-end charity donors.
- **Traditional Flow Through:** C\$2.1 million priced at C\$0.06 / A\$0.065 per New Share representing a premium of 20% of the Offer Price. The issue of approximately 33.3 million shares will be subject to shareholder approval.
- **Hard Dollars:** C\$4.0 million priced at C\$0.05 per New Share representing a 25.0% discount to the TSXV close price on date of price reservation of C\$0.0625 per share and A\$0.054 per New Share, representing a 10% discount to the ASX close price of A\$0.060 per share for a total of 79.3 million shares issued. Of this total, the issue of approximately 70.0 million shares will be subject to shareholder approval.
- **Insiders:** Company insiders have subscribed for 1,366,000 shares with the same terms and conditions as the Traditional Flow Through and Hard Dollars. Direct participation is subject to shareholder approval.

The proceeds from the Financing will be used primarily to advance the Company's exploration program in Newfoundland and Labrador, which is expected to include the Company's largest drill program in the last three years of up to 20,000 metres with an aim to grow the existing Mineral Resource and discovery at the highly prospective Bunker Hill Project. Additionally, the Company will continue to invest in early-stage exploration activities to further define and advance new and existing targets at Hermitage and Malachite. Finally, proceeds from the Financing will also be used for working capital and general corporate purposes.

The anticipated closing date of the Tranche One Placement is expected to be 31 October 2024 (Canada) / 1 November 2024 (Australia). Closing of the Tranche One Placement is subject to receipt of all necessary corporate and regulatory approvals, including the approval of the TSX Venture Exchange (“**TSXV**”).

The closing of the Tranche Two Placement is subject to shareholder approval at a Special Shareholder Meeting expected to be held the first week of December 2024. Upon the stock exchanges approval of the Company’s Notice of Meeting (“**NoM**”) documentation, the Company will dispatch the NoM to shareholders. The expected closing date of the Tranche Two Placement is expected within five days of shareholder approval.

All securities issued on the TSXV and to Canadian investors will be subject to a hold period of four months plus a day from the date of issuance and resale rules will apply in accordance with applicable Canadian securities laws.

In connection with the financing, the Company may pay up to 7.0% in advisory services or finder fees on the value of common shares issued, including to subscribers sourced by Clarus Securities. Any finder fees paid would be in accordance with both TSXV and ASX policies. In Australia, GBA Capital acted as Lead Manager and Bookrunner.

AuMEGA Metal’s Managing Director and CEO, Sam Pazuki commented:

“We have received overwhelming support from our existing shareholders and major, institutional and global shareholders who we welcome as new owners of the business. This support validates the AuMEGA value proposition that includes the sheer scale of our land package on a highly prospective yet vastly underexplored gold structure that already hosts the Company’s Mineral Resources¹ and Calibre’s multi-million-ounce Mineral Resources. It supports our systematic approach to exploration which we believe is the right way to explore a structure that is mostly under glacial overburden and has limited historic work. It is a vote of confidence in our incredible team who are tasked with finding the next major mineral deposit in Newfoundland and Labrador, Canada.

“We have invested the last two plus years on mostly early-stage, reconnaissance-style exploration primarily within the Greenfields. We have advanced several targets forward during this time and have gained an enhanced understanding of the geology of the Cape Ray – Valentine Lake Shear Zone. Through this work, we

¹ Refer to ASX announcement dated 30 May 2023

have identified several areas of interest that we believe could host the next major deposit. It's because of these efforts, funded by our valued shareholders that has allowed us to identify highly prospective projects such as Bunker Hill that includes some of the highest gold, copper and silver values anywhere within our portfolio. It has remarkable geological structures with the key characteristics that we would want when exploring for large mineral systems².

"We have been planning our 2025 program over the past several weeks and over the course of the next few weeks, we will announce our specific plans which will include the largest drill program the Company has invested in since 2021. Our focus will be on discovery at Bunker Hill while seeking to expand our Mineral Resources within the Resource Corridor³. We look forward to advancing our programs in systematic ways by making the right decisions all with a mindset of having the next major deposit in Newfoundland."

Flow Through Placement Details

- **Premium Flow Through (or Charity Flow Through):** C\$10.2 million (before costs) priced at C\$0.068 / A\$0.074 per New Share, which representing a 36.5% premium to the Offer Price. The issue of 28.0 million shares is subject to shareholder approval in Tranche 2.
- **Traditional Flow Through:** C\$2.1 million (before costs) priced at C\$0.06 / A\$0.065 per New Share representing a premium of 20% of the Offer Price. The issue of approximately 33.3 million shares will be subject to shareholder approval in Tranche 2.

The Company has raised approximately C\$10.2 million (before costs) through a Premium Flow Through (or Charity Flow Through) financing and an issuance of approximately 149.9 million of New Shares. Additionally, the Company has raised approximately C\$2.1 million (before costs) through a Traditional Flow Through financing and will issue approximately 33.3 million of New Shares. These Flow Through shares are to be issued as Canadian "flow-through shares", which provide tax incentives to those investors for certain expenditures that qualify under the Income Tax Act (Canada). The Flow Through Shares will be issued at a premium to market. The term "flow-through share" is a defined term in the Income Tax Act (Canada) and is not a special type of share under corporate law. The tax benefits associated with the Flow Through Shares are available only to the initial subscribers (who are Canadian residents) of such shares and not to any other person who acquires the Flow Through Shares through any future on-sale, resale or transfer of those Flow Through

² Refer to announcements dated 15 October 2024 and 24 September 2024

³ Refer to ASX announcement dated 30 May 2023

Shares. Shares issued will rank equally with existing shares on issue and will be issued using the Company's available capacity under Listing Rule 7.1 and 7.1A. Additionally, approximately 28 million New Shares requiring shareholder approval have been identified as potential Premium Flow Through eligible however, these shares may be reallocated to Hard Dollars at the Company's discretion and availability of front-end Canadian donors. The premium in which these shares are placed may be less than 36.5% as the premium is dictated by front-end demand. The Premium Flow Through shares has been facilitated by securities dealer, SCP who will not receive any fees or commission from the Company for its role with respect to any of the Premium Flow Through proceeds.

Indicative Timelines

An indicative timetable for the financing is set out below. The timetable remains subject to change at the Company's discretion, subject to compliance with applicable laws and both the TSXV and ASX listing rules.

Key Events	Date	
	Canada	Australia
Trading halt lifted / ASX trading resumes	Monday 21 October	Tuesday 22 October
Closure of Tranche One • Cross Trade / Block Trade (ASX) • DvP Settlement • Allotment of Tranche One • Exchange Approvals	Thursday 31 October	Friday 1 November
Notice of Meeting (Tranche Two) • Regulatory Approval • Dispatch Notice of Meeting	Thursday 31 October	Friday 1 November
Shareholder Meeting to Approve Tranche Two	Tuesday 3 December	Wednesday 4 December
Closure of Tranche Two	Monday 9 December	Tuesday 10 December

– ENDS –

This announcement has been authorised for release by the Company's Board of Directors.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.

News Release

22 October 2024



To learn more about the Company, please visit www.aumegametals.com, or contact:

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About the Company

AuMEGA Metals Ltd (**ASX: AAM** | **TSXV: AUM** | **OTCQB: AUMMF**) is utilising best-in-class exploration methodologies to explore on its district scale land package that spans 110 kilometers along the Cape Ray Shear Zone, a significant under-explored geological feature recognised as Newfoundland, Canada's largest identified gold structure. This zone currently hosts Calibre Mining's Valentine Gold Project, which is the region's largest gold deposit (+5 million ounces), along with AuMEGA's expanding Mineral Resource.

The Company is supported by a diverse shareholder registry of prominent global institutional investors, and strategic investment from B2Gold Corp, a leading, multi-million-ounce a year gold producer.

Additionally, AuMEGA holds a 27-kilometer stretch of the highly prospective Hermitage Flexure and has also secured an Option Agreement for the Blue Cove Copper Project in southeastern Newfoundland, which exhibits strong potential for copper and other base metals.

AuMEGA's Cape Ray Shear Zone hosts several dozen high potential targets along with its existing defined gold Mineral Resource of 6.1 million tonnes of ore grading an average of 2.25 g/t, totaling 450,000 ounces of Indicated Resources, and 3.4 million tonnes of ore grading an average of 1.44 g/t, totaling 160,000 ounces in Inferred Resources⁴.

AuMEGA acknowledges the financial support of the Junior Exploration Assistance Program, Department of Industry, Energy and Technology, Provincial Government of Newfoundland and Labrador, Canada.

⁴ Refer to ASX announcement dated 30 May 2023

Reference to Previous ASX Announcements

In relation to this news release, all data used to assess targets have been previously disclosed by the Company and referenced in previous JORC Table 1 releases. Please see announcements dated: Mineral Resource estimate announced on 30 May 2023, Bunker Hill announcements on 14 April 2021, 22 March 2023, 6 April 2023 and 24 September 2024 and other announcements on 29 October 2020, 16 January 2024 and 4 July 2024.

In relation to the Mineral Resource estimate announced on 30 May 2023, the Company confirms that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed. 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 market announcement.

Competent Person's Statements

The information contained in this announcement that relates to exploration results is based upon information reviewed by Mr Spencer Vatcher, P. Geo. who is an independent consultant employed with Silvertip Exploration Consultants Inc. Mr Vatcher is a Member of the Professional Engineers and Geoscientists of Newfoundland and Labrador (PEGNL) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012. Mr Vatcher consents to the inclusion in the announcement of the matters based upon the information in the form and context in which it appears.

Technical Report

Additional scientific and technical information regarding the Company's mineral project is contained in the technical report titled "Technical Report on the Cape Ray Gold Project, Newfoundland, Canada" dated May 28, 2024 (with an effective date of May 26, 2024), prepared by Trevor Rabb (P. Geo.) and Ronald Voordouw, (P. Geo) of Equity Exploration Consultants Ltd., and Andrew Kelly (P. Eng.) of Blue Coast Research.

Forward Looking Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking information is not representative of historical facts or information

or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans," "expects" or "does not expect," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates" or "does not anticipate," or "believes," or variations of such words and phrases or may contain statements that certain actions, events or results "may," "could," "would," "might" or "will be taken," "will continue," "will occur" or "will be achieved". Forward-looking information may relate to anticipated events or results including, but not limited to: the expected closing of the private placement, the expected terms of the private placement, the timing of the shareholder meeting to approve Tranche 2 and whether shareholder approval will be obtained, the timetable for completing the financing, the receipt of regulatory approvals, the intended use of proceeds from the private placement and the Company's planned drilling program.

By identifying such information in this manner, AuMEGA is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different from those expressed or implied by such information and statements. In addition, in connection with the forward-looking information and forward-looking statements contained in this press release, the Company has made certain assumptions. Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information, and no assurance or guarantee can be given that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Among others, the key factors that could cause actual results to differ materially from those projected in the forward-looking information and statements are the following: delays in obtaining required approvals from regulators, changes in general economic, business and political conditions, including changes in the financial markets; delays in obtaining required licenses or approvals; and delays or unforeseen costs incurred in connection with drilling. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

The forward-looking information contained in this press release is made as of the date of this press release, and the Company does not undertake to update any forward looking information that are contained or referenced herein, except in accordance with applicable securities laws.