MONGER GOLD

Monger Completes Acquisition of Scotty Lithium Project, Nevada USA

Highlights

- Monger completes acquisition of American Consolidated Lithium which holds the rights to acquire the Scotty Lithium Project in Nevada, USA
- Strategically located asset immediately adjoining and surrounding the Bonnie Claire Project which is host to one of North America's largest lithium resources
- Monger's Scotty Lithium Project is located just 70km from Albermarle Corp's Clayton Valley (Silver Peak) Lithium Mine – the only producing lithium mine in the USA and 330km from Tesla's Gigafactory, one of the largest globally; having produced in excess of 1 million EV battery packs since 2017¹
- Scotty Lithium Project is a very large-scale sediment hosted lithium project comprising 700 placer mining claims covering circa 14,000 acres
- Lithium-bearing brine potential across the Project area
- Clear strategy to become a leading supplier of lithium to the North American downstream battery industry through exploration and development
- Exploration programs now fully funded with circa A\$4.75 million in cash on hand following completion of the Placement to raise \$1.76m
- Search for CEO with lithium experience ongoing with candidates shortlisted
- Aggressive exploration program to commence this month with systematic soil sampling program across the entire project ahead of maiden drill program and declaration of maiden JORC Resource

Monger Gold Limited (**ASX:MMG**) (**Monger** or the **Company**) is pleased to confirm that it has now completed the acquisition of 80% of the fully paid ordinary shares and options in the capital of American Consolidated Lithium (**ACL**) as approved by shareholders on 31 May 2022 (refer to ASX announcement dated 3 May 2022 for further information). ACL holds the rights to acquire a 100% interest in 700 unpatented placer mining claims covering approximately 14,000 acres in Nye County, southern Nevada known as the Scotty Lithium Project.

The acquisition of ACL provides Monger with immediate exposure to a large and strategically located lithium asset in the world-class mining jurisdiction of Nevada, USA. Monger's Scotty Lithium Project is situated immediately alongside and potentially along strike from one of North America's largest lithium deposits. The asset also sits just 70km away from the USA's only operating lithium mine and 330km away from Tesla's Nevada Gigafactory (*Figure 1*).

The acquisition also provides Monger with direct access to ACL's team which has in-depth knowledge of, and experience operating in, the North American minerals exploration sector.

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¹ https://insideevs.com/news/531057/tesla-gigafactory-nevada-1000000th-battery/.



Monger's clear strategy is to become a leading supplier of lithium to the North American downstream battery industry. To assist in fulfilling this vision, the Company is currently undertaking a search for a CEO with experience in the lithium sector.

Monger will now embark upon an aggressive exploration program with the aim of delineating a maiden JORC Resource at the Scotty Lithium Project. Monger has engaged contractors to conduct a comprehensive soil sampling program across the entirety of the Scotty Lithium Project which is expected to commence this month, ahead of a maiden drilling campaign aimed at delineating a maiden JORC Resource at the Scotty Lithium Project. Further details will be announced shortly.

Commenting on the acquisition, **Monger's Chairman, Mr Peretz Schapiro** said, "*This acquisition is truly transformational for Monger and underpins our strategy and vision of becoming a leading supplier of lithium to the North American downstream battery industry. Through the development of the Scotty Lithium Project as well as through continuing to seek out value accretive acquisitions we are well placed to execute on this vision.*

We are now well funded with circa \$4.75 million in the bank and are excited to begin exploration activities at the Scotty Lithium Project. We look forward to keeping the market updated on our progress."

Completion of Capital Raising

As announced on 3 May 2022, the Company has now completed a placement raising \$1.76 million through the issue of 7.04 million new fully paid ordinary shares at \$0.25 per share (**Placement Shares**) (collectively, the **Placement**). The Placement Shares were issued to sophisticated and professional investors. The issue of the Placement Shares was subject to and conditional upon shareholder approval for the Placement and completion of the acquisition. The Placement Shares rank equally with existing fully paid ordinary shares in the Company. No fees or option payments were paid to third parties in relation to the Placement.

Monger is now fully funded to undertake its exploration activities with circa \$4.75 million in cash on hand following completion of the Placement.

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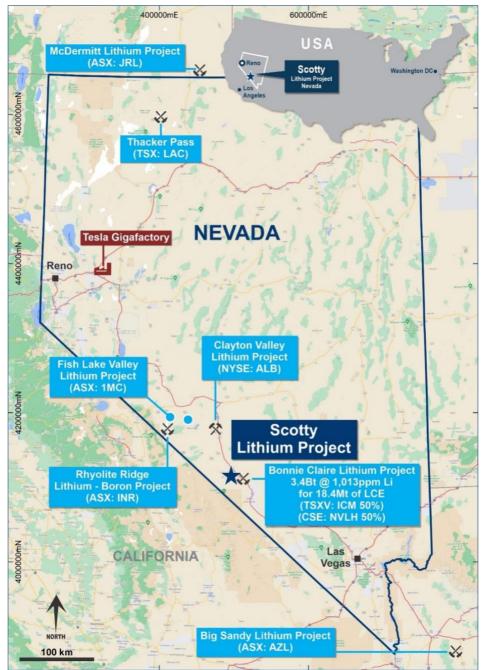


Figure 1 – Location of the Scotty Lithium Project, Nevada²

² <u>https://iconicminerals.com/news/iconic-releases-positive-preliminary-economic-assessment-report-on-bonnie-claire-indicating-minimal-environmental-surface-disturbance/</u>





Figure 2 - Photo illustrating terrain at the Scotty Lithium Project, Nevada

This announcement has been approved for release by the Board of MMG

For Further Information:

Peretz Schapiro – Non-Executive Chairman

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About Monger Gold

Monger Gold Limited is a well-structured listed gold exploration company with projects in Western Australia, ~50km SE and W of Kalgoorlie. Through the systematic exploration of tenements, The Company aims to delineate JORC compliant resources, creating value for its shareholders.

Additional Information

Qualified and Competent Person

The information in this announcement that relates to exploration results and exploration targets is based, and fairly reflects, information compiled by Mr Darren Allingham, who is the Company's geologist. Mr Allingham is a Fellow of the Australian Institute of Geoscientists. Mr Allingham has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results and Mineral Resources (JORC Code). Mr Allingham consents to the inclusion in the announcement of the matters based on the information in the form and context in which it appears.

Forward Looking Statements

Any forward-looking information contained in this report is based on numerous assumptions and is subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in mineral exploration and development. As a result, actual results may vary materially from those described in the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.



JORC Code, 2012 Edition – Table 1 Section 1: Sampling Techniques and Data (Criteria in this section applies to all succeeding sections)

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	 Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done, this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information 	 Soil samples from the Scotty Lithium Project were collected using a hand auger at depths of 1.0 to 1.2 metres. A single line of magnetotelluric (MT) data were acquired by Zonge Engineering in 2016.
Drilling Techniques	 Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	No drilling has been successfully completed at the Scotty Lithium Project.



Criteria	JORC Code Explanation	Commentary
Drill Sample Recovery	 Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material 	 No drilling has been successfully completed at the Scotty Lithium Project.
Logging	 Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged 	 No drilling has been successfully completed at the Scotty Lithium Project.
Sub-Sampling techniques and sample preparation	 If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	 No drilling has been successfully completed at the Scotty Lithium Project.



Criteria	JORC Code Explanation	Commentary
Quality of assay data and laboratory tests	 The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established 	• Typical analytical techniques, including use of duplicates, were adopted for the soil sampling program in 2016.
Verification of sampling and assaying	 The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data 	 2016 soil sampling results were documented in a draft NI 43-101 Technical Report on the Sarcobatus Flat Lithium Brine Project by Healex Consulting Limited in 2019. Confirmation of the veracity of this data has not yet been completed.
Location of data points	 Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	Soil sample locations were recorded by hand- held GPS.



Criteria	JORC Code Explanation	Commentary
Data Spacing and distribution	 Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	 Soil samples were collected on a 500m x 600m grid array. This spacing is considered appropriate for first-pass sampling.
Orientation of data in relation to geological structure	 Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	 The 500m x 600m sample density should be suitable to delineate broad trends of any orientation.
Sample Security	The measures taken to ensure sample security	Soil samples were collected by experienced personnel and North American industry- standard protocols were adopted to ensure suitable QA/QC was maintained.
Audits or reviews	The results of any audits or reviews of sampling techniques and data	Not undertaken.



Section 2: Reporting of Exploration Results (Criteria listed in section 1 also apply to this section)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	 Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area 	 American Consolidated Lithium Pty Ltd (ACL) through its 100% owned subsidiary, Nevlith LLC, a Nevada limited liability company, holds the rights to acquire a 100% interest in 700 unpatented placer mining claims in Nye County, Nevada known as the Scotty Lithium Project, subject to making further payments of: US\$20k cash by June 30, 2022; US\$37.5k cash or shares by 30 June 2023; US\$37.5k cash or shares by 30 June 2024; US\$37.5k cash or shares by 30 June 2025; and US\$37.5k cash or shares by 30 June 2026. The underlying claim owner will retain a 1.0% NSR royalty. ACL has the right to purchase 0.5% of this NSR at any time for US\$500k. ACL required to make all annual payments due to maintain the BLM claims. A third party recently notified the underlying claim owner that it believes it staked the area that is covered by approximately 52 of the 700 claims (or circa 7.5% of the area) that comprise the Scotty Lithium Project before the underlying claim owner did. There are multiple inconsistencies in the third party's representations. ACL, together with the underlying claim owner, intend to vigorously defend their rights to this disputed area.
Exploration done by other parties	 Acknowledgment and appraisal of exploration by other parties. 	• A summary of the history of previous exploration activities is included in this announcement.
Geology	 Deposit type, geological setting and style of mineralisation 	



Criteria	JORC Code Explanation	Commentary
Drillhole Information	 A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: easting and northing of the drillhole collar elevation or RL (Reduced Level elevation above sea level in metres) of the drillhole collar dip and azimuth of the hole downhole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case 	No drilling has been successfully completed at the Scotty Lithium Project.
Data aggregation methods	 In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated 	There has been no data aggregation.



Criteria	JORC Code Explanation	Commentary
Relationship between mineralisation widths and intercept lengths	 These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	Not applicable.
Diagrams	 Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views 	 Multiple diagrams are included in this announcement to illustrate the historical work completed.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results	Representative data is described in this announcement.
Other substantive exploration data	 Other exploration data, if meaningful and material, should be reported including (but not limited to) geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	No material information has been omitted from this announcement.



Criteria	JORC Code Explanation	Commentary
Further Work	 The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	 Monger Gold intends implementing a project- wide soil sampling geochemistry program. Results from this will be used to help design a maiden drilling program.