

Annual Report

MRG Metals Ltd
ABN: 83 148 938 532

For the Year ended 30 June 2023

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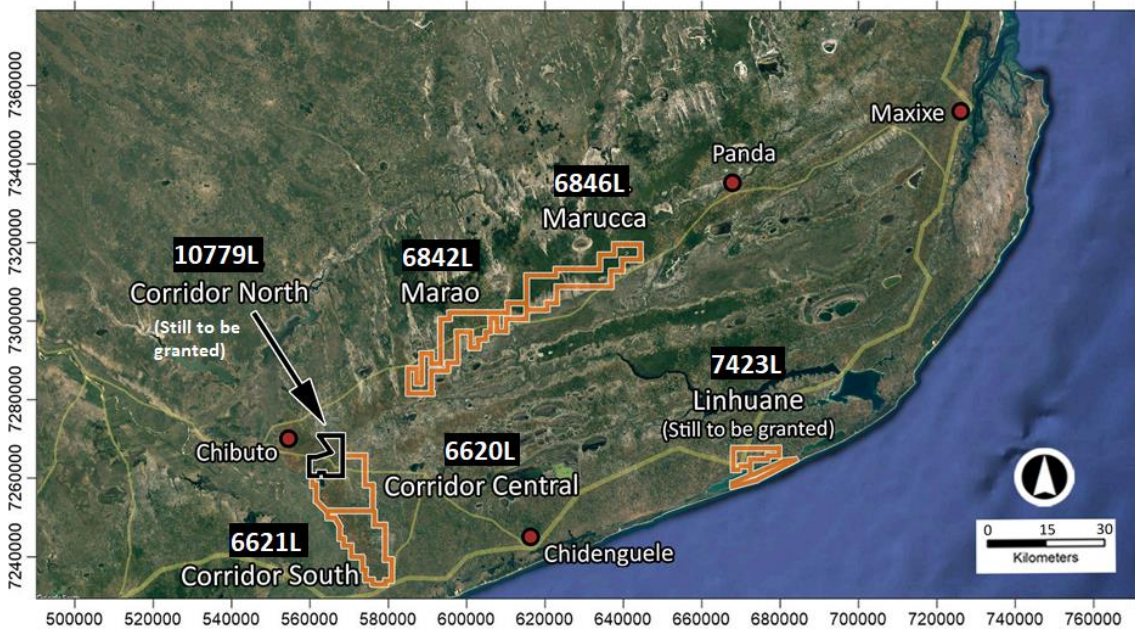
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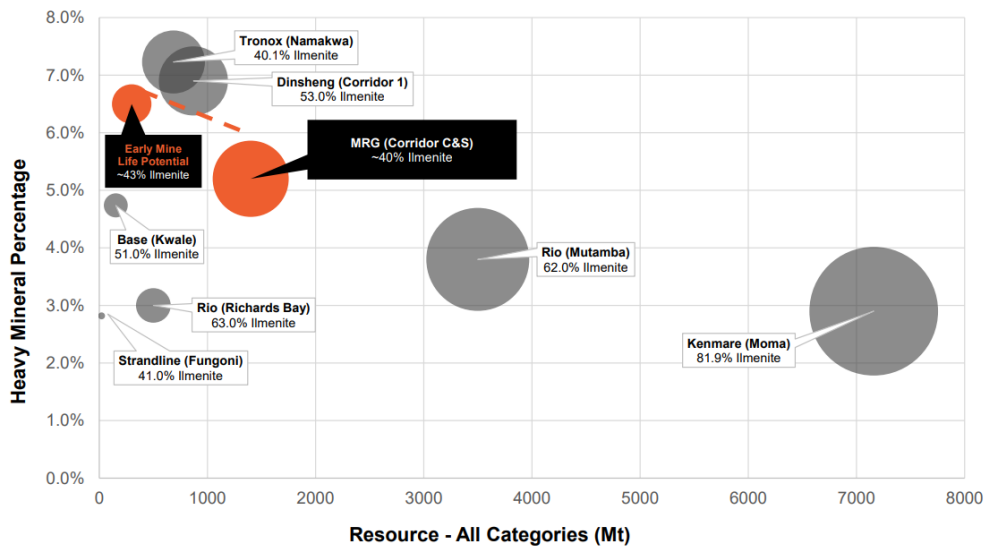
Review of Operations

MRG Metals is pleased to provide a summary of the Company's activities for the 2023 financial year across its portfolio of Heavy Mineral Sands (HMS) projects, located in southern Mozambique.



MRG has defined a JORC Resource over 2 billion tonnes with further upside from a JORC Exploration Target. The Company believes that this could potentially be one of the largest HMS discoveries worldwide in the last decade.

CORRIDOR ILMENITE RESOURCE EVOLUTION



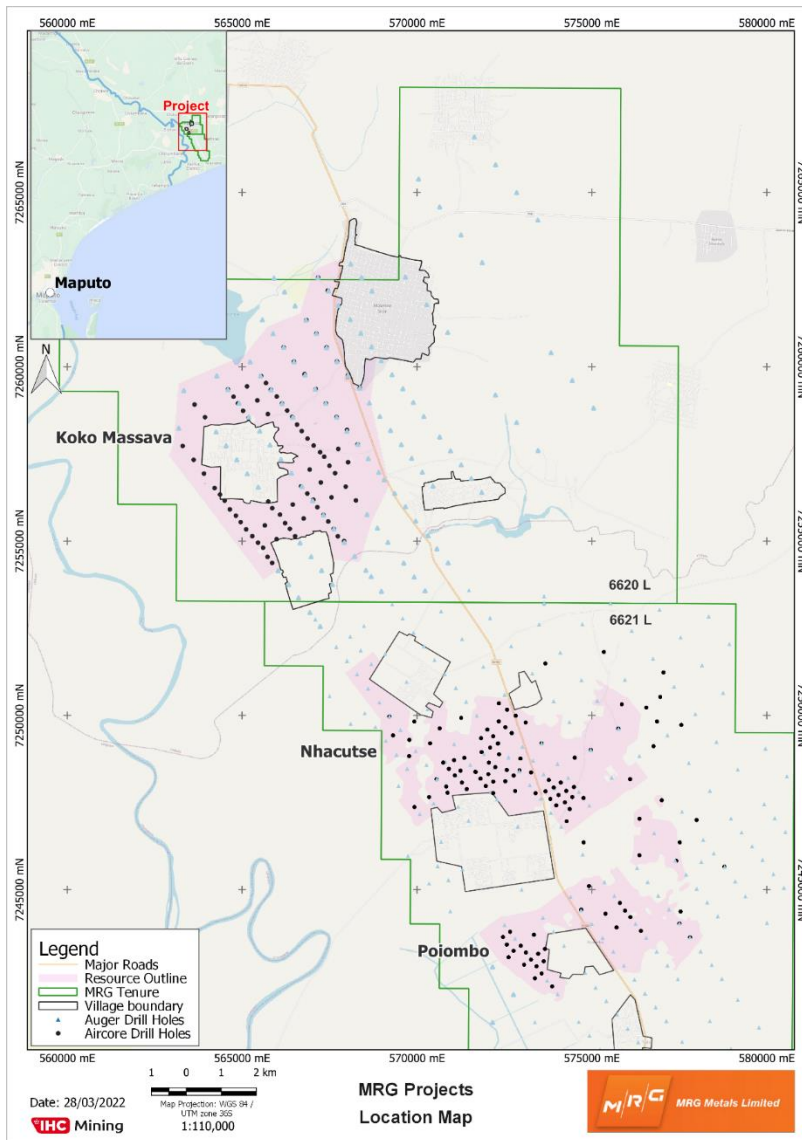
Through the Company's extensive activities at its Corridor Projects, MRG is in a position with multiple pits demonstrating Mineral Resource Estimates which could lead to a mine start-up operation.

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During the financial year, MRG's activities were highlighted by the release of results from the Scoping Study and Preliminary Economic Assessment for the Corridor Central and Corridor South Projects, specifically the Koko Massava, Nhacutse and Poiombo deposits.

Corridor Projects

The Corridor Projects covers 2 licences, Corridor Central and Corridor South covering a total of 387km². MRG's key focus of the last financial year has been the Koko Massava, Nhacutse and Poiombo targets. The Nhacutse and Poiombo deposits sit adjacent, approximately 4 km apart, and a similar distance between the Nhacutse and Koko Massava deposit to the northwest. All three deposits are in a very close economic radius and approximately 40 km from the proposed port at Chongoene.

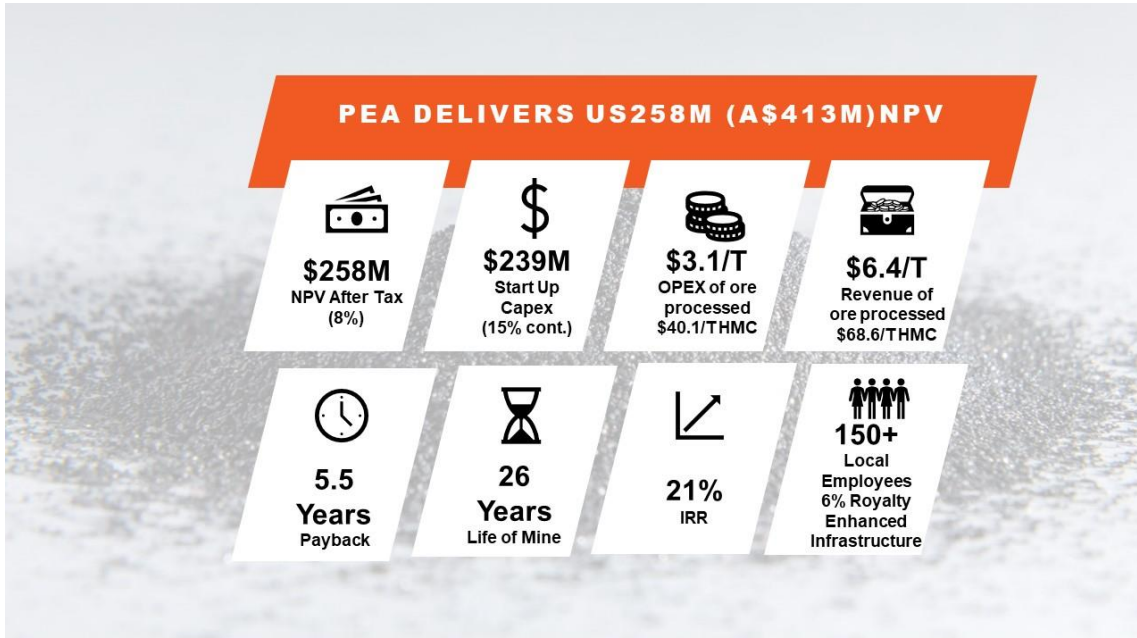


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Corridor Projects

Scoping Study and Preliminary Economic Assessment

Within the December 2022 quarter, MRG announced the results of the Scoping Study and Preliminary Economic Assessment by IHC Mining for the Corridor Central (11142C) and Corridor South (11137C) Projects, specifically the Koko Massava, Nhacutse and Poiombo deposits.



This was released following the earlier Pre-Feasibility Metallurgical Process Development Test Work carried out by IHC Mining on the Koko Massava prospect which returned excellent results.

Cautionary Statement

The Scoping Study and Preliminary Economic Assessment referred to in this report has been undertaken to determine the potential viability of an open pit mine and ilmenite processing plant constructed onsite at the Corridor Sands project in Mozambique and to reach a decision to proceed with more definitive studies. The Scoping Study and Preliminary Economic Assessment has been prepared to an accuracy level of +30-35%. The results should not be considered a profit forecast or production forecast.

The Scoping Study and Preliminary Economic Assessment is a preliminary technical and economic study of the potential viability of the Corridor Sands project. In accordance with the ASX Listing Rules, the Company advises it is based on low-level technical and economic assessments that are not sufficient to support the estimation of Ore Reserves. Further evaluation work including infill drilling and appropriate studies are required before MRG Metals Ltd (MRG) will be able to estimate any Ore Reserves or to provide any assurance of an economic development case.

82% of the scheduled throughput over the first 11 years of production, at Nhacutse and Poiombo deposits, is in the Indicated Mineral Resource category, with 18% in the Inferred Mineral Resource category. 50% of the scheduled throughput over years 12 to 25 of production, at Koko Massava deposit, is in the Indicated Mineral Resource category, with 50% in the Inferred Mineral Resource category. The Company has concluded that it has reasonable grounds for disclosing a production target which includes a modest amount of Inferred material. However, MRG, in consultation with IHC Mining, intends to conduct infill drilling to increase the confidence of the Inferred Mineral Resources to Indicated Mineral Resources and to increase the confidence of the Indicated Mineral Resources to Measured Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources, and there is no certainty that further exploration work

will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

The Scoping Study and Preliminary Economic Assessment is based on the material assumptions outlined elsewhere in the announcement. These include assumptions about the availability of funding. While MRG considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study and Preliminary Economic Assessment will be achieved.

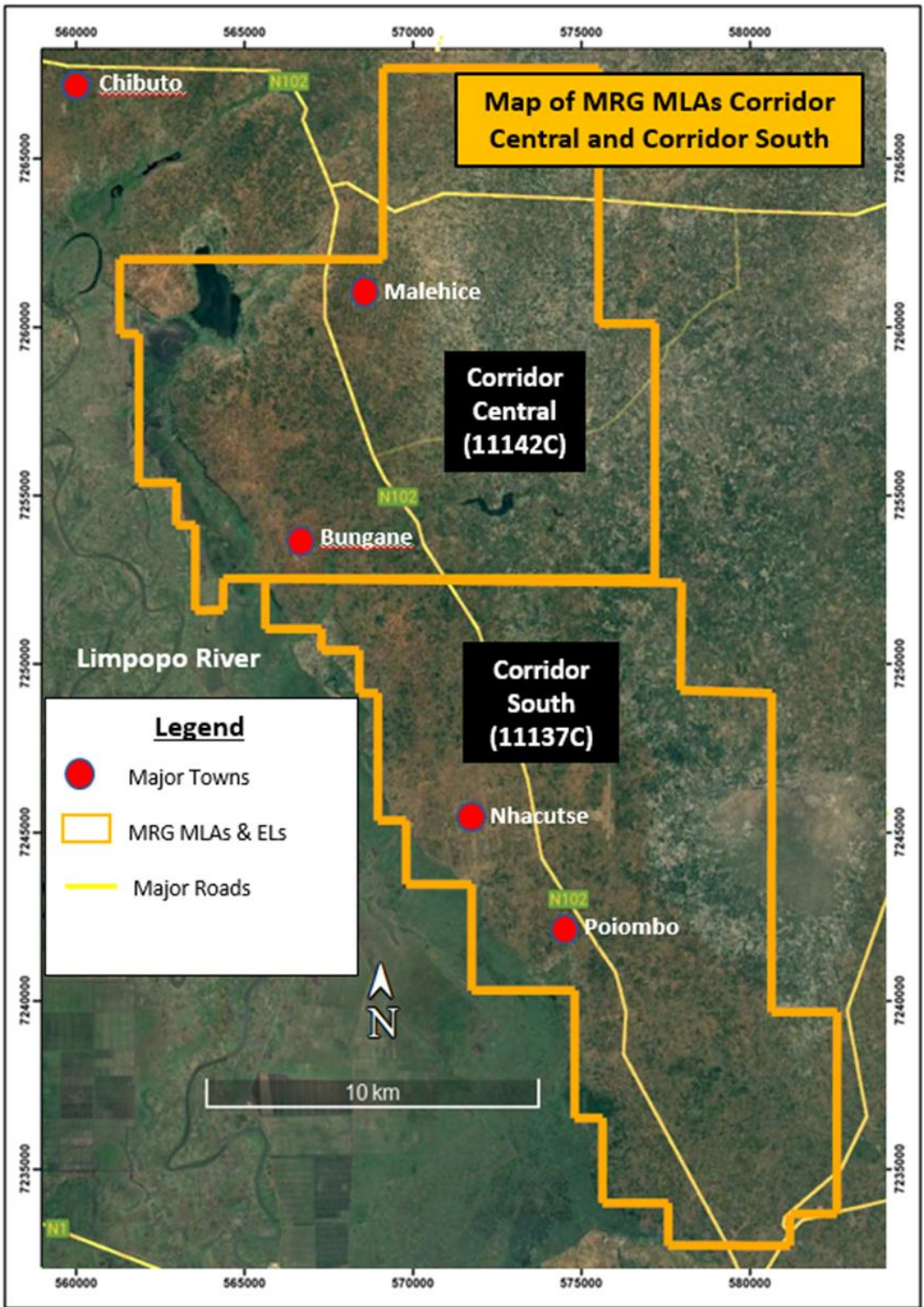
To achieve the range of outcomes indicated in the Scoping Study Preliminary Economic Assessment, initial funding in the order of USD\$239 million will likely be required. Investors should note that such funding may only be available on terms that dilute or otherwise affect the value of MRG's existing shares. Debt funding via offtake pre-funding will be investigated.

It is also possible that the Company could pursue other value realisation strategies such as a sole, partial sale or joint venture of the project. If it does, this could materially reduce the Company's proportionate ownership of the project.

The Company has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement and believes that it has a reasonable basis to expect it will be able to fund the development of the Project. Given the uncertainties involved, Investors should not make any investment decisions based solely on the results of the Scoping Study Preliminary Economic Assessment.

No Ore Reserve has been declared. This ASX release has been prepared in compliance with the current JORC Code (2012) and the ASX Listing Rules. All material assumptions, including sufficient progression of all JORC Modifying Factors, on which the production target and forecast financial information are based have been included in this ASX release.

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Figure 2: Map of the MRG HMS Projects MLA's Corridor Central (11142C) and Corridor South (11137C), showing roads and towns.

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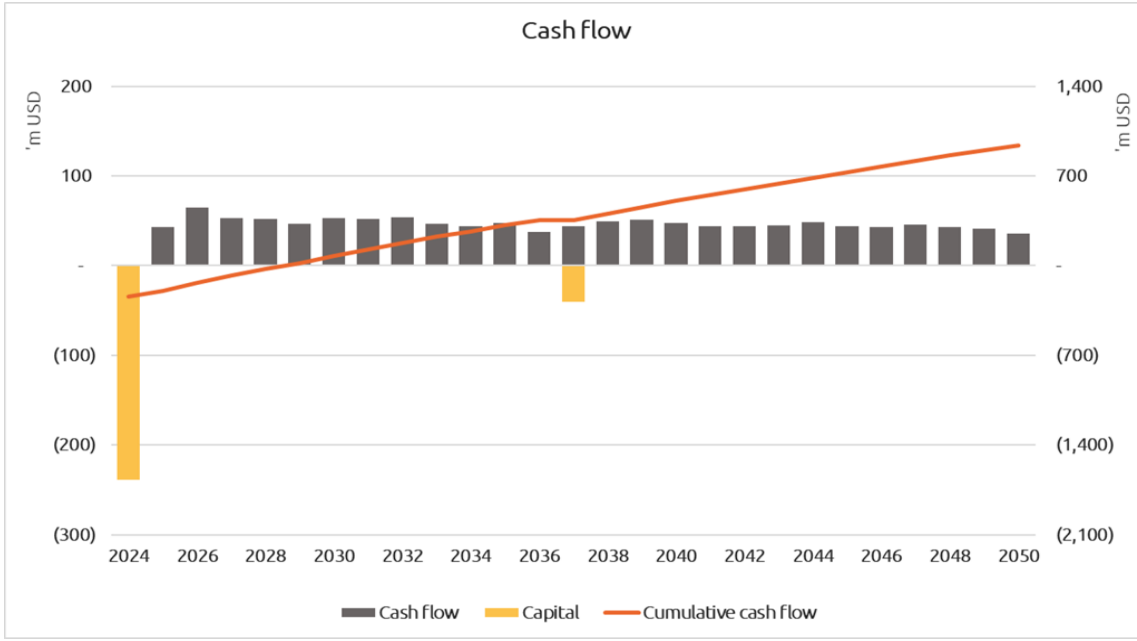


Figure 3: Cash flow over the life of the project

Table 1: Scoping Study and PEA key economics summary

Corridor Sands Scoping Study Project Summary		
Mining Physics		
Total Mining Inventory	Mt	513
Contained THM	Mt	27.8
Average Grade	%	5.4
Mining Rate	Mtpa	19.7
Mine Life	Years	26
Pricing (Average life of mine)		
Titano-Magnetite	USD/t	90
Ilmenite	USD/t	256
Non mag	USD/t	320
Production		
Titano-Magnetite	ktpa	262
Ilmenite	ktpa	369
Non-mag	ktpa	48
Capital Expenditure		
CAPEX (start up capital)	USD M	239
Key Financial Metrics		
Revenue	\$M	3262
	\$/t Ore	6.4
	\$/t HMC	139.6
Free cash flow (After tax)	\$M	938
	\$/t Ore	1.8
	\$/t HMC	40.1
Cash costs	\$M	-1603.3
	\$/t Ore	-3.1
	\$/t HMC	-68.6
CAPEX (including deferred)	\$M	279
NPV (after-tax)	\$M	258
IRR (after-tax)	%	21%
Payback (discounted, after-tax)	Year	5.5
Life of Mine	Years	26

Background

The Scoping Study and Preliminary Economic Assessment Report (Report) has been prepared for MRG Metals Limited (MRG) by IHC Mining (IHC), based on assumptions as identified throughout the text and upon information and data supplied by others.

IHC has, in preparing the Report exercised due care consistent with the intended level of accuracy, using its professional judgment and reasonable care. However, no warranty should be implied as to the accuracy of estimates or other values and all estimates and other values are only valid as at the date of the Report and will vary thereafter. Parts of the Report have been prepared or arranged by third party contributors, as detailed in the document. While the contents of those parts have been generally reviewed by IHC for inclusion into the Report, they have not been fully audited or sought to be verified by IHC.

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Scoping Study and PEA Summary

1. Introduction

MRG Metals Limited (MRG) is looking at developing a mining and processing operation in Mozambique. The Corridor Sands project (CSP) incorporates the Corridor Central (6620L) and Corridor South (6621L) licences. These two licences are now under mining licence application (MLA) (refer ASX release 21 October 2022), with INAMI having accepted the MLAs and changing the licence numbers accordingly, Corridor Central to 11142C (17.31956 Ha) and Corridor South to 11137C (18.23168 Ha). The MLAs were accepted by INAMI on the 6th of October 2022 and 3rd of October 2022 respectively for Corridor Central and Corridor South. The two licences are currently 100% owned by MRG Metals Limited (MRG) through its ownership of its subsidiaries, Sofala Mining & Exploration Limitada and Sofala Mining & Exploration I Limitada, in Mozambique. MRG is committed to working with INAMI to further the application process to the approval of Mining Licences, with Environmental Management Plan (EMP) and Social and Labour Plan (SLP) studies and reports, as well as the land-use licence / licences (DUAT) to take place after Mining Licences have been granted. All land in Mozambique is owned by the Mozambican government and land-use administered through rental and DUAT's. Studies on existing DUAT's will take place in the process, but no heritage sites within the mining areas or native title is applicable. The project comprises the Koko Massava, Nhacutse and Poiombo deposits.

The envisioned strategy for the initial operation has been developed with the aim of enabling MRG to identify a clear path towards project execution. MRG plans to mine and process Run of Mine (ROM) material by establishing Mining Unit Plant (s) (MUP) and a Wet Concentrator Plant (WCP) initially capable of processing 20.1mtpa.

The WCP will produce two streams, namely a Heavy Mineral Concentrate (HMC) that will be transported to a proposed Mineral Separation Plant (MSP) and a Titano-Magnetite final product that will be also transported to the MSP for offsite storage prior to loading on bulk carriers – sea freight. The MSP will be sized to handle 536Ktpa.

Within the bounds of this Study, products will be stored on the MSP site for onward transport by others by road and sea on an FOB basis.

2. Basis of Study

The purpose of this section is to set out the Scoping Study inputs, methods, key activities, deliverables, results and recommendations clearly for MRG Metals and its intended parties. The Study report generally brings together the technical scoping outcomes, capital and operating costs and financial modelling.

IHC Mining provided a proposal outlining the scope of the study to be performed. The scope of work outlined in the proposal broadly included the following:

- In-house assessment of IHC Mining historical works of similar projects;
- Desktop metallurgy (in addition to existing test work);
- Desktop investigative engineering;
- Preliminary calculations;
- Concept sketch layouts; and
- Study management.

This was to comprise two packages of work, specifically, a Scoping Study and associated financial modelling for:

- Mining Unit Plant (MUP);
- Wet Concentrator Plant (WCP);
- Mineral Separation Plant (MSP);
- General Process Infrastructure.

In undertaking the study, the following items were excluded:

- Detailed building layouts (to support local authority applications);
- 3D Modelling for buildings, designs and any other equipment;
- Permitting and approvals; and
- Investigations as described in section 14 Capital Cost Estimate.

Deliverables and activities undertaken during this scoping study include:

- General review, registration and management of client data and key input information;
- Convene internal and external kick-off meetings;
- Development of a basis of study guiding document;
- Prepare preliminary requests for information (RFI's) and develop a register;
- Scoping of mining strategy and mining unit(s);
- Development of a basic mining inventory and schedule;
- Scoping of process plants;
- Undertaking of mining options investigation;
- Drafting of concept sketch site layouts of mining, wet processing, dry processing and port facilities;
- Development of a Block Flow Diagram outlining high level plant Interaction;
- Compiling mass and water balances
- Assessing stockpile strategies and volumes, water consumption, reticulation and management, plant consumables (power, diesel, gas etc) and man power requirements;
- Undertaking preliminary engineering calculations sufficient to compile a Class 5 estimate;
- Completing preliminary equipment selections;
- Preparing mechanical equipment list with power draws;
- Compiling a Class 5 Capital Budget Estimate (+/-35% accuracy);
- Compiling a Class 5 Operating Cost Estimate (+/-35% accuracy);
- Development of preliminary project execution schedule;
- Development of a preliminary financial model; and
- Preparation of final scoping study report.

3. Geology and Resources

The deposits are hosted by the palaeodunes in the Chongoene-Chibuto area. The palaeodunes are known to host significant heavy mineral sand mineralisation. Recent drilling has intersected high total heavy mineral (THM) grades, from surface extending to a depth of up to 55m over a strike of 8km. The mineralisation is hosted within the red to brownish, medium grained sand units. The mineralisation zone is geologically continuous along strike, with grades varying along and across strike.

In December 2021, MRG released a Mineral Resource Estimate (MRE) for their Koko Massava orebody which delivered a High-Grade Zone of 103Mt @ 6.6% THM at a 5.5% cut-off grade (Table 2.1 and 2.2; refer ASX Announcement 16 December 2021). The updated MRE comprised a total Mineral Resource of 1,534Mt @ 5.1% THM, with 17% slimes, containing 78Mt of THM with an assemblage of 38% ilmenite, 32% titanomagnetite, 1% rutile and 1% zircon. The JORC categories are specifically stated as:

- an Indicated Mineral Resource of 557Mt @ 5.1% THM and 17% slimes containing 28Mt of THM with an assemblage of 38% ilmenite, 32% titanomagnetite, 1% rutile and 1% zircon.
- an Inferred Mineral Resource of 977Mt @ 5.0% THM and 16% slimes containing 49 Mt of THM with an assemblage of 38% ilmenite, 32% titanomagnetite, 1% rutile and 1% zircon.

In April 2022, MRG then announced the results of the updated JORC Mineral Resource estimates for its Nhacutse and Poiombo deposits at Corridor Sands with a combined Inferred Resource of 860Mt @ 4.9% THM (Table 2.3 and 2.4; refer ASX Announcement 8 April 2022). The MRE included high-grade zones totalling 256Mt @ 6.0% THM.

Table 2-1: Mineral Resource estimate for Nhacutse and Poiombo at 4% THM cut-off grade

Summary of Mineral Resources(1)				Mineral Assemblage (2)											
Deposit	Mineral Resource Category	Material	In Situ THM	BD	THM	SLIMES	OS	ILM	RUT	ZIR	TIMAG	CHRM	MOTH	ANDA	NMOTH
		(Mt)	(Mt)	(gcm3)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Global	Indicated	524	26	1.74	5.0	22	1	44	1	1	27	3	2	8	4
	Inferred	337	16	1.74	4.7	17	1	41	1	1	27	4	5	10	3
Grand Total		860	42	1.74	4.9	20	1	43	1	1	27	3	3	9	3
Notes:															
(1) Mineral resources reported at a cut-off grade of 4% THM															
(2) Mineral assemblage is reported as a percentage of in-situTHM															

Table 2-2: Mineral Resource estimate for Nhacutse and Poiombo at 5.5% THM cut-off grade

Summary of Mineral Resources(1)				Mineral Assemblage (2)											
Deposit	Mineral Resource Category	Material	In Situ THM	BD	THM	SLIMES	OS	ILM	RUT	ZIR	TIMAG	CHRM	MOTH	ANDA	NMOTH
		(Mt)	(Mt)	(gcm3)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Global	Indicated	186	11	1.75	5.9	22	1	43	1	1	27	3	2	8	4
	Inferred	71	4	1.75	6.2	18	1	41	1	1	27	4	5	10	3
Grand Total		257	15	1.75	6.0	21	1	43	1	1	27	4	3	9	4
Notes:															
(1) Mineral resources reported at a cut-off grade of 5% THM															
(2) Mineral assemblage is reported as a percentage of in-situTHM															

Table 2-3: Mineral Resource estimate for Koko Massava at 4% THM cut-off grade

Summary of Mineral Resources(1)				Mineral Assemblage (2)											
Deposit	Mineral Resource Category	Material	In Situ THM	BD	THM	SLIMES	OS	ILM	RUT	ZIR	TIMAG	CHRM	MOTH	ANDA	NMOTH
		(Mt)	(Mt)	(gcm3)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Global	Indicated	557	28	1.74	5.1	17	1	38	1	1	32	4	4	8	3
	Inferred	977	49	1.74	5.1	16	1	38	1	1	32	4	4	8	3
Grand Total		1,531	77	1.74	5.1	17	1	38	1	1	32	4	4	8	3
Notes:															
(1) Mineral resources reported at a cut-off grade of 4% THM															
(2) Mineral assemblage is reported as a percentage of in-situTHM															

Table 2-4: Mineral Resource estimate for Koko Massava at 5.5% THM cut-off grade

Summary of Mineral Resources(1)				Mineral Assemblage (2)											
Deposit	Mineral Resource Category	Material	In Situ THM	BD	THM	SLIMES	OS	ILM	RUT	ZIR	TIMAG	CHRM	MOTH	ANDA	NMOTH
		(Mt)	(Mt)	(gcm3)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Global	Indicated	58	4	1.8	6.4	15	1	39	1	1	33	4	3	7	3
	Inferred	45	3	1.8	6.8	12	1	37	1	1	34	4	4	5	2
Grand Total		103	7	1.8	5.1	17	1	39	1	1	33	4	3	6	3
Notes:															
(1) Mineral resources reported at a cut-off grade of 5.5% THM															
(2) Mineral assemblage is reported as a percentage of in-situTHM															

4. Mining Strategy

Review and selection of the appropriate mining methodology was based upon a conventional open pit unconsolidated free-dig, free flowing dry sand mining operation. Wet Mining operations were ruled out due to the mining pits relationship to the water table. At this stage of project development, conventional truck and shovel and dozer trap were considered.

Apart from the superior economics, the broad acre deposit, little to no overburden combined with a pit depth of nominally up to 50 metres are well suited to dozer trap mining. This mining methodology is well understood and is currently being employed by a variety of Tier 1 mineral sands producers.

Mining would be conducted by large bulldozers pushing ore to in pit screening and slurring units known as mining unit plant (MUP). The MUP receives ROM ore mined by bulldozers. The MUP is designed to be relocatable and is placed adjacent to the lower ore level of the mine face. Process water from the plant reservoir is piped to the MUP and used to slurry and transport the screened ore back to the processing plant. Oversize material is rejected and disposed of in the mine void.

Processing of ore will be conducted in two distinct stages. The WCP receives ore as slurry from the mine and after removal of clay, silt and oversize, the sands will be processed by spiral gravity separators to yield a HMC and low intensity magnets (LIMs) to yield a titano-magnetite product. The HMC and titano-magnetite product will be trucked to the MSP, the titano-magnetite will not undergo further processing and be stored as final product.

At the MSP, the HMC feed stock will undergo various stages of magnetic, electrostatic separation and pyrometallurgy to isolate and upgrade the TiO₂ products. Non-mag containing zircon, rutile and lighter minerals will be removed in wet gravity separation processes and a non-mag concentrate produced.

The products will be conveyed to storage shed facilities on the MSP site and then reloaded on a ship loading conveyor as bulk sea freight.

Coarse and fine tails will be trucked back to the WCP site and dumped into a tails reclaim hopper, mixed with WCP tailings and pumped back to the mine void.

The mining inventory for the Nhacutse-Poiombo & Koko-Massava is included in Table 3. Tonnages and grades are rounded as appropriate and mineral assemblage is reported as a percentage of in situ HM. The reference point for the Mining Inventory is the point of feed to the MUP, i.e., the tonnes and grade reported are in-situ. The production profile over the life of mine (LOM) is shown in Figure 4.

Table 3: Mining Inventory for PEA (showing valuable mineral component)

Deposit	Ore	HM	HM	SLIMES	OS	BD	ILM	ILMA	LX	RUT	TIMAG	ZIR
	Mt	Mt	%	%	%	g/cm3	%HM	%HM	%HM	%HM	%HM	%HM
Nhacutse & Poiombo	248	13.5	5.5	20	0.6	1.75	39.9	4.0	0.3	1.1	26.7	1.3
Koko Massava	265	14.3	5.4	16	0.9	1.75	37.1	2.2	0.3	1.2	32.1	1.2
Total	513	27.8	5.4	18	0.8	1.75	38.5	3.1	0.3	1.1	29.5	1.3

Resource Breakdown :Nhacutse and Poiombo: 82% Indicated, 18% Inferred : Koko Massava 50% Indicated, 50% Inferred.

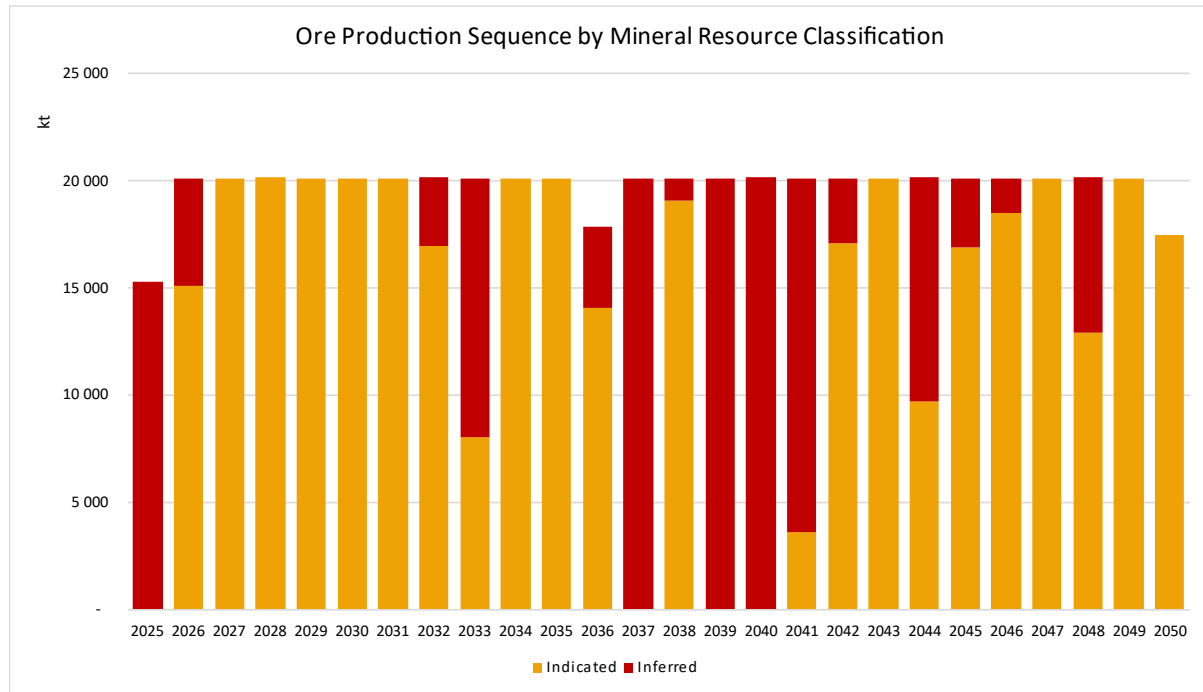


Figure 4: Production Profile for Life of Mine (LOM)

5. Metallurgical Testwork

IHC Mining completed scoping study level metallurgical test work in August 2020 for the Corridor Sands Project. The test work was conducted on a ~100kg sample of composited drill sample material derived from MRG’s Koko Massava deposit.

The sample was characterised as per MRG’s standard methodology developed for the geological modelling, metallurgical evaluation and production forecasting of the CSP. The feed material contained minimal +2.0mm oversize particles/organics, 15.6% fines (-45µm) and 5% heavy mineral (2.85s.g.) content. XRF analysis indicated the HM to contain 24.6% TiO2 and 0.96% ZrO2. QEMSCAN analysis calculated the HM mineralogy to contain 0.2% rutile, 2.0% altered ilmenite, 28.8% ilmenite, 16.6% titano-magnetite and 1.2% zircon.

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The material was processed through a simulated feed preparation process to remove fines and oversize particles. The screened sand fraction represented a mass yield of 87.3% with respect to ROM material.

A sample of generated fines was used to complete fines handling test work, which confirmed the fines to settle readily and consolidate well when using conventional flocculent.

The screened sand fraction was then processed through a two-stage (rougher-cleaner) wet table circuit to simulate a wet concentration process. The material was amenable to upgrading by gravity separation. The circuit produced a HMC containing 83.0% HM, and recovered 93.5% of the TiO₂ units and 93.7% of the ZrO₂ units. The HMC represented a mass yield of 4.35% with respect to ROM material.

The resultant HMC was then processed through a typical mineral sands concentrate upgrade process (CUP), utilising a two-stage LIMS (non-mag scavenger), two-stage WHIMS (non-mag scavenger) and two-stage wet table (rougher-scavenger) to further upgrade the WHIMS non-mags. This circuit produced a titano-magnetite product, a low-Ti concentrate, a magnetic concentrate and a non-magnetic concentrate.

The CUP magnetic concentrate was then processed through the ilmenite upgrade process, consisting of electrostatic and dry magnetic separation. The produced magnetic fraction represented a mass yield of 1.60% with respect to ROM material, contained 43.5% TiO₂ and was elevated in chrome (1.4% Cr₂O₃). Further magnetic fractionation test work concluded that the chrome could not be adequately removed by magnetic separation alone and that chemical alteration by ultra-low temperature roasting (ULTR) plant would be required.

The roasting process successfully enhanced the magnetic susceptibility of the ilmenite species, allowing for more effective rejection of chrome-bearing minerals by the proceeding dry magnetic separation circuit. The produced ULTR Ilmenite contained 47.1% TiO₂, 0.10% Cr₂O₃, 0.92% SiO₂ and negligible U+Th. This product represents 1.42% of the ROM mass and meets typical primary ilmenite specification.

Despite the low mass yield, the CUP's non-magnetic concentrate was further processed by electrostatic, magnetic and gravity separation methods to produce a Ti concentrate and a Zr concentrate.

The developed flow sheet is a relatively simple process which uses typical mineral sands separation methodologies. The production of the titano-magnetite product has proven particularly robust and consistent throughout the scoping study and pre-feasibility study metallurgical test work completed to date. The non-magnetic concentrate, while representing a low mass yield, is a potential value adding stream for future consideration. The production of a primary ilmenite product has proven to be somewhat more demanding, with multiple stages of magnetic separation required in conjunction with ULTR treatment. Each progressive stage of mineral separation introduces ilmenite mineral losses. With ilmenite proving to be a major driver for the project, there is opportunity to optimise ilmenite recovery through alternate process flow sheet options.

Two major process routes have been investigated to date – the WHIMS-oriented scoping study test work flow sheet and the current design as presented herein (and as currently being developed during pre-feasibility study test work). The latter's main advantage is reducing opportunity for ilmenite mineral losses in the WHIMS circuit. It is possible that this may cause a net increase in operating costs due to the increased drying requirements. To identify the optimum choice, a high-level cost-benefit analysis is recommended to be conducted for these two process options once metallurgical test work results are finalised for this processing option.

Pending the results of this investigation, further options for reducing ilmenite losses may also be available, such as the removal of the mineral separation steps prior to roasting. While this would increase the energy intensive roasting requirement, it would eliminate the ilmenite mineral losses associated with the pre-ULTR MSP circuit. The ilmenite upgrade (to final product) would then occur entirely through the magnetic separation post-ULTR, wherein the ilmenite magnetic susceptibility has been enhanced and normalised by the roasting process. It is recommended that these option assessments are completed prior to commencement of a bankable feasibility study, such that the bankable feasibility metallurgical test work can confirm and optimise the selected circuit and assess its response to ore variability.

6. Modifying Parameters

Mining recovery and dilution have been considered in design and given the bulk, non-selective mining method used, it is not considered that application of further modifying factors is appropriate. No cutting or factoring of grades were made. The same modifying factors were used on both deposits.

Exchange Rates:

All dollar values referred to in this report are in United States Dollars (USD) unless explicitly stated otherwise. Therefore, no exchange rate has been assumed.

Commodity Prices:

Product prices are a function of supply and demand, and product quality. Those used for optimisation value modelling purposes are included in Table 4. Prices were based on those supplied by MRG and have subsequently been updated. These updated prices were confirmed by TZMI. TZMI conducted a detailed Market Study for MRG, the study looked particularly at incorporating TZMI's latest supply/demand projections on global sulfate ilmenite, rutile and zircon markets. The study had the following focus:

Phase 1

- Introduction to the mineral sands value chain and industry structure.
- Overview of existing major producers and likely new projects that are currently under investigation.
- Review of supply of sulfate ilmenite, rutile and zircon, outlining the key producers/regions and a supply outlook to 2030.
- Demand analysis segmented by end-use markets and key customers by individual feedback type and zircon. An overview of the global TiO₂ pigment sector (supply and demand) and forecasts to 2030 will be included, as this TiO₂ pigment is the dominant driver for consumption of titanium feedstocks.
- Review of sulfate ilmenite requirement for the beneficiation sector.
- Detailed analysis of global supply/demand balances and indicative outlook to 2030 for sulfate ilmenite, rutile and zircon.
- Price forecasts of individual feedstock products – sulfate ilmenite, rutile as well as zircon through to 2025 and provision of long-term inducement prices for each of the aforementioned product for the period post 2025. For context, historical prices from 2010 to 2020 will be provided.

Phase 2

- Product quality assessment of planned sulfate ilmenite and non-magnetic concentrate from the company's HM project in Mozambique based on indicative quality obtained from bulk metallurgical testwork undertaken at IHC Mining.
- Primary research on the titanomagnetite market in China, covering market dynamics and pricing trends, market segmentation and relative size.
- Commentary on market placement, key target markets and achievable pricing of the planned products (Sulfate ilmenite, titanomagnetite and non-magnetic concentrate) from the Corridor project. A co-product credit will also be provided for the monazite/xenotime contained in the non-magnetic concentrate.
- Overview of the global concentrate market, with particular focus on cross-border volumes and pricing, as well as introduction to the concentrate pricing methodology.

The new prices confirmed by TZMI are higher than these, however that will simply drive a higher valuation for the financial modelling and result in a more robust operation and economics.

Table 4: Product Prices

Product	US\$/t product
Ilmenite Product	195.02
Non Magnetic Product	525.00
Titano-Magnetic Product	84.00

Royalties:

Royalties include provision for government royalties and are assigned based on a percentage of sales price. An ad valorem royalty of 6% is used in this study.

Operating Costs:

The operating cost and revenue assumptions used for pit optimisation are summarised in Table 5. These are derived from the scoping study and industry standards for similar sized and style of operation. No contingency has been applied to operating cost because the pit limit selection process always selects a pit shell that assumed a reduced revenue (which is the same as increased cost, effectively).

Table 5: Operating Cost Assumptions

Description	Unit	Value
Surface costs		
Clearing & topsoil removal cost	US\$/ha	4,200
Rehabilitation cost	US\$/ha	23,333
Mining costs		
Overburden removal cost (if applicable)	US\$/BCM	1.21
Mining unit	US\$/t mined	0.81
Oversized handling cost	US\$/t o/s generated	0.70
Pumping cost to WCP	US\$/t moved	0.52
WCP costs		
Fine tails handling cost	US\$/t fine generated	0.77
WCP cost	US\$/t feed in	0.22
Tailings cost	US\$/t moved	0.46
CUP cost	US\$/t feed in	3.56
Miscellaneous costs		
Royalty - percentage of sales price	%	6
Overhead cost	US\$/t HMC	16.13
MSP costs		
IUP cost	US\$/t feed in	30.34
Shipping and Storage		
Transport cost to port facilities	US\$/t moved	5.54
Bagging cost	US\$/t moved	0.43
Wharf cost	US\$/t moved	6.30

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Process Recoveries:

Process recoveries and yields used in this study are included below.

Table 6: Product Recoveries

HM Assemblage	WCP %	CUP Titano Magnetic %	CUP Ilmenite product %	CUP Non Magnetic %	IUP %	ULTR %
RUT	90.79	0	8.64	86.30	3.05	15.00
LX	86.53	0	58.73	34.37	33.55	15.00
ILMA	83.61	0.67	86.96	6.47	58.73	96.70
ILM	84.46	1.01	91.12	0.54	98.43	96.70
TIMAG	74.55	80.10	14.04	0.13	91.05	5.00
ZIR	87.58	0	15.22	81.16	0	0
ANDA	80.75	0	14.52	24.61	0	0
CHROM	85.31	5.45	79.52	7.97	35.37	6.50
HEMA	80.99	33.27	47.04	4.51	32.42	68.10
NMOTH	80.75	0	14.52	24.61	0	0
MOTH	80.99	33.27	47.04	4.51	32.42	68.10

Other recoveries:

- Mining recovery used for the optimisation process: 98%;
- Sand in HMC: 9%.

7. Block Flow Diagram

An overview of the processing stages and associated throughputs and products are summarised in the below table and Figure 5:

Table 7: Process Overview

	20.1 Mtpa Mined Ore	Note	Qty	Feed (T/h)	Availability	Annual (Mtpa)
PLANTS	MUP 1	Pit 1	1	1350	85%	10.05
	MUP 2	Pit 2	1	1350	85%	10.05
	WCP	ROM	1	2700	85%	20.1
	-	Rougher HF	1	2272	85%	16.92
	MSP	HF	1	72.3	85%	0.538
	ULTR	ULTR HF	1	60.2	85%	0.448
	Post Mag Sep	Hybrid	1	58.4	85%	0.435
PRODUCTS	Titano-Magnetite	Ex WCP -tph - damp	1	58.6	85%	0.436
	Ilmenite	Ex post mag sep – dry	1	52.6	85%	0.392
	Non Mag Concentrate	Ex MSP - damp	1	9.7	85%	0.072

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Figure 5: Scoping Study Process Staging Flowsheet – Corridor Sands Project (Koko Massava, Nhacutse and Poiombo Deposits).

8. Process Areas

The proposed mining equipment would consist of two identical MUP's. Each of the MUP's will be capable of processing up to 1,500t/h solids with an average of 1,350 tph, which equates to the total operating feed rate of 2,700tph (20.1mtpa).

Each MUP would operate in a separate mining pit, the pumping metrics adopted for the study start up case were a 2,500m pumping distance for each MUP to the centrally located WCP. As the mine progresses further away from WCP, deferred capital will be applied.

The ore will be mined using dozers, the ore pushed down from the mining face to a receival hopper, the ROM then slurried, wet screened with a vibrating screen (2.0mm) and then pumped via overland slurry pipe to the WCP for de-sliming and further processing. The sand tails will be returned to the pit along with slimes as a co-disposal operation.

The WCP receives ROM material as a slurry via an overland pipeline from the two (2) MUP's located in separate mining pits. The WCP receives, de-slimes and processes the ROM producing three streams; a titano-magnetite product (deemed a final product). A HMC suitable for further processing at the MSP and two (2) tailings stream that are returned to the mining voids.

The MSP receives HMC by truck from the WCP site where it is dumped in windrows ready for feeding into the plant. The HMC is then fed by Front End Loader (FEL) into a hopper and then dried prior to being processed using conventional electrostatic separators and rare earth drum magnets. A non-conductor stream is fed to a wet circuit using wet shaking tables.

This initial stage produces a hi-mag suitable for presentation to the ULTR and a non-mag concentrate product along with a tailing stream.

The titano-magnetite product is also unloaded and stored at the MSP site where it is loaded on the ship loading facility for export. This material is not treated further at the MSP, but merely stored on site for additional draining to meet the 5% total moisture limit (TML) requirement.

The ULTR process conditions lower ilmenite and iron bearing minerals by partial reduction to homogenise the magnetic susceptibility, while keeping the ilmenite in a temperature range that avoids the solubility of TiO_2 being affected by rutilisation. Central to this process is a fluid bed reactor (referred to as the roasting stage) fluidised with reducing gases, within a temperature range of 575 °C to 625 °C.

The result is an upgraded ilmenite with a higher TiO_2 content (47.1% increased from 43.5%) and lower Cr_2O_3 content, while the total iron oxide is decreased, the remaining iron is predominately FeO, which is favourable for feed stocks presented to the sulphate process.

The product load-out facility consists of the storage and materials handling equipment required to load the final products on to the wharf facility and then on to ocean going vessels.

With the selected option being the Chongoene MRG built facility, provision includes the loadout conveyors for both Titano-magnetite, Ilmenite and non-mag products.

The final products are reloaded from their respective storage sheds and compounds on to transverse loading conveyors and on to a main ship loading conveyor for export.

9. Schedule

A total project execution duration of 157 weeks has been estimated, including project feasibility and approvals through to detailed design, construction and commissioning. An arbitrary plant signoff and handover, scheduled in this study to take place at the end of third quarter 2025, will be affected by numerous factors, including the timing of grant of Mining Licence applications.

10. Cost Estimate

The cost estimate has been developing in accordance with the AusIMM requirements for a class 5 scoping study, with engineering development to between 1 – 2% and a cost accuracy of +/- 30 – 35%.

The scoping study has considered the following 4 scenarios, each scenario assumes a fixed mine site based W P, x mobile MUP's and port based M P:

1. MRG owned port and loading facility at Chongoene, with WCP relocation from Nhacutse / Poiombo to Koko Massava (Base case; Figure 6);
2. Use of shared port facility at Chongoene, with WCP relocation from Nhacutse / Poiombo to Koko Massava;
3. Use of shared port at Maputo, with WCP relocation from Nhacutse / Poiombo to Koko Massava; and
4. MRG owned port and loading facility at Chongoene, with single WCP location at Nhacutse / Poiombo, and additional booster pumps and field pipework for mining at Koko Massava.

The tables below outline the CAPEX estimates for the Scenario 1: Base case, 2, 3 and 4:

Table 8: CAPEX Cost Distribution Inclusive of Direct cost, Indirect cost & Contingency

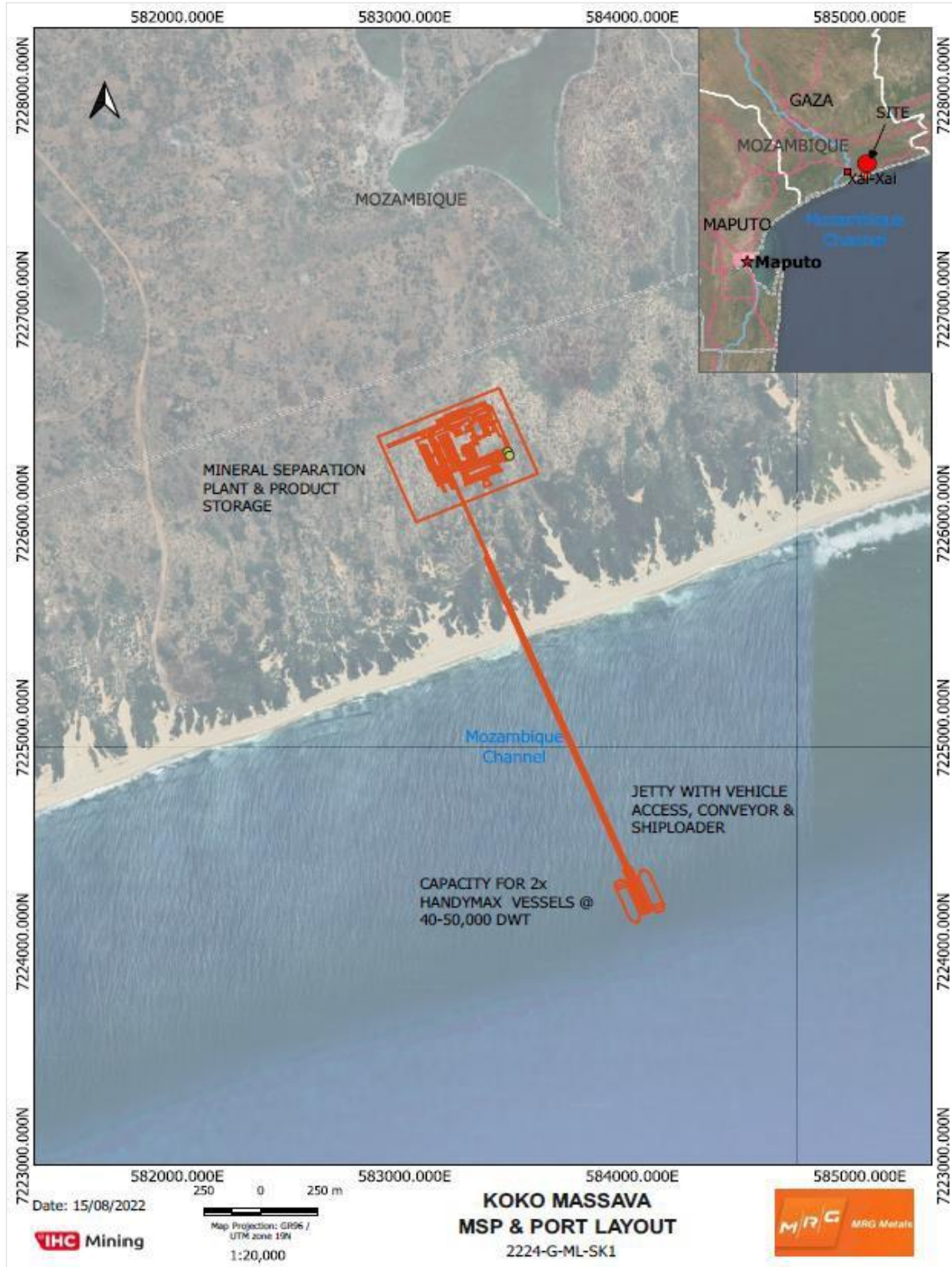
Cost Centre	Cost (M's) by Scenario (USD)			
	1 (Base Case)	2	3	4
Area 0000 – Operational Establishment	34.25	17.25	17.25	34.25
Area 1000 – Mobile MUP	36.53	36.53	36.53	36.53
Area 2000 – Wet Concentrator Plant	97.52	97.52	97.52	97.52
Area 3100 – Ilmenite Drying Plant	30.93	30.93	30.78	30.93
Area 3200 – Ultra Low Temperature Roast	32.10	32.10	32.10	32.10
Area 3300 – Final Magnetic Separation	2.00	2.00	1.99	2.00
Area 4000 – Load Out and Storage	5.72	5.72	5.68	5.72
Total Project Costs	239.04	222.04	221.84	239.04

Table 9: CAPEX Cost Breakdown of Direct cost, Indirect cost & Contingency

Cost Centre	Cost (M's) by Scenario (USD)			
	1 (Base Case)	2	3	4
Direct Cost	167.38	155.72	155.56	167.38
Indirect Cost	40.48	37.36	37.34	40.48
Total Project Costs (Excluding Contingency)	207.86	193.08	192.90	207.86
Contingency	31.18	28.97	28.94	31.18
Total Project Costs	239.04	222.04	221.84	239.04

As noted, the initial capex for scenarios 1 and 4 is the same, however scenario 4 incurs an additional \$40m in deferred capital to coincide with the WCP move to Koko Massava.

Figure 6: Corridor Sands Project MSP & Port Layout



11. Operational Estimate

The OPEX is based on a 2,700 tph operation, assuming a plant availability of 85%. The tables below outline the OPEX estimates for the Scenario 1 (Base case), Scenario 2 and 3, noting that the start-up OPEX of scenario is the same as scenario. Costs shown in millions of USD.

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Table 10: Operating Cost Scenario 1 (Base Case) and Scenario 4

	0000	1000	2000	3100	3200	4000		
Area Description	Admin	MUP	WCP	MSP	ULTR	Load Out	Site Wide	Annual Cost
Mining	0.00	14.07	0.00	0.00	0.00	0.00	0.00	14.07
Labour	0.54	0.93	1.48	1.42	0.43	0.34	0.36	5.49
Mobile Equipment	0.00	0.00	0.29	0.18	0.00	0.02	0.18	0.67
Other Consumables	0.00	0.00	1.77	2.53	4.64	0.00	0.00	8.94
Electrical Power	0.12	6.45	12.76	0.47	2.43	0.06	0.10	22.39
Maintenance	0.35	0.00	2.07	0.71	0.71	0.12	0.00	3.61
Operating Spare Parts	0.00	0.00	1.04	0.35	0.36	0.06	0.00	1.81
Rehabilitation	0.00	0.00	0.00	0.00	0.00	0.00	0.48	0.48
Transport - Cartage	0.00	0.00	0.00	0.00	0.00	0.00	3.20	3.20
Loading - Wharfage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Annual Operating Cost	1.01	21.45	19.41	5.66	8.56	0.60	4.33	61.02

Table 11: Operating Cost Scenario 2

	0000	1000	2000	3100	3200	4000		
Area Description	Admin	MUP	WCP	MSP	ULTR	Load Out	Site Wide	Annual Cost
Mining	0.00	14.07	0.00	0.00	0.00	0.00	0.00	14.07
Labour	0.54	0.93	1.48	1.42	0.43	0.34	0.36	5.49
Mobile Equipment	0.00	0.00	0.29	0.18	0.00	0.02	0.18	0.67
Other Consumables	0.00	0.00	1.77	2.53	4.64	0.00	0.00	8.94
Electrical Power	0.12	6.45	12.76	0.47	2.43	0.06	0.10	22.39
Maintenance	0.18	0.00	2.07	0.71	0.71	0.12	0.00	3.61
Operating Spare Parts	0.00	0.00	1.04	0.35	0.36	0.06	0.00	1.81
Rehabilitation	0.00	0.00	0.00	0.00	0.00	0.00	0.48	0.48
Transport - Cartage	0.00	0.00	0.00	0.00	0.00	0.00	3.20	3.20
Loading - Wharfage	0.00	0.00	0.00	0.00	0.00	0.00	9.24	9.24
Annual Operating Cost	0.84	21.45	19.41	5.66	8.56	0.60	13.57	70.08

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Table 12: Operating Cost Scenario 3

	0000	1000	2000	3100	3200	4000		
Area Description	Admin	MUP	WCP	MSP	ULTR	Load Out	Site Wide	Annual Cost
Mining	0.00	14.07	0.00	0.00	0.00	0.00	0.00	14.07
Labour	0.54	0.93	1.48	1.42	0.43	0.34	0.36	5.49
Mobile Equipment	0.00	0.00	0.29	0.18	0.00	0.02	0.18	0.67
Other Consumables	0.00	0.00	1.77	2.53	4.64	0.00	0.00	8.94
Electrical Power	0.12	6.45	12.76	0.47	2.43	0.06	0.10	22.39
Maintenance	0.18	0.00	2.07	0.71	0.71	0.12	0.00	3.61
Operating Spare Parts	0.00	0.00	1.04	0.35	0.36	0.06	0.00	1.81
Rehabilitation	0.00	0.00	0.00	0.00	0.00	0.00	0.48	0.48
Transport – Cartage	0.00	0.00	0.00	0.00	0.00	0.00	22.20	22.20
Loading – Wharfage	0.00	0.00	0.00	0.00	0.00	0.00	9.91	9.91
Annual Operating Cost	0.84	21.45	19.41	5.66	8.56	0.60	33.24	89.75

12. Financial Modelling

The Corridor Sands Project Scoping Study included financial modelling as a part of the evaluation and pathway valuation outcomes (the development of a PEA). The development of the Financial Model was based on a historical model supplied by IHC and subsequently modified by Duncan Freeman of Freeman Financial Modelling (FFM).

An initial audit and review of the as-supplied Financial Model was carried out by FFM under the direction of and in collaboration with IHC.

The financial modelling of 4 scenarios or cases was carried out. These are first detailed in Table 13 and are described as:

- Base Case or Scenario 1: Client owned and managed port facility at Chongoene;
- Scenario 2: Client leased port facility at Chongoene;
- Scenario 3: Client leased port facility at Maputo; and
- Scenario 4: a variation on the Base Case where a WCP plant move from the Nhacutse and Poiombo to Koko Massava minesite is executed rather than incorporating the extra pumping. This case was selected as a comparator and the order of magnitude differential (if any) could be extrapolated to the other Scenarios.

The financial modelling used the following assumptions:

- CAPEX/OPEX as prepared by the IHC engineering team with assumptions on power and transport and owners costs provided by the Client;
- Pricing as supplied by the Client, derived from open source data and TZMI studies;
- Assumed cost of capital of 8% as specified by the Client;
- Operational metrics developed by IHC;
- CAPEX spend commencing Jan-2024;
- Final commissioning Jan-2025; and
- An assumed 6 month ramp up to full production (reflected in the model by an end of Q1 start mining date - i.e. 3 full months of production but spread over 6 months).

Of the 4 Scenarios, the one that generates the most favourable metrics, is Scenario 4, which utilises the WCP move in Year 13 of the project (operational Year 12, as the project includes just over 12 months of build time). A summary of the various scenario metrics is presented in Table 13, but the NPV value of US\$258M is the most favourable outcome taking all of the inputs into consideration.

A payback period of 6 whole years (5.5 years) on a CAPEX spend of US\$279M including deferred capital is a favourable outcome. The project is not overly sensitive to CAPEX, but is quite sensitive to Product Pricing. A range of $\pm 35\%$ was used for the sensitivity analysis (Figure 7) which is in line with the order of accuracy for the overall Scoping Study.

The project is assisted with elevated pricing and the future of mineral sands markets will be in part, dictate the development pathway for the Corridor Sands Project. Were MRG to secure fair market off-take agreements for ilmenite and titano-magnetite, then the future of the project would have a definitive pathway to development.

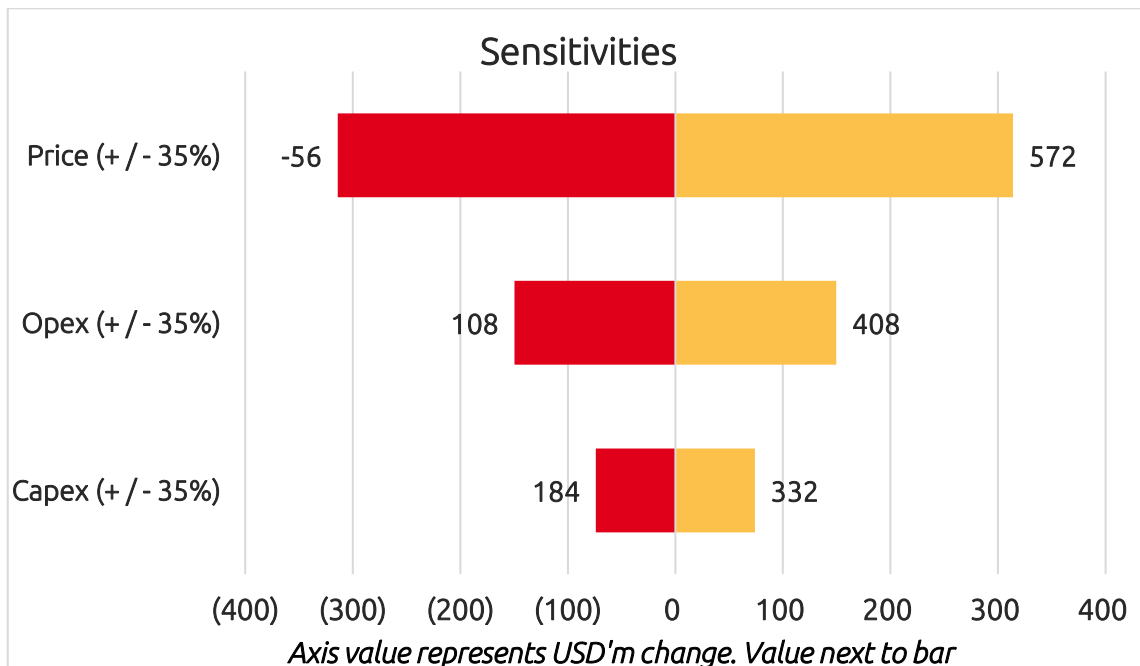


Figure 7: Sensitivity analysis

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Table 13: Summary of Key Financial Metrics from Modelling Scenarios

SCENARIO SELECTED		Base Case	Scenario 2	Scenario 3	Scenario 4
MINING INVENTORY SELECTED		Reserve 1	Reserve 1	Reserve 1	Reserve 1
PRICING MODEL		Base	Base	Base	Base
Cash flows					
Revenue	\$M	3,262	3,262	3,262	3,262
	\$/t Ore	6.4	6.4	6.4	6.4
	\$/t HMC	139.6	139.6	139.6	139.6
Free cash flow (After tax)	\$M	882	771	449	938
	\$/t Ore	1.7	1.5	0.9	1.8
	\$/t HMC	37.7	33	19.2	40.1
Cash costs	\$M	-1,715.60	-1,894.80	-2,369.60	-1,603.30
	\$/t Ore	-3.3	-3.7	-4.6	-3.1
	\$/t HMC	-73.4	-81.1	-101.4	-68.6
	RCCR	1.9	1.7	1.4	2
CAPEX (including deferred)	\$M	250	233	232	279
NPV (after-tax)	\$M	255	220	91	258
IRR (after-tax)	%	21%	20%	13%	21%
Payback (discounted, after-tax)	Year	6	6	8	6
Life of Mine	Years	26	26	26	26

Funding

To achieve the range of outcomes indicated in the Scoping Study, initial funding in the order of US\$239m will likely be required, which includes all pre-production costs of which the preproduction capital. The Company has formed the view that there is a reasonable basis to believe that requisite future funding for development of the Project will be available when required. The grounds on which this reasonable basis is established include:

- The Project has strong technical and economic fundamentals which provides an attractive return on capital investment and generates robust cashflows at conservative ilmenite, non-magnetic product and titano-magnetic product prices. This provides a strong platform to source debt and equity funding.
- The Board has a strong track record of equity raisings, having raised in excess of \$27 million over the last 11 years.
- The Company has received significant interest from various potential Offtakers/Partners regarding financing for the project, with preliminary discussions occurring.
- The Company has appointed TZMI to assist in marketing during the PFS STAGE. TZMI has extensive expertise and has identified potential buyers for the products identified in the Scoping Study, but has yet to make approaches on the Company's behalf as both MRG and TZMI believe further product upgrade is possible in the PFS stage.
- MRG will consider a range of funding sources, with the objective of securing the most cost competitive and value maximising option for the Company.

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- Given the scale of the operation, the Project is expected to generate substantial free cash flow per year to service debt, which will enhance the debt capacity of the Project. As a result, a greater percentage of debt funding may be achievable when compared to smaller scale, lower margin projects.
- MRG will preferentially engage with offtake counterparties that may contribute funding to the Project which may include: conventional equity at the corporate and/or project level; convertible notes or bond; debt financing in the form of either conventional project debt financing, prepayment for product or royalties; or a combination of the above.
- Sources of equity funding may include private equity funds specialising in resource project investment; institutional funds; strategic investors; and high net worth, sophisticated and retail investors. Depending on market conditions, the equity component may be structured with a combination of ordinary and hybrid equity. Given the above, the Company has concluded that it has a reasonable basis to expect that the upfront project capital cost could be funded following the completion of a positive bankable feasibility study and obtaining the necessary project approvals.
- There is, however, no certainty that the Company will be able to source funding as and when required. Typical project development financing would involve a combination of debt and equity. It is possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Company's existing shares.

13. Conclusions and Recommendations

The pit optimisation and preliminary mine planning exercise carried out on the CSP deposits, Koko Massava, Nhacutse and Poiombo demonstrates that there are substantive, economically exploitable pits to potentially support a mining operation of approximately 25 years duration.

The global Mining Inventory developed for the Scoping Study and PEA totalled 513Mt at an average THM grade of 5.4% for a total contained THM of 27.8Mt.

The following recommendations flow from this work package and are in no particular order of importance, but should be taken for consideration:

- The next phase of work should establish a firm basis for mineral pricing based on off-take agreements so as to firm up the revenue drivers for the project;
- Consideration of other mining methodologies should be considered such as hydraulic mining as a cost competitive and practical alternative to dozer trap;
- Detailed work needs to be undertaken on the nature of the slimes and the direct impact this has on flocculent / coagulant usage as well as handling with respect to water recovery, solar drying requirements and potential for co-disposal;
- If the project is deemed to be overall positive in economics from the financial modelling (most likely), then planning for the next phase of detailed pit optimisation and mine planning needs to be considered;
- As per a Framework Environmental & Social Management Program developed by Coastal Environmental Services (CES) for MRG as part of the MLAs for Corridor Central and Corridor South, a significant amount of studies will take place to develop the Environmental Management Plan (EMP) and Social and Labour Plan (SLP). These studies will feed into future economic studies on the project and includes:
 - Water Quality Monitoring, including hydrogeology study, development of piezometers, bores, baseline data, etc;
 - Meteorology;
 - Air Quality Monitoring;
 - Noise and Vibration Monitoring;
 - Waste Disposal Facilities and Practices;
 - Floral and Faunal Monitoring;
 - Soil and Rehabilitation Monitoring;
 - Occupational Health and Safety Monitoring; and
 - Socio-Economic Monitoring.
- The most likely next step is a PFS phase and one of the key deliverables from that level of study will be a Probable Ore Reserve. In order to undertake that work, there is a considerable amount of background study work that needs to be completed, including but not restricted to:

- Transport study;
- Power study;
- Port development study; and
- Investigation of alternative mining methodologies.

Forward Looking Statement(s)

Statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of MRG's planned work at the Company's project and the expected results of such work are forward-looking statements. Forward-looking statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, forecasts, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur. Information concerning exploration results, metallurgical results and Mineral Resource Estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is developed.

These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable at the time they are made, are inherently subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in the planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfil projections/expectations and realise the perceived potential of the Company's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of Heavy Mineral Sands resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the Company's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of heavy mineral sands and other risks and uncertainties.

New Very High Valuable Minerals Identified at Azaria Target

MRG announced the laboratory and excellent mineralogical results of the new Azaria Very High VHM Target, located east of the Company's Koko Massava deposit within the Corridor Central (11142C) HMS projects (refer ASX Announcement 10 November 2022).

Laboratory results from 3 aircore drillhole (22CCAC776 – 22CCAC778) drilled within the Azaria Target confirmed the laboratory THM grades from reconnaissance auger holes, indicating large areas of >3% THM, while hole 22CCAC777 with 4.38 % THM over 19.5m also confirms areas with >4% THM (also shown by auger holes 20CCHA505 @ 4.01% THM over 12.0m and 20CCHA195 @ 4.21% THM over 13.0m; both from surface).

Importantly, excellent mineralogical results from 5 lithologically composited HMC samples from the 3 aircore holes (refer Table 15) confirmed Azaria as an exciting new large target for very high value HMC situated in the White Sand lithology. With average VHM (Zircon, Rutile, Leucoxene, Altered Ilmenite and Ilmenite) results from the 5 samples at 72.4%, the VHM is significantly higher than the average of 41% VHM found within the Koko Massava MRE area (refer ASX Announcement 16 December 2021) or the average 43% VHM from the Global Nhacutse and Poiombo MRE area (refer ASX Announcements 8 April 2022). The additional 9.1% of Titanomagnetite then also results in an economic product of >80% of the HMC within the Azaria Target. Additionally, the high value Zircon and Rutile Heavy Minerals are also higher than found in Koko Massava, Nhacutse and Poiombo deposits (Zircon at 2.8% vs the 1.2% in Koko Massava and the 1.3% in Nhacutse and Poiombo; Rutile at 1.9% vs the 1.2% in Koko Massava and the 1.1% in Nhacutse and Poiombo) (refer ASX Announcements 16 December 2021 and 8 April 2022).

Corridor South (11142C) Drilling Program and Mineralogy

Ongoing mineralogical studies have identified a very strong lithological boundary in the eastern side of the Corridor licences (yellow line, Figure 8), with red/red-brown coloured sand to the west of the boundary (Type 1 sand) and white/grey coloured sand to the east of the boundary (Type 2 sand; refer ASX Announcements 11 August 2021, 1 April 2022 and 7 April 2022). The VHM% in the Type 2 sand is as high as 73.37% from previous studies (refer ASX Announcement 31 July 2020). 3 Aircore holes (22CCAC776 - 22CCAC778) were drilled in a large area of Type 2 White Sand lithology east of the Koko Massava deposit (refer Figure 8). A total of 67 samples (inclusive of QAQC samples) were collected at 1.5m intervals and analyses at Western Geolabs in Perth, Australia (refer Table 14). Aircore drillhole 22CCAC777 returned 4.38% THM over 19.5m; 22CCAC778 returned 3.50% THM over 19.5m and 22CCAC776 returned 3.20% THM over 16.5m, all with mineralisation from surface. Individual 1.5m intervals showed THM results as high as 8.15% THM.

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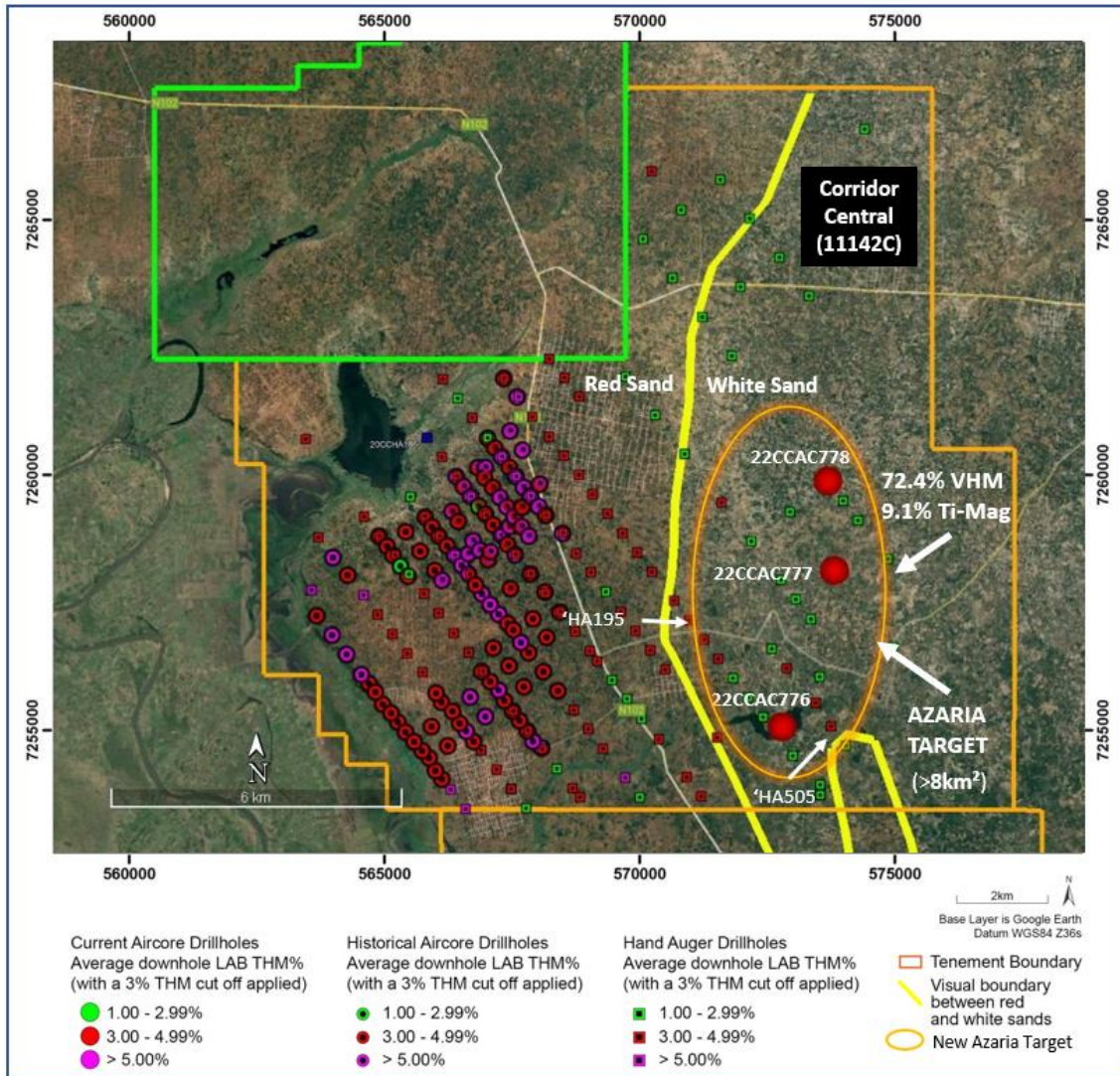


Figure 8: Map showing the location of the 3 new Aircore holes, all laboratory obtained aircore and auger THM % drilling grades, the Red/White Sand lithological boundary (yellow line) and the position of the new Azaria Target within the Corridor Central (11142C) licence.

5 Heavy Mineral Concentrate (HMC) composites, derived from all observed lithologies and from all 3 holes drilled, were also sent for mineralogical investigations. Mineralogical investigation and analyses were done by SJMetMin Laboratories. The average total VHM of 72.4%, as well as the high individual valuable minerals, clearly illustrates the samples are from the Type 2 White Sand.

Table 14: Summary collar and Assay THM% results for 3 Reconnaissance Aircore Holes within new Azaria Target within Corridor Central (11142C).

DRILLHOLE INFORMATION						MINERALISATION			
						LAB RESULTS			
HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	ELEV'N (M)	EOH (M)	DRILL TYPE	FROM	TO	INTERSECTION (M)	% LAB THM
22CCAC776	7255396	572859	68	33.0	AIRCORE	0.0	16.5	16.5	3.20
22CCAC777	7258587	573950	79	33.0	AIRCORE	0.0	19.5	19.5	4.38
22CCAC778	7260418	573827	84	31.5	AIRCORE	0.0	19.5	19.5	3.50

Table 15: Quantitative QEMSCAN mineralogy results from 3 Aircore drillholes within New Azaria Target at Corridor Central (11142C).

Sample	CCMIN 07	CCMIN 08	CCMIN 09	CCMIN 10	CCMIN 11						
	AC776		AC777		AC778	Min	Max	Ave	StDev	Average	
Zircon	3.0	3.0	2.8	2.8	2.6	2.6	3.0	2.8	0.2	72.4	Total VHM in HMC
Rutile	2.1	2.0	1.7	1.8	1.8	1.7	2.1	1.9	0.2		
Alt-Ilmenite II (TiO ₂ 74%)	0.5	0.3	0.3	0.4	0.3	0.3	0.5	0.3	0.1		
Alt-Ilmenite I (TiO ₂ 62%)	6.4	6.7	5.5	6.0	5.9	5.5	6.7	6.1	0.5		
Ilmenite (TiO ₂ 52%)	60.4	62.4	59.7	63.5	60.5	59.7	63.5	61.3	1.6	9.1	Titanomagnetite
Titanomagnetite	8.6	7.9	12.4	6.1	10.6	6.1	12.4	9.1	2.4		
Hematite	3.2	3.1	4.6	1.9	4.6	1.9	4.6	3.5	1.1	18.5	Total Non-VHM in HMC
Chromite	5.4	4.8	4.5	4.4	4.8	4.4	5.4	4.8	0.4		
Magnetic Others	0.9	0.7	0.8	0.8	1.1	0.7	1.1	0.9	0.1		
Andalusite	6.3	6.0	3.3	7.1	4.9	3.3	7.1	5.5	1.5		
Non-magnetic Others	3.3	3.1	4.6	5.2	3.1	3.1	5.2	3.9	1.0		
TOTALS:	100.00	100.00	100.00	100.00	100.00						

New Very High Valuable Minerals Identified at Cihari Target

MRG announced the laboratory and mineralogical results of the new Cihari High VHM Target, located within the north-east of the Company's Nhacutse deposit in the Corridor South (11137 C) HMS projects (refer ASX Announcement 16 November 2022; (also refer Tables 16-17 and Figures 1, 9 and 10).

Laboratory results from 5 aircore drillhole (22CCAC790 – 22CCAC794) within the north-east of the Nhacutse deposit confirmed the high-grade laboratory THM grades from 2 historic reconnaissance aircore and 1 auger drillholes. The new approximately 1.3km² Cihari Target has therefore been confirmed (refer Figure 9) as a significant VHM target.

The 2 historic aircore drillholes returned >4% THM laboratory results (20CSAC540 @ 4.21% THM over 24.0m from surface and 20CSAC587@ 4.22% THM over 30.0m from surface; refer ASX Announcements 24 November 2020 and 7 January 2021), combined by the new results of 22CCAC790 (4.20 % THM over 36.0m from surface) and 22CCAC794 (4.26 % THM over 36.0m from surface) (refer Table 16) indicates an approximate 1km² area of >4%THM within the Cihari Target (refer Figure 10). Drill spacing in the Cihari target is at <500m inter-hole spacing.

Importantly, mineralogical results from 4 lithologically composited HMC samples from the 5 aircore drillholes (refer Table 17) has confirmed Cihari as an exciting new large target for high value HMC situated in the Red

Sand lithology. With average VHM (Zircon, Rutile, Leucoxene, Altered Ilmenite and Ilmenite) results from the 4 samples at 58.1%, plus 21.6% Titanomagnetite, the valuable product of the HMC at Cihari Target is 79.7%. The VHM is significantly higher than the average of 41% VHM within the Koko Massava MRE area (refer ASX Announcement 16 December 2021) or the average 43% VHM from the Global Nhatuse and Poiombo MRE area (refer ASX Announcement 8 April 2022).

Corridor South (11137 C) Drilling Program and Mineralogy

Ongoing mineralogical studies have identified a very strong lithological boundary in the eastern side of the Corridor licences (yellow line, Figures 9 and 10), with red/red-brown coloured sand to the west of the boundary (Type 1 sand) and white/grey coloured sand to the east of the boundary (Type 2 sand). The mineralogical studies have identified very high VHM sand in the white Type 2 sand east of the boundary, but also found a significant increase in VHM content of the HMC from west to east within the Type 1 red sand, with significantly higher VHM content of the HMC close to the boundary in the red sand (refer ASX Announcements 11 August 2021 and 1 April 2022). The VHM% in the 5 aircore drillholes reported here are situated in the Type 1 red sand, but very close to the lithological boundary (refer Figures 9 and 10). A total of 119 samples (inclusive of QAQC samples) were collected at 1.5m intervals and analyses at Western Geolabs in Perth, Australia (refer Table 16). Aircore drillhole 22CCAC790 returned 4.20% THM over 36.0m; 22CCAC794 returned 4.26% THM over 36.0m, 22CCAC791 returned 3.37% THM over 36.0m, 22CCAC792 returned 3.72% THM over 16.5m and 22CCAC793 returned 3.37% THM over 18.0m, all with mineralisation from surface. Drillholes 22CCAC790, ‘791 and ‘794 were still in >3% THM sand at end of hole.

Mineral Concentrate (HMC) composites, derived from all observed lithologies and from all 5 drillholes drilled, were also sent for mineralogical investigations. Mineralogical investigation and analyses were done by SJMetMin Laboratories, with results as per Table 17.

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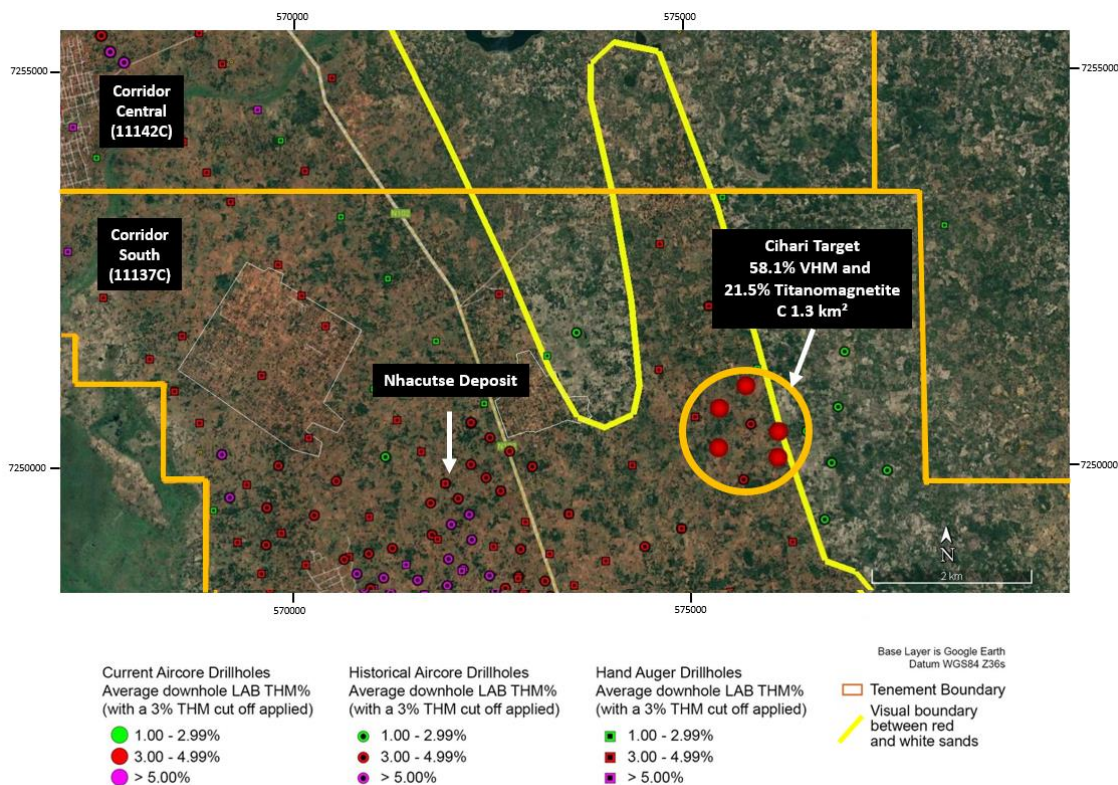


Figure 9: Map showing the location of the 5 new Aircore drillholes, all laboratory obtained aircore and auger THM % drilling grades, the Red/White Sand lithological boundary (yellow line) and the position of the new Cihari Target within the Corridor South (11137 C) licence.

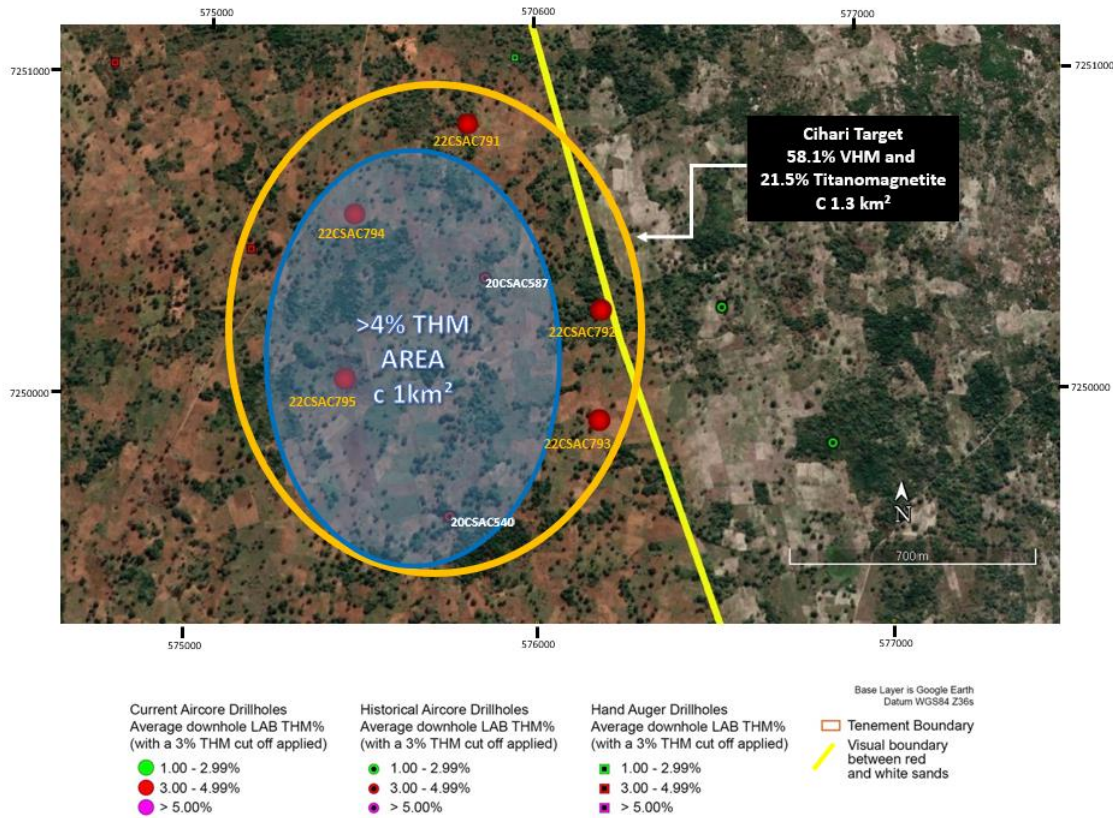


Figure 10: Map showing the location of the 5 new aircore drillholes and historic aircore and auger drillholes within the new Cihari Target within the Corridor South (11137 C) licence, as well as Red/White Sand lithological boundary (yellow line) and the >4% THM area (in blue).

Table 16: Summary collar and Assay THM% results for 3 Reconnaissance aircore drillholes within new Cihari Target within Corridor South (11137C).

DRILLHOLE INFORMATION						MINERALISATION			
						LAB RESULTS			
HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	ELEV'N (M)	EOH (M)	DRILL TYPE	FROM	TO	INTERSECTION (M)	% LAB THM
22CCAC790	7250017	575442	81	36.0	AIRCORE	0.0	36.0	36.0	4.20
22CCAC791	7250802	575795	78	36.0	AIRCORE	0.0	36.0	36.0	3.37
22CCAC792	7250219	576195	79	33.0	AIRCORE	0.0	16.5	16.5	3.72
22CCAC793	7249893	576184	78	30.0	AIRCORE	0.0	18.0	18.0	3.37
22CCAC794	7250517	575457	82	36.0	AIRCORE	0.0	36.0	36.0	4.26

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Table 17: Quantitative QEMSCAN mineralogy results from 5 aircore drillholes within New Cihari Target at Corridor South (11137C).

Sample	CCMIN 26	CCMIN 27	CCMIN 28	CCMIN 29						
BH ID	22CCAC790 & 22CAAC794	22CCAC790 & 22CAAC794	22CCAC791 & 22CAAC792 & 22CSAC793	22CCAC791 & 22CAAC792 & 22CSAC793	Min	Max	Ave	StDev	Average	
Mineral										
Zircon	1.9	1.7	1.6	1.7	1.6	1.9	1.7	0.1	58.1	Total VHM in HMC
Rutile	1.1	1.0	1.1	1.2	1.0	1.2	1.1	0.1		
Alt-Ilmenite II (TiO ₂ 74%)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0		
Alt-Ilmenite I (TiO ₂ 62%)	3.9	3.7	4.1	5.6	3.7	5.6	4.3	0.9		
Ilmenite (TiO ₂ 52%)	52.2	50.8	51.2	49.1	49.1	52.2	50.8	1.3		
Titanomagnetite	22.9	23.5	20.8	19.4	19.4	23.5	21.6	1.9	21.6	Titanomagnetite
Hematite	8.5	9.6	9.0	8.0	8.0	9.6	8.8	0.7	20.2	Total Non-VHM in HMC
Chromite	3.2	3.5	4.0	4.8	3.2	4.8	3.9	0.7		
Magnetic Others	0.8	0.9	1.0	1.6	0.8	1.6	1.1	0.3		
Andalusite	3.4	3.2	4.3	4.9	3.2	4.9	3.9	0.8		
Non-magnetic Others	2.0	2.0	2.7	3.4	2.0	3.4	2.5	0.7		
TOTALS:	100.00	100.00	100.00	100.00						

New VHM Data highlights Malambane Target as a Significant Discovery

MRG announced excellent laboratory and mineralogical results of the Malambane High VHM Target, located within the east of the Poiombo Mineral Resource Estimate (MRE) area of the Company's Corridor South (11137 C) HMS projects (refer ASX Announcement 15 December 2022 and Tables 18 and 19; Figures 11, 12, 13).

Malambane infill aircore drilling was undertaken as part of a drilling program to define the high VHM content of the Heavy Mineral Concentrate (HMC) close to the well-established red sand/white sand lithological boundary (refer ASX Announcements 11 August 2021 and 1 April 2022). The drilling took place in the red sand, close to the lithological boundary (refer Figures 11, 12, 13). Drilling in the Malambane target area previously was very widely spaced (1,000m by 500m), with the drilling of these latest 15 infill aircore holes bringing spacing to approximately 500m by 500m.

Laboratory results from the 15 infill aircore drillhole (22CCAC800 – 22CCAC813 and 22CCAC821) returned excellent results (refer Table 18; Figures 12 and 13), with:

- 3 holes (22CCAC802, 22CCAC804 and 22CCAC821) with >6% THM,
- 2 holes (22CCAC805 and 22CCAC810) with 5-6% THM,
- 4 holes (22CCAC801, 22CCAC806, 22CCAC809 and 22CCAC813) with 4-5% THM, and
- The remaining 6 holes with 3-4% THM, all mineralised from surface (refer Table 18, Figures 11 and 12).

The Silt content for the 15 holes is on average 14.3%.

During the completed Corridor Project Scoping Study (refer ASX Announcement 3 November 2022), 2 high grade pit areas were identified, one west of the town of Poiombo, the other east of Poiombo on the red/white sand boundary. The western pit has a surface area of approximately 0.9km², while the eastern has a surface area of approximately 0.3km². The eastern pit was based on the laboratory results of the historical aircore hole 20CSAC352 (refer Figure 4 and ASX Announcement 25 March 2020), this hole drilled in early 2020 was

twinned during the report period by hole 22CCAC821 (refer Figure 13), with very good correlation in the results thus clearly proving the very high grade in this area.

The >5% THM grades from new aircore holes 22CCAC802, 22CCAC804, 22CCAC805, 22CCAC810 (refer Table 18), as well as the 5.93% THM over 36.0m from surface in the historical aircore drillhole 20CSAC349 (refer ASX Announcement 25 March 2020) shows the large approximately 1.3km² high-grade Malambane Target (refer Figure 13, blue area) situated outside the current Scoping Study pit area in the east of the Poiombo MRE area (refer Figure 13). This target area is larger than the combined area of the 2 current Poiombo pit areas in the Scoping Study, thus clearly showing the potential for additional very high grade sand in the Malambane Target.

Very importantly, the mineralogical results from 14 composite samples of Heavy Mineral Concentrate (HMC) from the aircore holes returned high Valuable Heavy Mineral (VHM) results (refer Table 19 and Figure 13), averaging 61.6% VHM (53.9% Ilmenite, 4.7% Altered Ilmenite, 0.2% Leucoxene, 1.9% Zircon and 1.0 % Rutile) plus 21.0% Titanomagnetite. This clearly confirmed Malambane as not just a very high grade target, but also as a high value HMC Target. The VHM is significantly higher than the average of 41% VHM found within the Koko Massava MRE area (refer ASX Announcement 16 December 2021) or the average 43% VHM from the Global Nhacutse and Poiombo MRE area (refer ASX Announcement 8 April 2022).

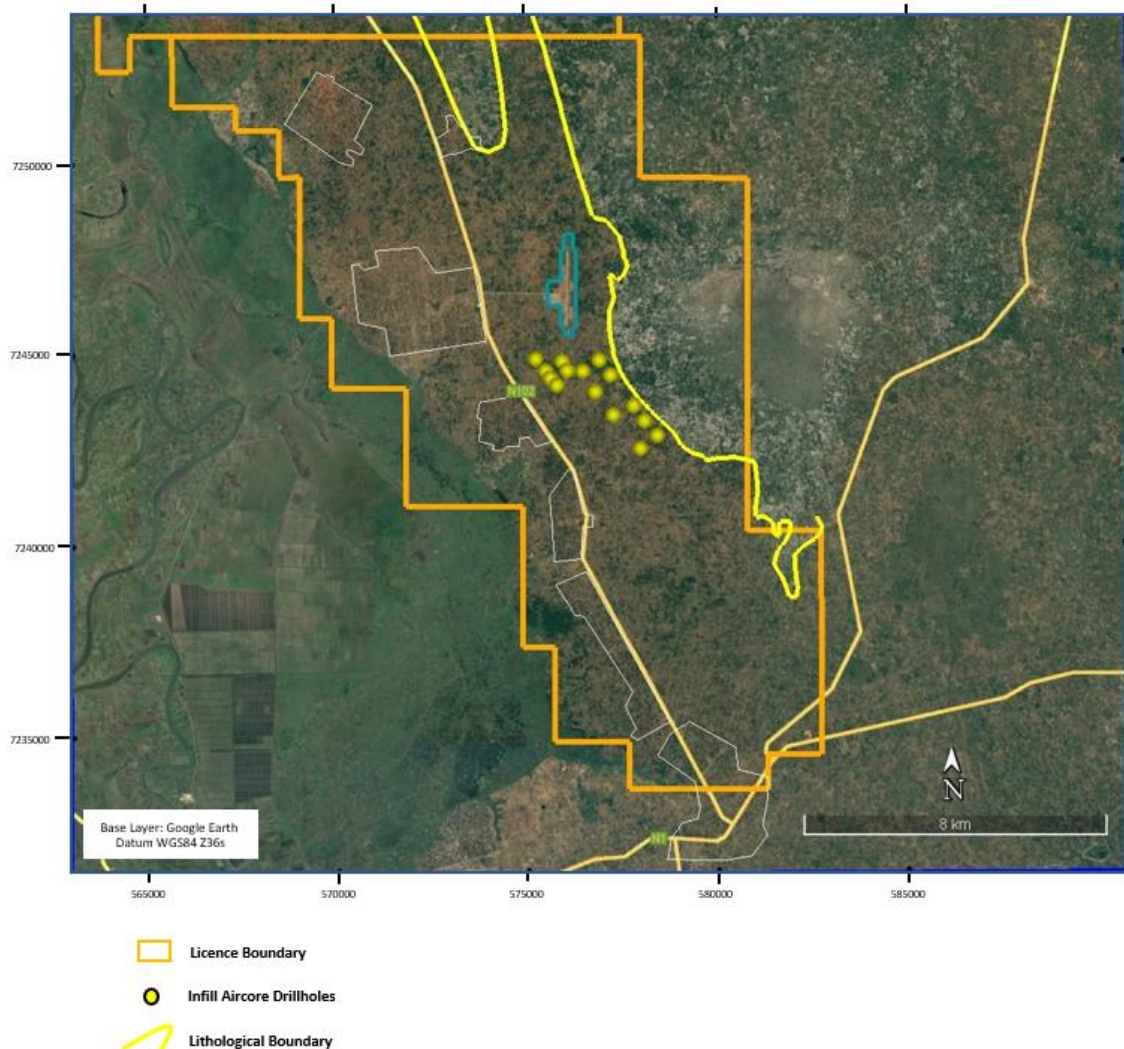


Figure 11: Map showing the locality of the 15 infill aircore drillholes in yellow within Corridor South (11137 C) licence.

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Corridor South (11137 C) Drilling Program and Mineralogy

The laboratory THM% and mineralogy results in the 15 aircore drillholes reported here are situated in the Type 1 red sand (refer ASX Announcements 11 August 2021 and 1 April 2022), but close to the lithological boundary (refer Figures 11, 12, 13). A total of 366 samples (inclusive of QAQC samples) were collected at 1.5m intervals and analyses at Western Geolabs in Perth, Australia (refer Table 18). Several of the aircore holes were still in high THM% grade at the end of drilling, with 22CSAC801 at 5.55% THM and 22CSAC809 at 6.88% THM in the final 1.5m intervals; while holes 22CSAC804 and 22CSAC805 were in >4% THM in the final drilling intersection.

The eastern high-grade pit in the recently completed Corridor Project Scoping Study (refer ASX Announcement 2 November 2021) was based on the laboratory results of the historical aircore hole 20CSAC352 (refer Figure 4 and ASX Announcement 25 March 2020). This hole was twinned during the drilling program reported here by hole 22CCAC821 (refer Table 18 and Figure 13). Aircore hole 20CSAC352 was sampled at 3m intervals and had an end of hole depth of 36m, still in 5.02% THM grade; while 22CCAC821 was sampled at 1.5m intervals and had an end of hole depth of 39m. The two holes have the following laboratory THM results:

- 20CSAC352
 - 36.0m 36.0m @ 5.12 % THM, including
 - 21.0m 21.0m @ 6.06 % THM.
- 22CCAC804
 - 37.5m 37.5m @ 5.43 % THM, including
 - 21.0m 21.0m @ 6.41 % THM.

The results from the twin hole 22CCAC821 clearly confirms the presence of the very high THM grade sand in the Malambane Target.

14 Mineral Concentrate (HMC) composites, derived from all observed lithologies within the drillholes, were also sent for mineralogical investigations. Mineralogical investigation and analyses were done by SJMetMin Laboratories (refer Table 18) via XRF, XRD and QEMSCAN analyses.

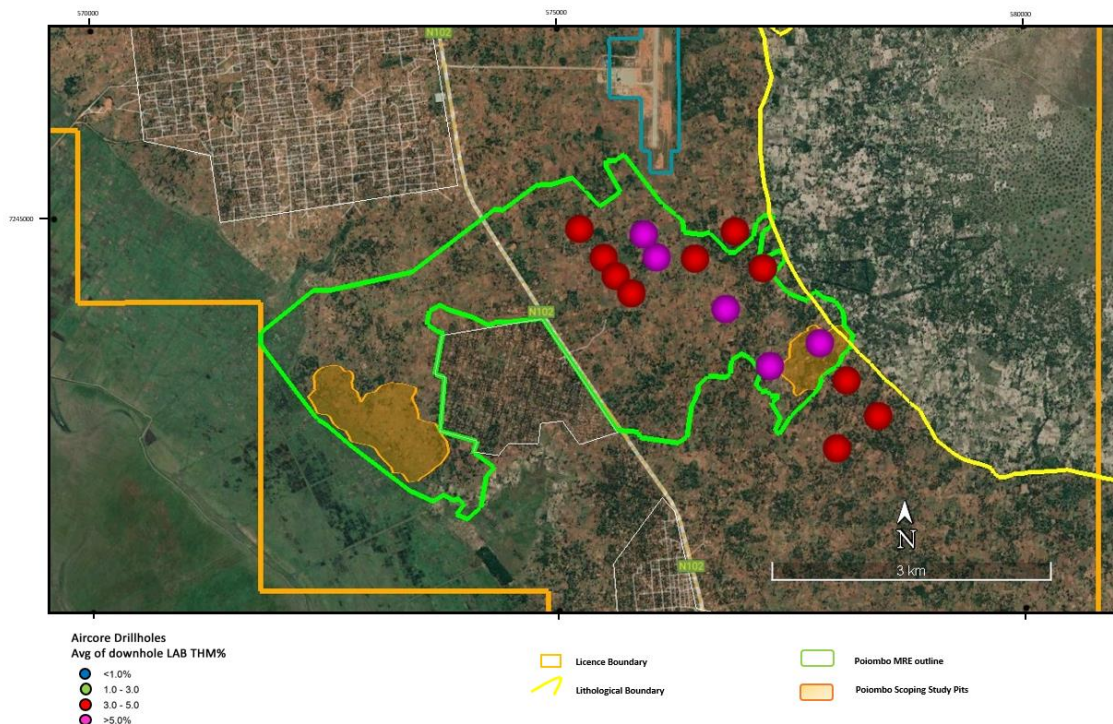


Figure 12: Map showing 15 new Aircore drillholes only with laboratory obtained Total Heavy Mineral (THM) % grades. Aircore holes are close to the Red/White Sand lithological boundary (yellow line), with position of the Poiombo MRE Area outlined in green, the Scoping Study 2 pit areas are shown in orange.

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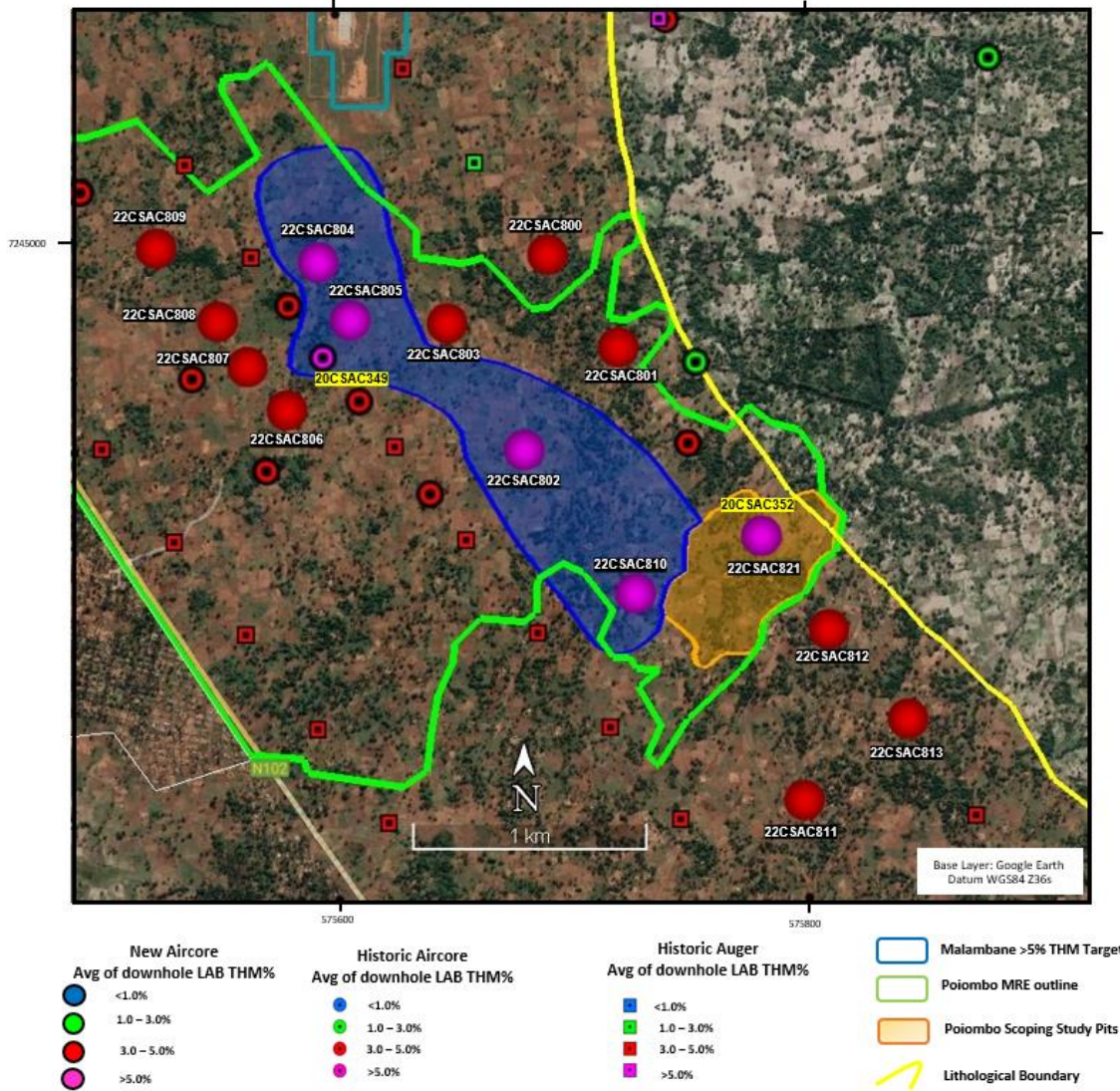


Figure 13: Map showing 15 new Aircore drillholes, as well as historic MRG aircore and hand auger holes with laboratory obtained Total Heavy Mineral (THM) % grades, the Red/White Sand lithological boundary (yellow line), the Poiombo MRE outline (green), 2 pit optimisation areas (orange) as well as the new >5% THM Malambane target area (in blue).

Table 18: Summary collar and Assay THM% results for 15 Infill aircore drillholes within Malambane Target within Corridor South (11137C).

DRILLHOLE INFORMATION						MINERALISATION			
						LAB RESULTS			
HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	ELEV'N (M)	EOH (M)	DRILL TYPE	FROM	TO	INTERSECTION (M)	% LAB THM
22CSAC800	7244833	576902	81	33.0	AIRCORE	0.0	31.5	31.5	3.67
22CSAC801	7244438	577201	84	36.0	AIRCORE	0.0	36.0	36.0	4.57
22CSAC802	7244004	576798	79	34.5	AIRCORE	0.0	33.0	33.0	5.72
						0.0	21.0	21.0	6.03
22CSAC803	7244561	576478	75	34.5	AIRCORE	0.0	30.0	30.0	3.83
22CSAC804	7244805	575925	87	36.0	AIRCORE	0.0	22.5	22.5	5.54
						0.0	16.5	16.5	6.09
22CSAC805	7244559	576061	88	34.5	AIRCORE	0.0	19.5	19.5	5.05
22CSAC806	7244178	575789	76	34.5	AIRCORE	0.0	33.0	33.0	4.47
22CSAC807	7244363	575621	79	34.5	AIRCORE	0.0	30.0	30.0	3.66
22CSAC808	7244556	575495	78	34.5	AIRCORE	0.0	34.5	34.5	3.95
22CSAC809	7244867	575235	85	37.5	AIRCORE	0.0	37.5	37.5	4.91
						30.0	37.5	7.5	7.42
22CSAC810	7243394	577269	86	34.5	AIRCORE	0.0	27.0	27.0	5.23
22CSAC811	7242513	577984	116	34.5	AIRCORE	0.0	21.0	21.0	3.01
22CSAC812	7243237	578091	75	34.5	AIRCORE	0.0	31.5	31.5	3.22
22CSAC813	7242856	578427	76	34.5	AIRCORE	0.0	21.0	21.0	4.67
22CSAC821	7243635	577806	72	39.0	AIRCORE	0.0	19.5	19.5	6.41

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Table 19: Quantitative QEMSCAN mineralogy results from aircore drillholes within Malambane Target at Corridor South (11137C).

Sample	CCMIN 35	CCMIN 36	CCMIN 37	CCMIN 38	CCMIN 39	CCMIN 40	CCMIN 41	CCMIN 42	CCMIN 43	CCMIN 44
BH ID	22CSAC800, 22CSAC801	22CSAC800, 22CSAC801	22CSAC802, 22CSAC803	22CSAC802, 22CSAC803	22CSAC804, 22CSAC805	22CSAC804, 22CSAC805	22CSAC806, 22CSAC807, 22CSAC808, 22CSAC809	22CSAC806, 22CSAC807, 22CSAC808, 22CSAC809	22CSAC810	22CSAC810
Mineral										
Zircon	2.1	1.5	1.9	1.8	1.7	1.8	1.8	1.6	2.1	1.7
Rutile	1.3	1.0	0.9	1.0	1.1	1.1	0.8	0.9	1.0	1.0
Alt-Ilmenite II (TiO ₂ 74%)	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.2
Alt-Ilmenite I (TiO ₂ 62%)	5.5	4.7	3.8	4.0	5.0	4.6	4.6	4.9	5.7	4.4
Ilmenite (TiO ₂ 52%)	54.5	53.2	57.0	52.8	56.5	53.0	55.6	53.8	55.8	49.8
Titanomagnetite	20.2	22.5	20.0	23.0	19.1	21.7	21.1	22.2	18.3	23.9
Hematite	7.8	8.7	7.9	8.2	7.5	7.9	8.6	9.2	7.0	8.2
Chromite	3.7	4.3	4.4	4.0	3.9	3.1	3.6	3.3	4.2	2.7
Magnetic Others	0.7	0.8	0.7	0.8	0.7	0.8	0.7	0.7	1.1	1.0
Andalusite	2.2	1.4	1.8	2.1	2.5	3.4	1.1	1.5	2.4	4.3
Non-magnetic Others	1.8	1.5	1.5	2.2	1.7	2.4	1.9	1.8	2.1	2.8
VHM in HMC	63.6	60.7	63.8	59.7	64.5	60.7	63.0	61.3	64.8	57.1
Titanomagnetite in HMC	20.2	22.5	20.0	23.0	19.1	21.7	21.1	22.2	18.3	23.9
Non-VHM in HMC	16.2	16.7	16.2	17.3	16.4	17.6	15.9	16.4	16.9	19.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Sample	CCMIN 45	CCMIN 46	CCMIN 47	CCMIN 48						
BH ID	22CSAC811	22CSAC811	22CSAC812, 22CSAC813	22CSAC812, 22CSAC813						
Mineral					Min	Max	Ave	StDev	Average	
Zircon	2.2	1.5	2.1	2.0	1.5	2.2	1.9	0.2	61.6 Total VHM in HMC	
Rutile	1.3	1.0	1.1	0.9	0.8	1.3	1.0	0.1		
Alt-Ilmenite II (TiO ₂ 74%)	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.0		
Alt-Ilmenite I (TiO ₂ 62%)	4.7	4.2	5.8	4.3	3.8	5.8	4.7	0.6		
Ilmenite (TiO ₂ 52%)	53.7	50.4	55.8	52.0	49.8	57.0	53.9	2.2		
Titanomagnetite	19.5	21.9	18.6	21.7	18.3	23.9	21.0	1.7	21.0	Total Titanomagnetite in HMC
Hematite	8.0	7.4	7.1	8.5	7.0	9.2	8.0	0.6	38.4 Total Non-VHM in HMC	
Chromite	3.7	3.4	3.6	3.6	2.7	4.4	3.7	0.5		
Magnetic Others	0.8	1.3	0.8	1.1	0.7	1.3	0.9	0.2		
Andalusite	3.7	4.5	2.5	3.3	1.1	4.5	2.6	1.1		
Non-magnetic Others	2.2	4.2	2.3	2.5	1.5	4.2	2.2	0.7		
VHM in HMC	62.1	57.3	65.0	59.3						
Titanomagnetite in HMC	19.5	21.9	18.6	21.7						
Non-VHM in HMC	18.4	20.8	16.4	19.0						
Total	100.0	100.0	100.0	100.0						

Very High Mineral Assemblage Intersected in Aircore Drilling at Viaria and Zulene Targets

MRG announced the laboratory Total Heavy Mineral (THM) and mineralogical results of infill aircore drilling within the Viaria and Zulene Targets, located within the south of the Company's Corridor South (11137 C) HMS Project (refer ASX Announcement 19 December 2022; Tables 20 and 21; Figures 1, 14 and 15).

Laboratory results from 7 infill aircore holes (comprising 4 holes at Zulene Target and 3 holes at Viaria Target) within Mining Licence Application (MLA) Corridor South (11137 C) have delivered some high THM results (refer Table 20, Figure 15). The results from hole 22CCAC815 in Viaria in particular is very encouraging. To

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date the Viaria target only had 1 aircore drilled. Even with the inclusion of these latest 3 holes, the area still remains totally under-drilled, however it now contains a significant >4% THM target of approximately 1.4 km² (refer Figure 15).

Importantly, mineralogical results from 6 composite HMC samples for Viaria and 5 composite HMC samples Zulene have confirmed the high VHM content of the HMC (refer Tables 21 and 22) in the south and close to the red sand/white sand lithological boundary. The high VHM content of the HMC for Viaria and the large >4% THM target area has confirmed Viaria as an exciting large target for high value HMC situated in the Red Sand lithology (refer Figure 15). The Viaria Target is also >1.5km from any town. With average VHM (Zircon, Rutile, Leucoxene, Altered Ilmenite and Ilmenite) results at Viaria at 63.5%, plus 19.1% Titanomagnetite, the valuable product of the HMC at Viaria Target is 82.6%. The VHM is significantly higher than the average of 41% VHM found within the Koko Massava MRE area (refer ASX Announcement 16 December 2021) or the average 43% VHM from the Global Nhacutse and Poiombo MRE area (refer ASX Announcement 8 April 2022).

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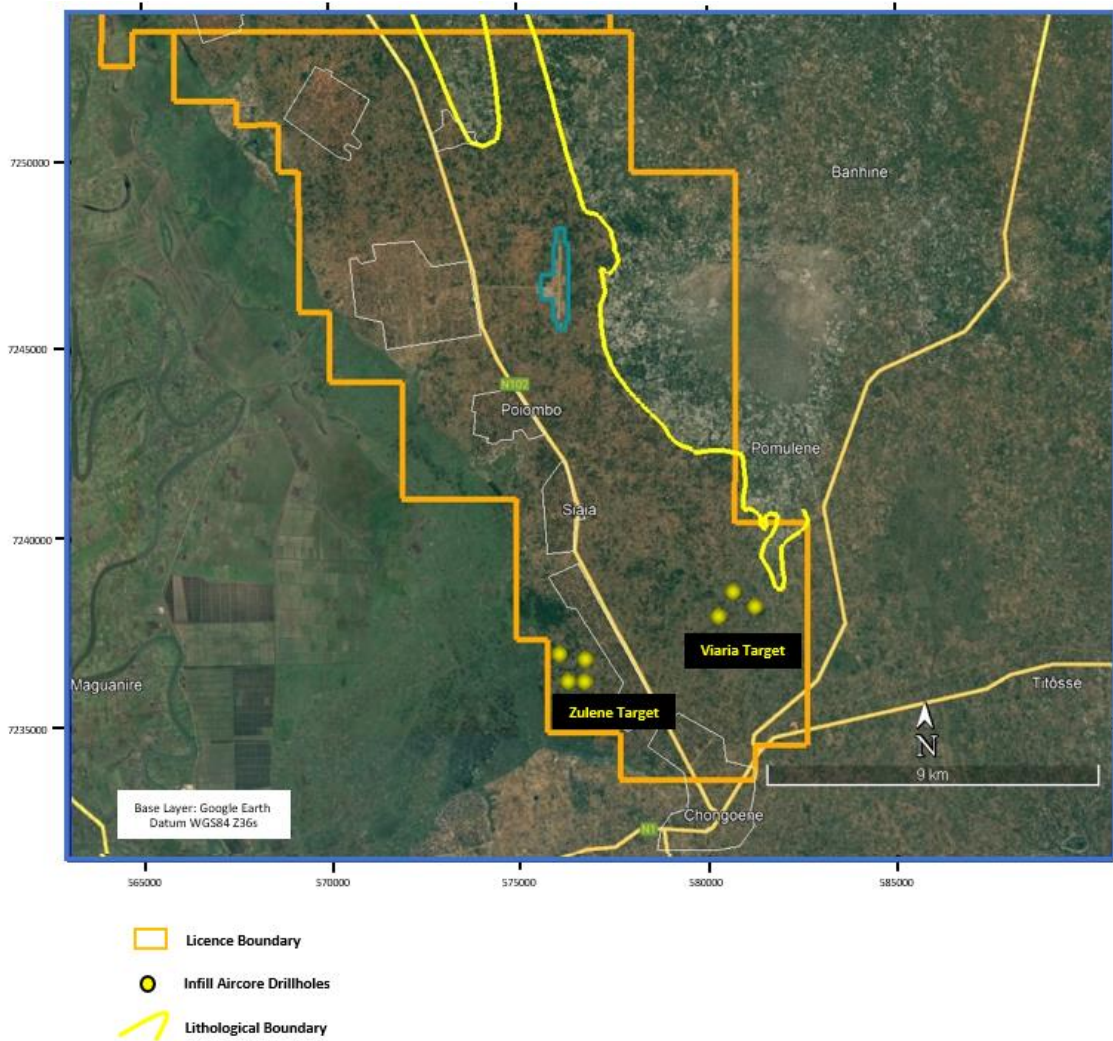


Figure 14: Map showing the locality of the 3 Viaria and 4 Zulene infill aircore drillholes in yellow within Corridor South (11137 C) licence.

Viaria and Zulene Infill Aircore Drilling Program and Mineralogy

The Viaria and Zulene infill aircore drilling followed on from other targets generated – Azaria and Chihari - and excellent results from the Malambane Target from ongoing aircore drilling and mineralogical studies in and around the very strong lithological boundary in the eastern side of the Corridor licences (yellow line, Figures 14 and 15), as well in the south of within Corridor South (11137 C) where the Viaria and Zulene targets are situated.

Viaria is close to the red sand/white sand boundary, while Zulene Target is in the southwestern corner of the licence (refer Figure 14). The laboratory THM% and mineralogy results in the 7 aircore drillholes (total 240.0m drilled), 3 in Viaria and 4 in Zulene, reported here are situated in the Type 1 red sand (refer ASX Announcements 11 August 2021 and 1 April 2022), but close to the lithological boundary (refer Figures 14 and 15). A total of 167 samples (inclusive of QAQC samples) were collected at 1.5m intervals and analyses at Western Geolabs in Perth, Australia (refer Table 20).

6 Heavy Mineral Concentrate (HMC) composites samples from Viaria (refer Table 21) and 5 HMC composites samples from Zulene (refer Table 22), derived from all observed lithologies within the drillholes, were sent for mineralogical investigations. Mineralogical investigation and analyses were done by SJMetMin Laboratories via XRF, XRD and QEMSCAN analyses.

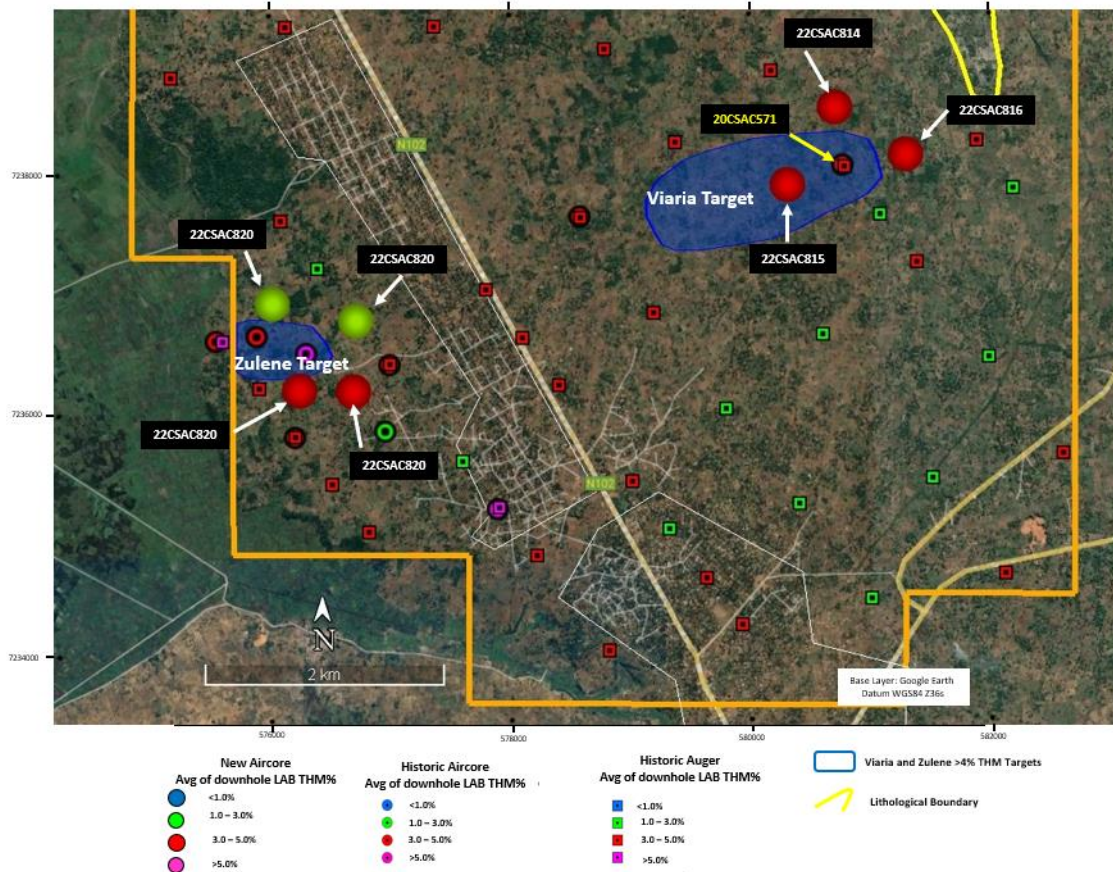


Figure 15: Map showing the location and lab obtained grades of the 7 new Aircore drillholes, all laboratory obtained aircore and auger THM % drilling grades, the Red/White Sand lithological boundary (yellow line) and the position of the Viaria and Zulene >4% THM Targets within the Corridor South (11137 C) licence.

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Table 20: Summary collar and Assay THM% results for 7 Infill aircore drillholes within the Viaria and Zulene Targets within Corridor South (11137C).

DRILLHOLE INFORMATION						MINERALISATION			
						LAB RESULTS			
HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	ELEV'N (M)	EOH (M)	DRILL TYPE	FROM	TO	INTERSECTION (M)	% LAB THM
22CSAC814	7238544	580718	83	36.0	AIRCORE	0.0	34.5	34.5	3.15
22CSAC815	7237901	580323	89	33.0	AIRCORE	0.0	19.5	19.5	3.96
						0.0	15.0	15.0	4.05
22CSAC816	7238151	581308	97	33.0	AIRCORE	0.0	22.5	22.5	3.54
22CSAC817	7236791	576708	62	34.5	AIRCORE	0.0	34.5	34.5	2.38
22CSAC818	7236929	576024	51	34.5	AIRCORE	0.0	34.5	34.5	2.46
22CSAC819	7236204	576704	66	34.5	AIRCORE	0.0	28.5	28.5	3.15
22CSAC820	7236208	576248	73	34.5	AIRCORE	0.0	24.0	24.0	3.82

Table 21: Quantitative QEMSCAN mineralogy results from 3 aircore drillholes within the Viaria Target.

Sample	CCMIN 49	CCMIN 50	CCMIN 51	CCMIN 52	CCMIN 53	CCMIN 54							
	Viaria		Viaria		Viaria		Min	Max	Ave	StDev	Average		
Target BH ID	AC814	AC814	AC815	AC815	AC816	AC816							
Mineral													
Zircon	2.1	2.2	2.0	2.1	1.7	2.4	1.7	2.4	2.1	0.3	63.5	Total VHM in HMC	
Rutile	1.2	1.2	1.3	1.4	1.3	1.4	1.2	1.4	1.3	0.1			
Alt-ilmenite II (TiO ₂ 74%)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0			
Alt-ilmenite I (TiO ₂ 62%)	5.2	5.4	5.6	5.2	4.7	4.7	4.7	5.6	5.1	0.4			
Ilmenite (TiO ₂ 52%)	55.3	55.5	55.0	54.3	56.1	52.6	52.6	56.1	54.8	1.2			
Titanomagnetite	18.9	19.1	18.4	19.6	18.9	19.8	18.4	19.8	19.1	0.5	19.1	Total Titanomagnetite in HMC	
Hematite	7.1	6.7	7.4	7.5	7.4	7.5	6.7	7.5	7.3	0.3	36.5	Total Non-VHM in HMC	
Chromite	3.3	3.5	3.9	3.5	3.4	4.0	3.3	4.0	3.6	0.3			
Magnetic Others	0.9	1.1	0.9	0.8	0.9	1.0	0.8	1.1	0.9	0.1			
Andalusite	3.9	3.2	3.6	3.4	3.3	3.9	3.2	3.9	3.6	0.3			
Non-magnetic Others	1.9	2.0	1.8	1.9	2.0	2.4	1.8	2.4	2.0	0.2			
VHM in HMC	64.1	64.5	64.0	63.2	64.0	61.3							
Titanomagnetite in HMC	18.9	19.1	18.4	19.6	18.9	19.8							
Non-VHM in HMC	17.1	16.5	17.6	17.2	17.1	18.9							
Total	100.0	100.0	100.0	100.0	100.0	100.0							

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Table 22: Quantitative QEMSCAN mineralogy results from 3 aircore drillholes within the Zulene Target at Corridor South (11137C).

Sample	CCMIN 55	CCMIN 56	CCMIN 57	CCMIN 58						
Target	Zulene		Zulene							
BH ID	AC817, AC819	AC817, AC819	AC818, AC820	AC818, AC820	Min	Max	Ave	StDev	Average	
Mineral										
Zircon	1.8	2.2	2.2	1.9	1.8	2.2	2.0	0.2	62.6 Total VHM in HMC	
Rutile	1.3	1.3	1.2	1.2	1.2	1.3	1.2	0.1		
Alt-Ilmenite II (TiO ₂ 74%)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0		
Alt-Ilmenite I (TiO ₂ 62%)	5.2	5.4	5.4	5.3	5.2	5.4	5.3	0.1		
Ilmenite (TiO ₂ 52%)	53.9	55.4	55.5	50.6	50.6	55.5	53.8	2.3	19.6 Total Titanomagnetite in HMC	
Titanomagnetite	19.5	19.4	19.0	20.3	19.0	20.3	19.6	0.5		
Hematite	7.4	7.2	8.1	6.9	6.9	8.1	7.4	0.5	37.4 Total Non-VHM in HMC	
Chromite	3.6	3.5	3.7	4.3	3.5	4.3	3.8	0.4		
Magnetic Others	1.0	1.1	0.9	1.7	0.9	1.7	1.1	0.4		
Andalusite	3.9	2.6	2.2	4.5	2.2	4.5	3.3	1.1		
Non-magnetic Others	2.3	1.8	1.7	3.2	1.7	3.2	2.2	0.7		
VHM in HMC	62.3	64.5	64.4	59.1						
Titanomagnetite in HMC	19.5	19.4	19.0	20.3						
Non-VHM in HMC	18.2	16.0	16.6	20.6						
Total	100.0	100.0	100.0	100.0						

Marao Aircore Drilling

Excellent analytical results were reported from a reconnaissance aircore hole drilling program at three targets previously defined by MRG at its Marao (6842L) Heavy Mineral Sands licence, particularly at Mogonde Target (refer ASX Announcement 12 December 2022).

Three targets, Magonde, Maduacua and Mandende (refer ASX Announcements 18 March 2021, 8 July 2021 and 18 June 2021) were generated via reconnaissance hand auger grid drilling, and the aircore drilling took place at 1km inter-drill line and 500m inter borehole spacing. The very widely spaced reconnaissance aircore drillholes were drilled in all 3 targets (Figures 16 and 17).

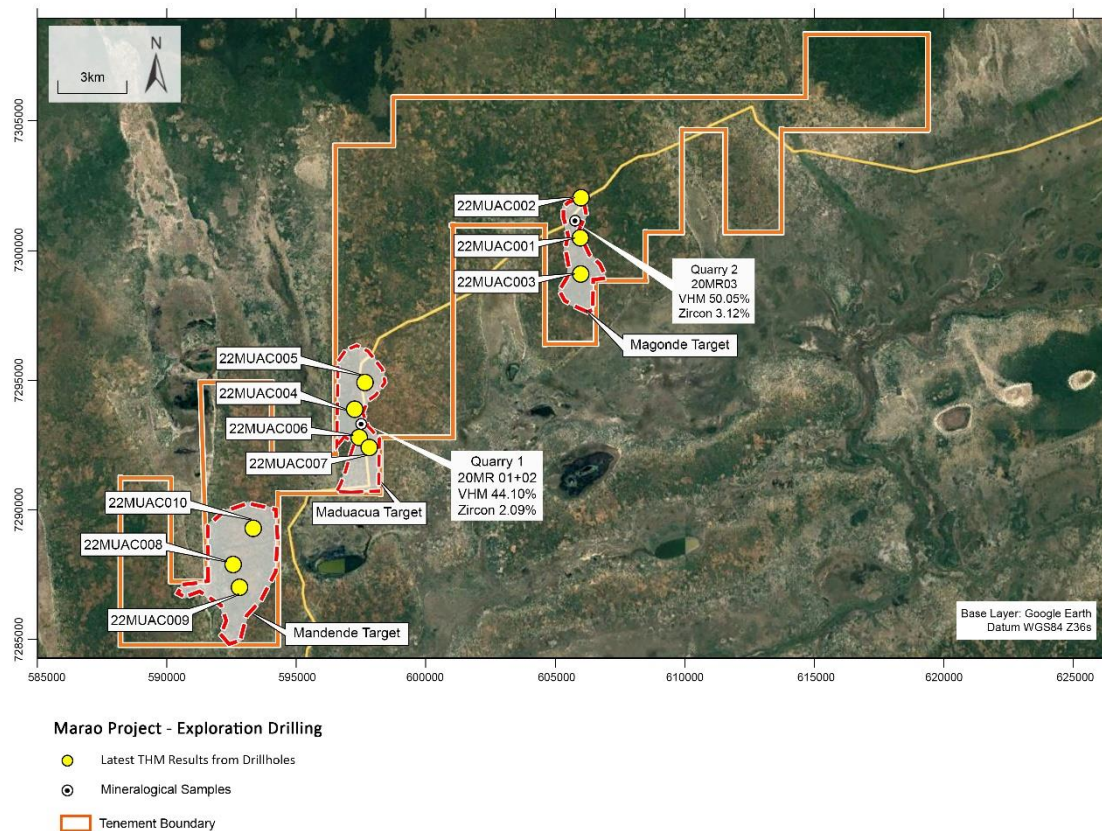


Figure 16: Reconnaissance aircore drillholes at Marao (6842L), position of the Magonde, Mandende and Maduacua Targets as well as 2 mineralogy data points.

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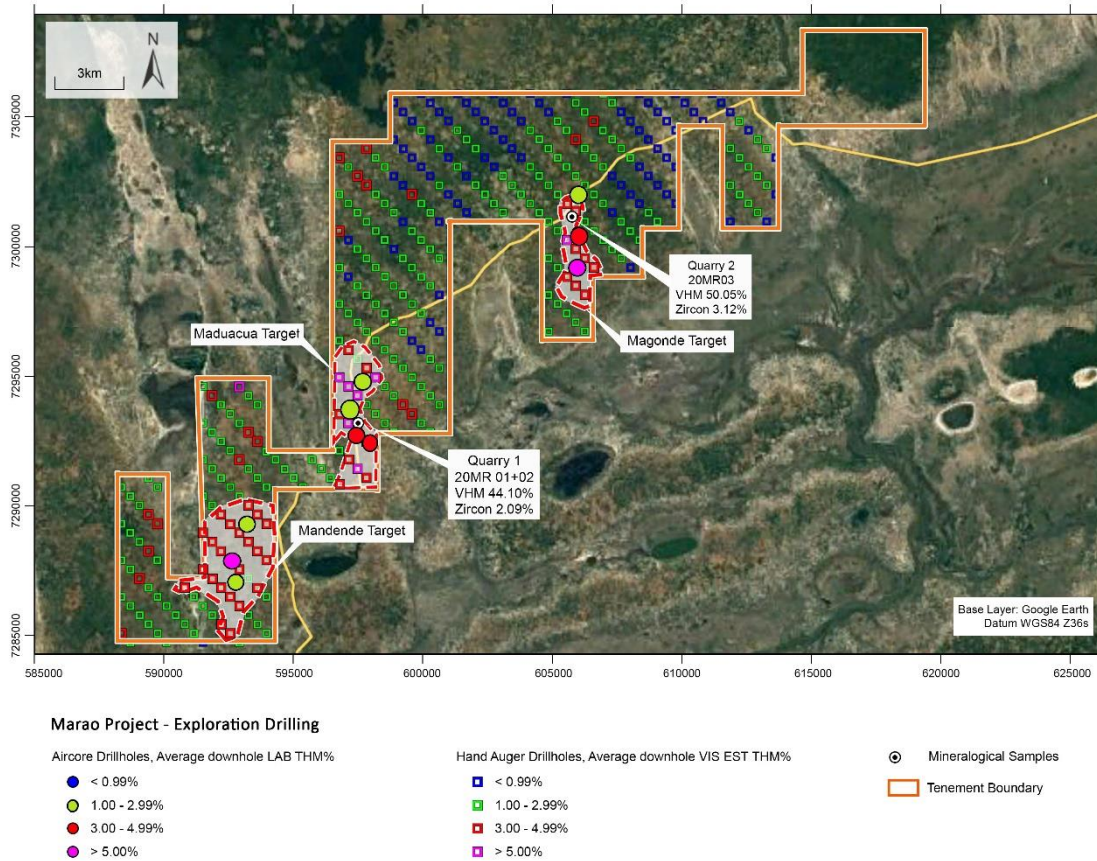


Figure 17: Aircore holes and auger holes drilled at Marao (6842L).

Given multiple aircore holes returned >3%THM grades within the holes, the three targets were proven as prospective, with the prospectivity of Marao further supported given the mineralogy is better than that reported at Koko Massava, Nhacutse and Poiombo. Magonde in particular was established as a very high grade target.

Magonde Aircore Drilling Delivers Very High VHM Mineralogy Results

MRG announced excellent mineralogy results from heavy mineral concentrate (HMC) samples sourced from three target testing aircore drillholes within MRG’s Magonde Target in the Marao (6842L) Heavy Mineral Sands licence (Figures 1, 18 and 19; refer ASX Announcements 16 March 2022 and 21 July 2022). MRG also announced the laboratory results for hand auger drillholes in the Magonde Target area.

The Magonde Target was generated via visual estimated THM grade of reconnaissance hand auger grid drilling (Figure 19, refer ASX Announcement 18 March 2021). Three very widely spaced target testing aircore drillholes were then drilled during March 2022 within the Magonde Target (Figures 18 and 19; refer ASX Announcement 16 March 2022), with the highest laboratory derived grade of 6.04% THM over 27.0m from surface returned from 22MUAC003 within the Target (Figures 18 and 19; refer ASX Announcement 21 July 2022).

Laboratory grade from selected hand auger drillholes delivered five drillholes with >3% THM, which very clearly defines the Magonde Target as a >3% THM Target, with the target area 2.6 km² (refer Figure 19, red area). With two of the auger drillholes returning >4% THM results from surface (21MUHA014 and 21MUHA015), a higher >4% THM grade target including the very high grade aircore drillhole 22MUAC003 has an area of 1.1km² (refer Figure 19, yellow area).

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Five Composite samples were generated from HMC of all three aircore drillholes, covering all interpreted lithologies (red sand at surface, grey sand at depth, refer Table 23). The mineralogical results follow the very encouraging results from initial grab sample from within the Magonde target (sample 20MR03; refer Figure 19 and ASX Announcement 27 April 2021) that showed 50.05% VHM content results (Ilmenite, Altered Ilmenite, Rutile and Zircon) from Scanning Electron Microscopy (SEM).

The mineralogical results from the aircore HMC composites show even higher VHM results from the red sand lithology than the grab samples, with between 58.2% and 61.8% VHM in the Magonde Target. Additionally, Titanomagnetite content of the HMC in these samples are between 14.2% and 15.1%. The VHM + Titanomagnetite product is therefore in the 73.4% to 76.5% of the HMC range. The red sand portion of 22MUAC003 with the very high VHM has 5.25% THM from surface to 19.5m. This clearly shows the potential for high grade and high value HMC within the Magonde Target in Marao, with follow-up closer spaced aircore drilling and additional mineralogical work to follow in 2023.

The VHM % for the Magonde red sand lithology is significantly higher than results reported in MRG's updated Koko Massava JORC Mineral Resource estimate of average 41% VHM of the HMC for the high-grade area (refer ASX Announcement 16 December 2021) and from the updated Nhacutse and Poiombo JORC Mineral Resource Estimate at average 45% and 46 % VHM respectively of the HMC within the >4% THM areas (refer ASX Announcement 8 April 2022).

The low VHM grey sand lithology intersected at depth in Magonde (samples Mumin 02 and Mumin 05; Table 231) has not been seen in any other MRG Project to date. This low VHM lithology, that still has high VHM grade, will be studied further during infill aircore drilling.

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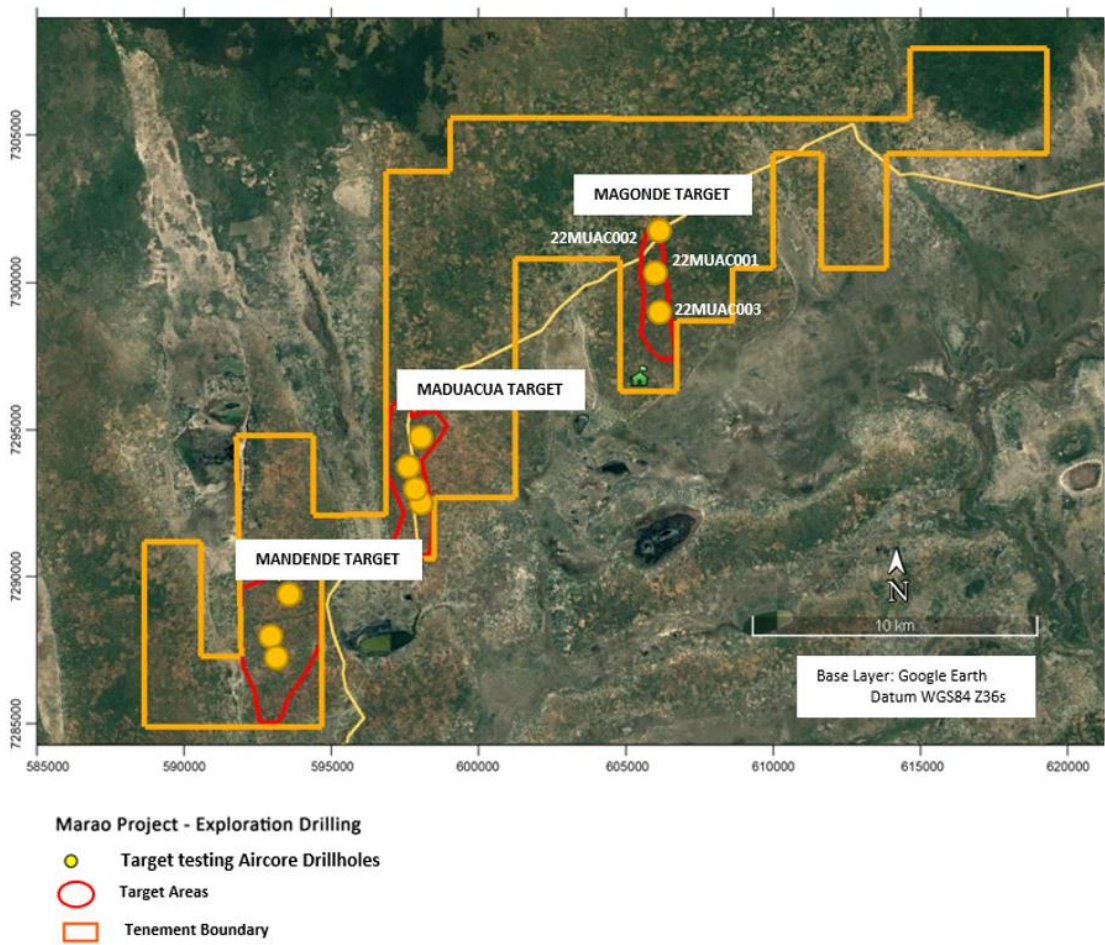


Figure 18: Target testing aircore drillholes at Marao 6842L, with the 3 holes within Magonde Target clearly shown (22MUAC001 to 22MUAC003).

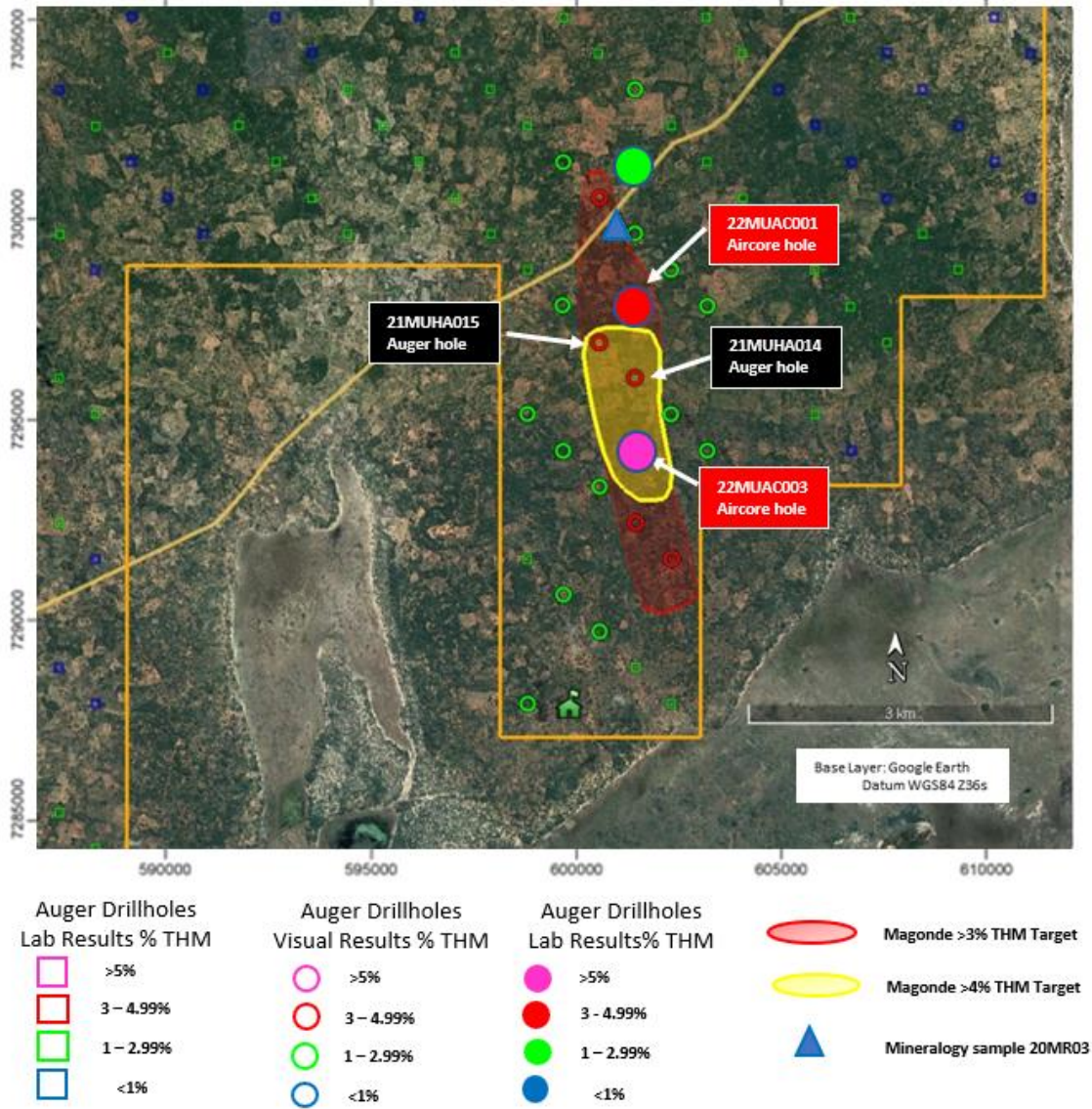


Figure 19: Laboratory results for aircore holes and Visually Estimated (VIS EST) results for auger holes drilled at Marao (6842L) (refer ASX Announcement 21 July 2022).

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Table 23: Summary mineralogy data of 5 composite samples derived from QEMSCAN, XRF and XRD analyses for 3 target testing aircore drillholes at Magonde Target, Marao (6842L).

Sample	Mumin 01	Mumin 02	Mumin 03	Mumin 04	Mumin 05						
Locality	Marao		Marao	Marao							
Target	Magonde		Magonde	Magonde							
BH ID	22MUAC001		22MUAC002	22MUAC003							
Interval (m)	0.0 - 27.0	27.0 - 34.5	0.0 - 12.0	0.0 - 19.5	19.5 - 25.5						
Lithology	Red Sand	Gray Sand	Red Sand	Red Sand	Gray Sand						
Mineral						Min	Max	Ave	StDev	Average	
Zircon	2.6	1.2	2.8	2.5	1.4	1.2	2.8	2.1	0.7	48.16 Total VHM in HMC	
Rutile	2.0	1.2	2.4	2.0	1.2	1.2	2.4	1.8	0.5		
Leucosene	0.3	0.1	0.4	0.2	0.2	0.1	0.4	0.3	0.1		
Altered Ilmenite	6.9	2.8	7.4	6.0	4.7	2.8	7.4	5.5	1.8		
Ilmenite	50.0	22.0	48.9	47.6	24.2	22.0	50.0	38.5	14.1		
Titanomagnetite	14.6	9.2	14.2	15.1	8.6	8.6	15.1	12.4	3.2	12.35	Total Titanomagnetite in HMC
Hematite	4.2	2.1	4.7	3.4	1.7	1.7	4.7	3.2	1.3	39.49 Total Non-VHM in HMC	
Chromite	3.4	2.5	3.2	3.6	2.5	2.5	3.6	3.0	0.5		
Magnetic Others	2.1	27.1	1.6	5.7	30.1	1.6	30.1	13.3	14.1		
Andalusite	9.1	9.4	10.4	6.4	4.5	4.5	10.4	8.0	2.4		
Non-magnetic Others	4.8	22.6	4.1	7.5	20.9	4.1	22.6	12.0	9.0		
VHM in HMC	61.8	27.2	61.8	58.2	31.7						
Titanomagnetite in HMC	14.6	9.2	14.2	15.1	8.6						
Non-VHM in HMC	23.5	63.6	24.0	26.6	59.7						
Total	100.0	100.0	100.0	100.0	100.0						

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Metallurgical Testwork

During the June quarter, MRG completed highly successful metallurgical testwork on non-magnetic (nonmag) concentrate that had been assigned a low value in the existing PEA. These metallurgy results are expected to significantly and positively impact the economic model to be associated with an updated PEA.

Previous Scoping and PEA testwork conducted at IHC Mining on a bulk sample generated from the Koko Massava deposit produced a non-magnetic concentrate as a potential product stream. The valuable mineral in the concentrate was predominantly zircon, with rutile as a secondary product. The concentrate was degraded by high grades of U and Th associated with monazite and with aluminosilicates.

The objective of the sighter testwork was to investigate potential product grades in the concentrate and to identify potential issues that would impact the grade and recoveries of those products. The sample used for the sighter testwork (Figure 20) was a composite of processing streams reconstituted to a non-magnetic concentrate by IHC Mining (Table 24).

The sighter metallurgical testing involved single stage RER magnetic separation on the non-magnetic concentrate, followed by primary stage of electrostatic separation on the nonmag stream to further isolate potential zircon and rutile products by to separate the TiO₂ bearing minerals from the zircon. The two streams were then processed through stages of gravity, electrostatic and magnetic separation to isolate potential zircon and rutile products.

The RER magnetic separation work resulted in upgrading the nonmag by a significant reduction in mass of the nonmag concentrate by removing deleterious minerals such as aluminosilicates and Monazite, as well as significant reductions in Fe₂O₃ and Cr₂O₃. The electrostatic separation, followed by gravity, electrostatic and magnetic separation, resulted in a number of near Zircon and Rutile product streams. Further optimised testing will result in upgrading the Zircon and Rutile streams further. Testwork to optimise a Monazite product from the reject magnetic stream needs to still take place.

TZMI calculated value for combined Zircon and Rutile non-magnetic products are now more than USD\$900 per ton, up from approximately USD\$350 per ton used in the PEA, with additional work to be done, including on the Monazite in the magnetic rejects, to determine value.

TZMI estimated the unit prices of ZrO₂ and TiO₂ at US\$15.95 per % and US\$8.12 per % respectively, multiply the values against the ZrO₂ (47.9%) and TiO₂ (15.4%) content of the non-magnetic concentrate, to a total value of more than USD1,000 per ton.

Further metallurgy results are expected shortly from sighter testwork at newly discovered Azaria and Malambane deposits, where substantially higher VHM mineralogy has been discovered and is being progressed in anticipation of providing further upside into an updated PEA.

Summary of testwork and results

The following comments are made based on the results of the initial sighter testwork on the non-magnetic concentrate:

- The grade of the reconstituted non-magnetic sample closely matched the results from IHC Mining for the same sample (Table 24). The exception to this is the CaO grade of 0.59% compared to the 0.05% in the Reported (IHC) assay. While this may warrant further investigation, the distribution of CaO in the primary separation stage was 85% reporting to mag rejects, therefore did not adversely affect the grades of products in the context of this sighter.
- The non-magnetic concentrate had a ZrO₂+HfO₂ grade of 30%, equating to an approximate zircon content of 45.5%. The grade of TiO₂ in the sample was 16.7% and the grade of Fe₂O₃ was 14.1% (Refer ASX Announcement 31 August 2022).

- The principle contaminant minerals in the concentrate were aluminosilicates, both para-magnetic and non-magnetic with the associated oxides Al_2O_3 , SiO_2 and Fe_2O_3 . Additionally, the sample had a high grade of monazite, associated with the oxides CeO_2 , P_2O_5 and Th. A calculation of the monazite content based on an approximate CeO_2 content of 26% in monazite was 7.1%. The combined grades of U and Th in the was 5,293 ppm.
- The primary process tested in the sighter metallurgical testwork was a single stage of magnetic separation using an RER magnetic separator (Figure 20). The process sought to reduce the grades of U and Th through the rejection of monazite to a magnetic reject. Additionally, this process would reduce the mass and increase the grades of zircon in rutile in the concentrate through the rejection of para-magnetic gangue mineral.

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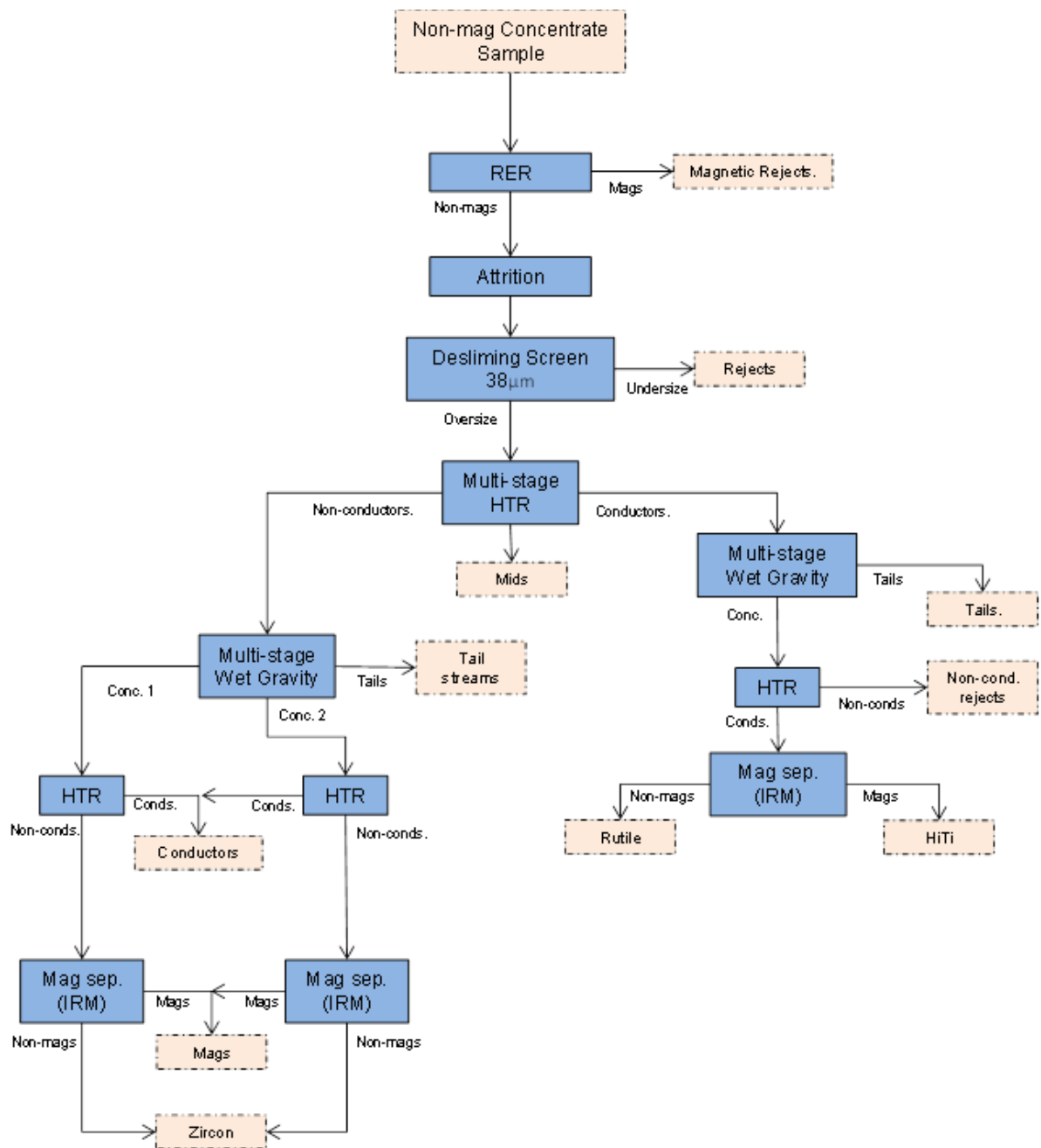


Figure 20: Met testwork flowsheet

- The processing rejected 39.8% of the mass, 97.5% of the Fe_2O_3 , 95.1% of the CeO_2 and 75.6% of the Al_2O_3 to the magnetic stream with a loss of 4% of the ZrO_2 (Table 25). The non-magnetic stream had a $\text{ZrO}_2+\text{HfO}_2$ grade of 47.87% equating to an approximate zircon content of 72.5%.
- There was a recovery of 60.3% of the TiO_2 to the non-magnetic stream (Table 25). The ratio of TiO_2 to Fe_2O_3 in the non-magnetic stream indicates that this is associated with high TiO_2 and low Fe_2O_3 mineral, rutile and HiTi/leucoxene. The TiO_2 reporting to the magnetic fraction is likely secondary type ilmenite although this could be further investigated in future testwork. The grades and distributions of the Cr_2O_3 are notable in regard to this with 98.3% of the Cr_2O_3 reporting to the magnetics at a grade of 4.05% (Table 25).
- The distributions of CeO_2 and P_2O_5 indicate that greater than 90% of the monazite has reported to the magnetic rejects (Table 25). The combined grades of U and Th in the nonmagnetic concentrate are reduced from 5,293ppm in the pre-RER concentrate (Figure 21) to 1,212ppm in the post RER concentrate (Figure 22). While this grade exceeds a typical target for shipping the results do indicate the potential to greatly reduce the U and Th through a stage of magnetic separation.
- Further sighter tests were conducted on a sub-split of the RER non-magnetic concentrate using an IRM (Figure 20). The results of these tests indicate that magnetic separation can be used to reduce the grades of U and Th in the non-magnetic concentrate with the additional benefit of increasing the grade of zircon (Figures 22 and 23). However, the recovery of zircon is likely to be impacted as lower grades are targeted.
- Post RER separation, the non-magnetic stream was processed to isolate potential zircon and rutile products (Figure 22). The processing involved a primary stage of electrostatic separation to separate the TiO_2 bearing minerals from the zircon. The two streams were then processed through stages of gravity, electrostatic and magnetic separation.
- The processing recovered a high-grade zircon product with a $\text{ZrO}_2+\text{HfO}_2$ grade of 66.2% (Table 26). The grades of TiO_2 and Fe_2O_3 in this were less than 0.1% and the grade of Al_2O_3 was 0.12%. The combined grade of U and Th was 398ppm (Table 26).
- A number of near zircon product grade streams were generated in the processing (Table 24, 26 and 27). These were degraded by varying grades of TiO_2 , Fe_2O_3 , Al_2O_3 and U and Th. This initial processing indicates that aluminosilicates, notably kyanite, are likely to have the greatest impact on zircon recovery. The un-optimised wet gravity processing conducted in this initial sighter does however indicate that much of the Al_2O_3 should be rejectable through an optimised processing.
- The impact of monazite on the zircon product grade and recovery will likely be reduced with an optimised rejection of this mineral in the primary magnetic separation of the non-magnetic concentrate. It is not possible to comment on the potential to reduce the TiO_2 and Fe_2O_3 grades in the near zircon product grade streams in this stage of testwork, however it is notable that the final zircon stream recovered had grades of less than 0.1% without the inclusion of acid leaching.
- The processing recovered a high-grade rutile product with a TiO_2 grade of 95.5% and Fe_2O_3 grade of 0.49% (Table 28). The product had a SiO_2 grade of 1.26% and a ZrO_2 grade of 0.5%. Other contaminants were V_2O_5 at 0.39% and Cr_2O_3 at 0.23%. The combined grade of U and Th was 60ppm (Figure 21).
- A number of near rutile product grade streams were generated in the processing (Table 28). These were degraded by varying grades of SiO_2 , Al_2O_3 and ZrO_2 associated with misreporting non-conductors from the primary electrostatic separation. It is likely that an optimised separation in this stage of separation will reduce the impact of these non-conductors on the grade and recoveries of rutile.

Table 24: Sighter test head grade

Oxide		Reported (IHC)	Received
Grades			
TiO ₂	%	16.7	15.35
Fe ₂ O ₃	%	14.3	14.1
Al ₂ O ₃	%	5.98	6.21
SiO ₂	%	23.5	23.2
Cr ₂ O ₃	%	1.42	1.64
ZrO ₂ +HfO ₂	%	29.5	30.0
CaO	%	0.05	0.59
MgO	%	0.47	0.53
MnO	%	0.25	0.27
CeO ₂	%	1.65	1.85
Th XRF	ppm	4634	4840
U XRF	ppm	464	453
K ₂ O	%	0.06	0.06
Nb ₂ O ₅	%	0.09	0.08
P ₂ O ₅	%	1.79	1.99
SO ₃	%	0.51	0.05
V ₂ O ₅	%	0.11	0.09
LOI @1000°C	%	N/R	0.47

Table 25: RER separation results

Stream	Mass (%)	TiO ₂ (%)		Fe ₂ O ₃ (%)		ZrO ₂ +HfO ₂ (%)		Al ₂ O ₃ (%)		SiO ₂ (%)	
		Grade	Distr.	Grade	Distr.	Grade	Distr.	Grade	Distr.	Grade	Distr.
Mag	39.8	15.30	39.7	34.50	97.5	3.03	4.0	11.8	75.6	11.4	19.5
Non-mag	60.2	15.35	60.3	0.58	2.5	47.87	96.0	2.52	24.4	31.1	80.5
Calc. Total	100.0	15.33	100.0	14.07	100.0	30.04	100.0	6.21	100.0	23.2	100.0

CeO ₂ (%)		P ₂ O ₅ (%)		Th (ppm)		U (ppm)		Cr ₂ O ₃ (%)	
Grade	Distr.	Grade	Distr.	Grade	Distr.	Grade	Distr.	Grade	Distr.
4.42	95.1	4.63	92.5	11000	90.4	470	41.3	4.05	98.3
0.15	4.9	0.25	7.5	770	9.6	442	58.7	0.05	1.7
1.85	100.0	1.99	100.0	4839	100.0	453	100.0	1.64	100.0

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Table 26: Initial sighter zircon processing; individual stream grades and recoveries

Oxide		Zircon	Zircon Conductors	Zircon Gravity Tail 1	Zircon Mags	Zircon Gravity Tail 2
Recoveries						
Mass	% N/M conc.	7.46	1.60	2.49	13.93	13.80
ZrO ₂ +HfO ₂	%	16.4	3.45	5.1	29.26	27.5
Grades						
TiO ₂	%	0.07	0.6	0.11	0.1	0.22
Fe ₂ O ₃	%	0.09	0.25	0.41	0.34	0.42
Al ₂ O ₃	%	0.12	0.21	0.42	1.41	2.69
SiO ₂	%	32.8	32.3	31.4	32.7	34.2
Cr ₂ O ₃	%	0.00	0.01	0.01	0.01	0.01
ZrO ₂ +HfO ₂	%	66.2	64.6	61.9	63.1	59.9
CaO	%	0.04	0.10	0.20	0.15	0.19
MgO	%	0.00	0.0	0.02	0.0	0.02
MnO	%	0.01	0.02	0.02	0.02	0.03
CeO ₂	%	0.02	0.2	1.01	0.1	0.12
Th XRF	ppm	152	893	3188	793	750
U XRF	ppm	246	373	657	527	580
K ₂ O	%	0.01	0.01	0.02	0.02	0.03
Nb ₂ O ₅	%	0.00	0.01	0.01	0.01	<0.01
P ₂ O ₅	%	0.11	0.3	1.12	0.3	0.24
SO ₃	%	0.09	0.2	0.10	0.0	0.05
V ₂ O ₅	%	0.00	0.01	0.02	0.01	0.01
LOI @1000°C	%	0.30	0.45	0.81	0.62	0.76

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Table 27: Initial sighter zircon processing streams; cumulative grades and recoveries

Oxide		Rutile	Rutile para-mag	Rutile HTR Mid	Rutile IRM Mag	Rutile Non-cond.	Rutile Gravity Tail 2	Rutile Gravity Tail 1
Recoveries								
Mass	% N/M conc.	1.01	0.72	0.33	0.09	2.51	1.93	5.18
TiO ₂ (total)	%	6.28	4.41	1.99	0.48	12.17	10.11	21.67
TiO ₂ (non-mag post RER)	%	10.4	7.32	3.3	0.80	20.2	16.76	35.9
Grades								
TiO ₂	%	95.50	93.4	92.50	80.6	74.40	80.2	64.10
Fe ₂ O ₃	%	0.49	1.11	0.94	10.70	0.90	1.34	1.75
Al ₂ O ₃	%	0.26	0.48	0.48	0.88	0.57	0.95	2.36
SiO ₂	%	1.3	1.9	2.6	2.8	8.2	7.8	14.2
Cr ₂ O ₃	%	0.23	0.23	0.25	0.58	0.19	0.20	0.17
ZrO ₂ +HfO ₂	%	0.46	0.47	1.77	1.04	12.56	7.19	14.42
CaO	%	0.02	0.03	0.03	0.08	0.10	0.08	0.14
MgO	%	<0.01	<0.01	<0.01	0.1	<0.01	0.0	0.03
MnO	%	0.01	0.02	0.02	0.20	0.02	0.03	0.04
CeO ₂	%	<0.01	0.01	<0.01	0.02	0.09	0.07	0.09
Th XRF	ppm	30	40	80	100	500	320	480
U XRF	ppm	30	40	60	40	260	180	330
K ₂ O	%	0.04	0.08	0.07	0.09	0.08	0.13	0.16
Nb ₂ O ₅	%	0.35	0.61	0.42	0.62	0.32	0.39	0.35
P ₂ O ₅	%	<0.01	0.01	0.02	0.04	0.12	0.09	0.13
SO ₃	%	<0.01	0.01	<0.01	0.06	0.03	0.02	0.05
V ₂ O ₅	%	0.39	0.30	0.32	0.22	0.26	0.22	0.16
LOI @1000°C	%	0.08	0.16	0.22	0.07	0.52	0.58	0.84

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Table 28: Initial sighter rutile processing streams; cumulative grades and recoveries

Oxide		Rutile 1	Rutile 2	Rutile 3	Rutile 4	Rutile 5	Rutile 6	Rutile 7
Recoveries								
Mass	% N/M conc.	1.0	1.7	2.1	2.2	4.7	6.6	11.8
TiO ₂ (total)	%	6.3	10.7	12.7	13.2	25.3	35.4	57.1
TiO ₂ (non-mag post RER)	%	10.4	17.7	21.0	21.8	42.0	58.8	94.7
Grades								
TiO ₂	%	95.50	94.6	94.28	93.7	83.32	82.4	74.35
Fe ₂ O ₃	%	0.49	0.75	0.78	1.20	1.04	1.13	1.40
Al ₂ O ₃	%	0.26	0.35	0.37	0.39	0.49	0.62	1.39
SiO ₂	%	1.26	1.51	1.69	1.73	5.22	5.98	9.60
Cr ₂ O ₃	%	0.23	0.23	0.23	0.25	0.22	0.21	0.19
ZrO ₂ +HfO ₂	%	0.5	0.5	0.7	0.7	7.1	7.1	10.3
CaO	%	0.02	0.02	0.03	0.03	0.07	0.07	0.10
MgO	%	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	0.02
MnO	%	0.01	0.01	0.01	0.02	0.02	0.02	0.03
CeO ₂	%	<0.01	<0.01	<0.01	<0.01	0.05	0.06	0.07
Th XRF	ppm	30	34	41	44	289	298	378
U XRF	ppm	30	34	38	38	158	164	237
K ₂ O	%	0.04	0.05	0.05	0.06	0.07	0.08	0.12
Nb ₂ O ₅	%	0.35	0.46	0.45	0.46	0.38	0.39	0.37
P ₂ O ₅	%	<0.01	0.0	0.01	0.01	0.07	0.07	0.10
SO ₃	%	<0.01	<0.01	<0.01	0.01	0.02	0.02	0.03
V ₂ O ₅	%	0.39	0.35	0.35	0.34	0.30	0.27	0.22
LOI @1000°C	%	0.08	0.11	0.13	0.13	0.34	0.41	0.60

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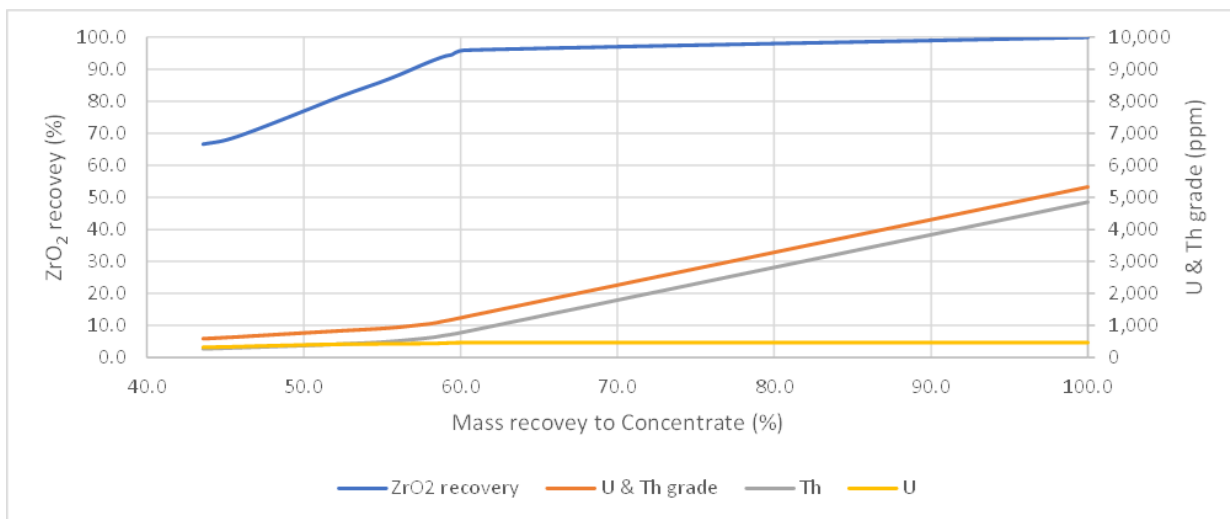


Figure 21: Magnetic separation of Concentrate: zircon recovery vs grades of U & Th

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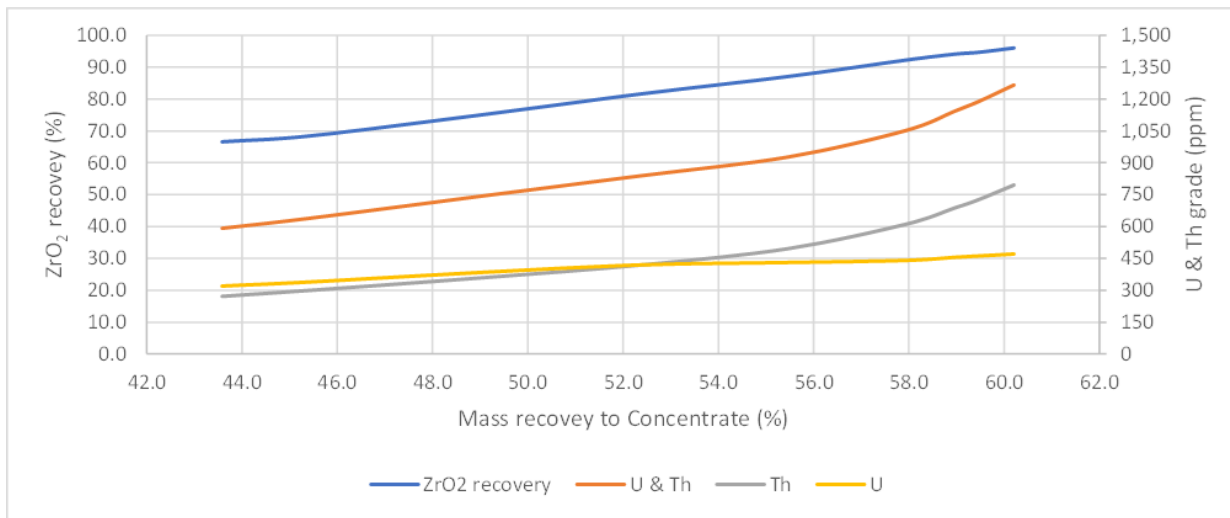


Figure 22: Post Primary RER magnetic separation of Concentrate: zircon recovery vs grades of U & Th

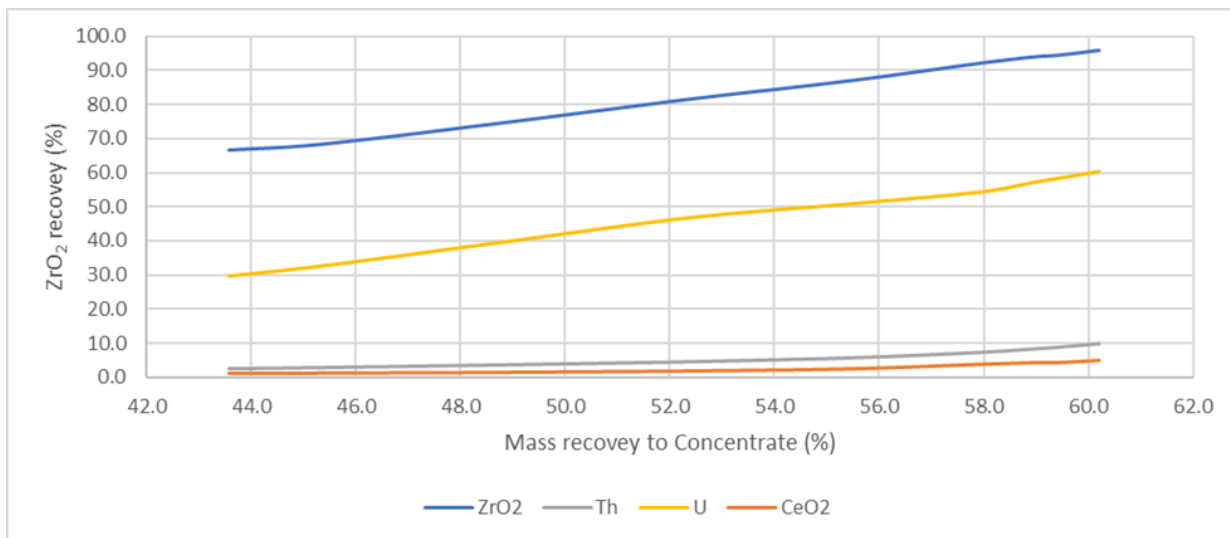


Figure 23: Post Primary RER magnetic separation of Concentrate: recovery ZrO₂, CeO₂, U & Th

Sighter Metallurgical Testwork at Azaria And Malambane

Excellent sighter metallurgical test results were released from AML Laboratories on three composite Heavy Mineral (HM) samples from the new Azaria and Malambane targets, located within the Company's Corridor Sands Projects.

These outstanding results continue to improve the Company's knowledge of the resources and will help in identifying the priority resources for early mine life economics.

The objective of the sighter testwork was to investigate potential product grades in the HMC from the two targets areas, as well as an initial comparison of the HMC of the Azaria and Malambane targets versus the Koko Massava

bulk sample HM concentrate. The three samples used for the sighter testwork were 2 HMC samples from 5 aircore holes and 2 distinctly different lithologies at Malambane (upper-red sand MAL 1 HMC and lower-red/brown sand MAL 2 HMC) and 1 HMC from 3 aircore holes at Azaria.

The sighter metallurgical testing returned excellent results including:

- concentrates of ilmenite, zircon and titanomagnetite generated;
- the testwork clearly showing Azaria HMC with significantly less coatings; and
- very good potential mass recoveries of ilmenite, titanomagnetite, zircon and rutile.

Further optimised testing with larger HMC sample size will be undertaken to carry out additional work on the rutile in the non magnetic Middling, as well as work on the monazite in the same fraction.

Summary of testwork and results

An Orekinetics Coronastat high-tension roll (HTR) with a 300mm diameter roll was used in the electrostatic separations. A Readings induced roll magnet (IRM) set with a field strength of 15,000 Gauss was used in the magnetic separations of the HTR non-conductors and the HTR middlings (Refer Figure 24).

A Carpco lift magnet in a non-magnetic reprocess configuration at increasing field intensities was used for the detailed fractionation of the HTR conductors (Refer Figure 24).

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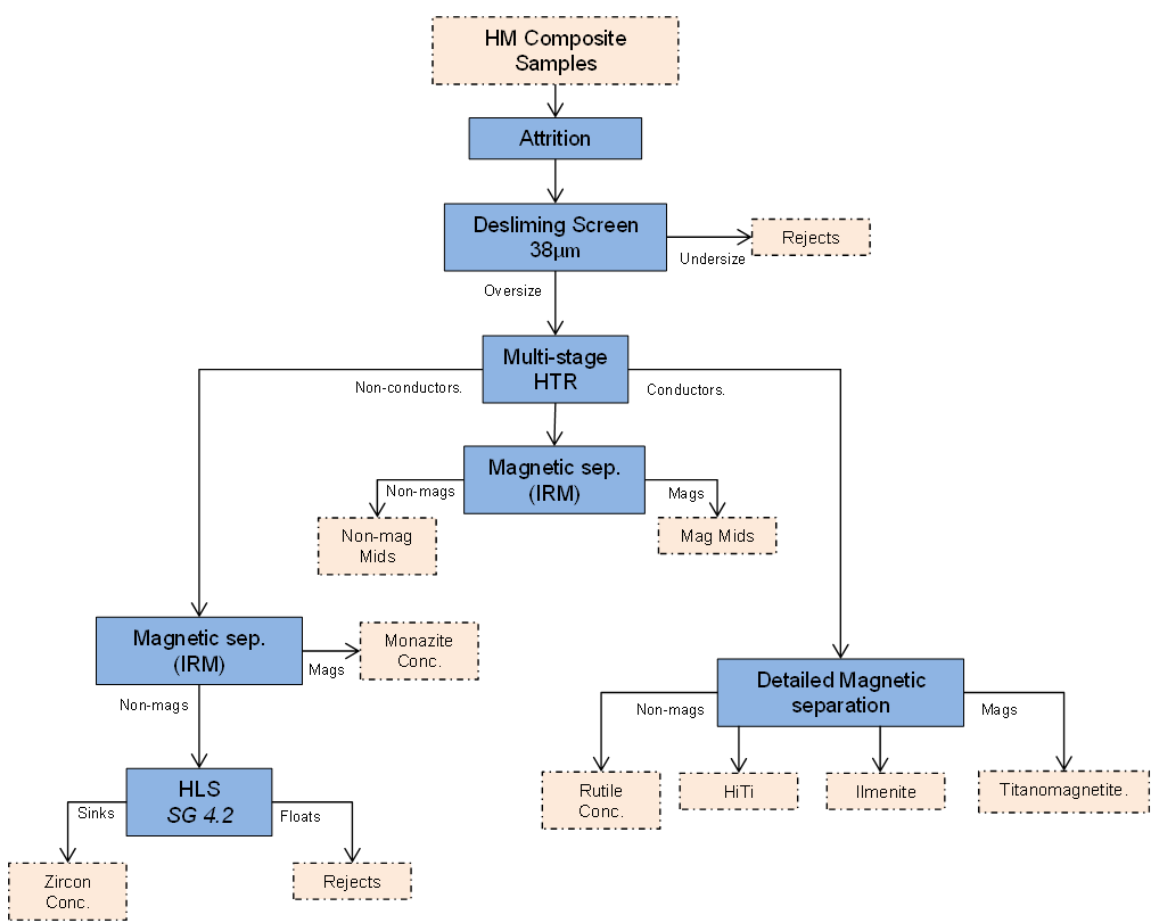


Figure 24: Initial sighter testwork flowsheet

The following comments are made based on the grades of the HM composites (Refer Table 29):

- The grades of the 2 Malambane HMCs, MAL 1 and MAL 2, are comparable. The MAL 1 composite (upper lithology) has a slightly higher TiO₂ grade and slightly lower Fe₂O₃ grade than the MAL 2 composite (lower lithology) at 30% TiO₂ compared to 28.4% TiO₂ and 53.75% Fe₂O₃ compared to 54.93% Fe₂O₃. The grades of contaminant oxides are comparable in both samples.
- The Azaria HMC, AZA 1, had a higher TiO₂ grade than both the MAL composites at 33.2% and a significantly lower Fe₂O₃ grade of 45.6%. The grades of contaminant oxides were higher in the Azaria sample than in both Malambane samples.
- The MAL 1 composite had a ZrO₂ grade of 1.46% and the MAL 2 composite had a ZrO₂ grade of 1.38% equating to approximate zircon contents of 2.2% and 2.1% respectively. The AZA composite had a ZrO₂ grade of 2.18% equating to an approximate zircon content of 3.3%.
- A visual distinction between the MAL 1 and MAL 2 HM composites was evident when observed under the microscope. The MAL 1 HM, identified by the client as “Upper red sand” had a high number of grains coated with red material (Refer Figure 25). This material was evident in the MAL 2 sample, but at a lower level and coated grains were not observed (Refer Figure 26). The AZA 1 HM composite was free of this material (Refer Figure 27).

Table 29: HM Composite head grade

Mass	(g)	<i>MAL 1</i>	<i>MAL 2</i>	<i>AZA 1</i>
		327	220	125
Grades				
TiO ₂	%	30.02	28.4	33.21
Fe ₂ O ₃	%	53.75	54.93	45.56
Al ₂ O ₃	%	6.44	6.75	8.36
SiO ₂	%	5.7	6.54	8.4
Cr ₂ O ₃	%	1.89	1.73	2.11
ZrO ₂ +HfO ₂	%	1.46	1.38	2.18
CaO	%	0.02	0.02	0.02
MgO	%	0.64	0.63	0.72
MnO	%	0.80	0.79	0.87
CeO ₂	%	0.05	0.05	0.04
Th XRF	ppm	148	162	152
U XRF	ppm	26	24	40
K ₂ O	%	0.02	0.02	0.02
Nb ₂ O ₅	%	0.04	0.04	0.05
P ₂ O ₅	%	0.06	0.06	0.06
SO ₃	%	0.01	0.01	0.00
V ₂ O ₅	%	0.32	0.34	0.23
LOI @1000°C	%	-1.71	-1.83	-1.79

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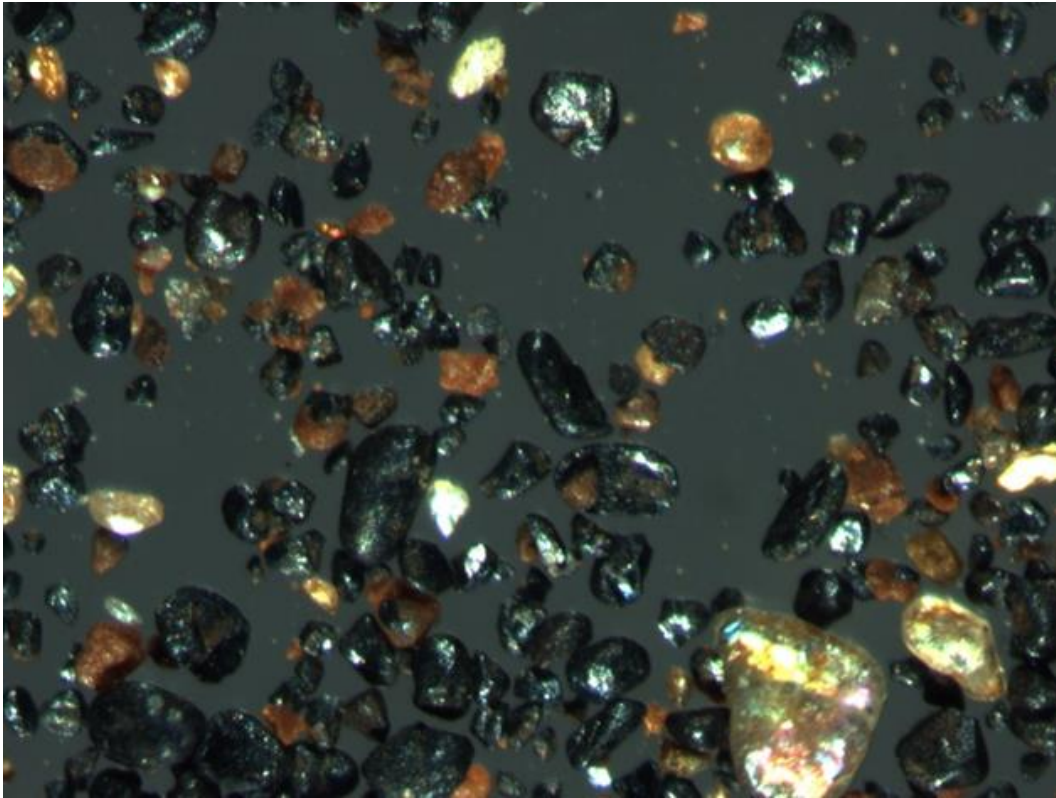


Figure 25: Malambane HMC (MAL 1)

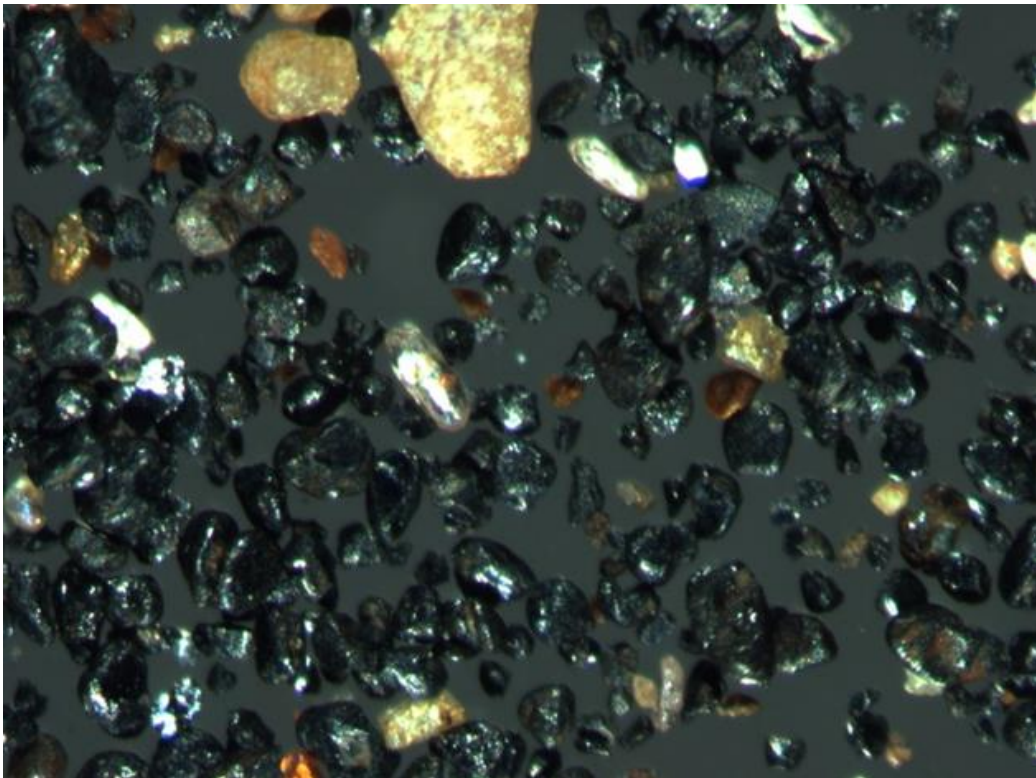


Figure 26: Malambane HMC (MAL 2)

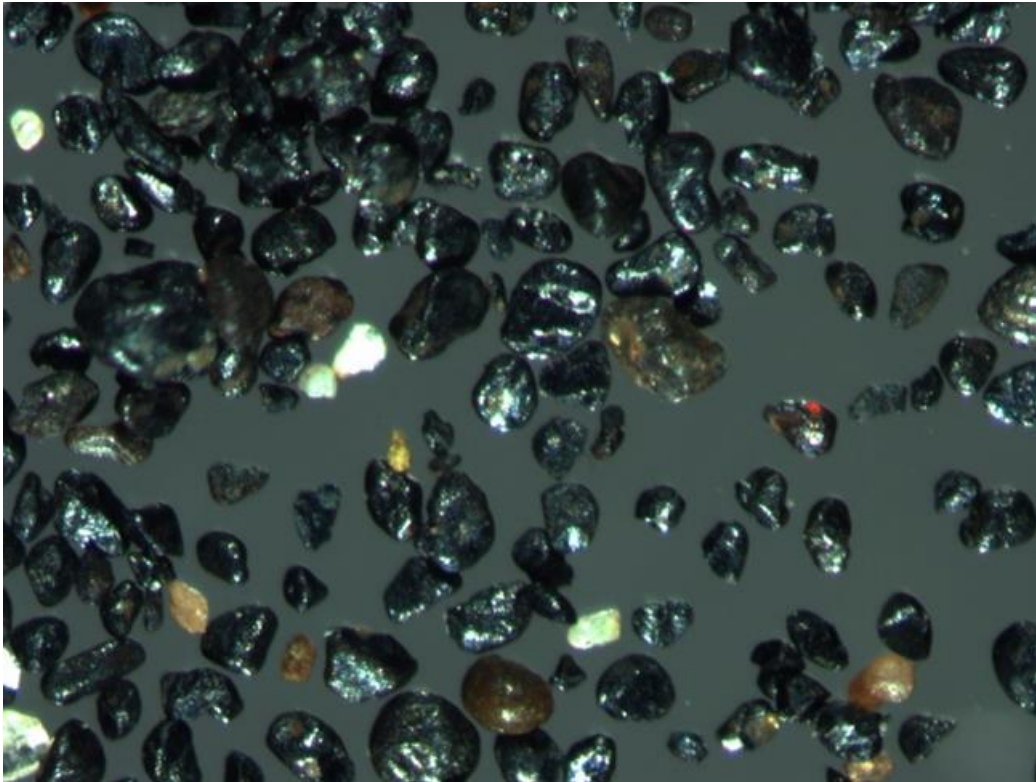


Figure 27: Azaria HMC (AZA 1)

Potential mass recoveries of HM to Product streams (Refer Table 30):

- Ilmenite: Assuming material reporting to magnetic fractions between 1,000 Gauss and 6,000 Gauss of the HTR Conductors reporting to ilmenite at a grade of 48% TiO_2 in product;
- Titanomagnetite: Assuming material reporting to magnetic fractions at 500 Gauss and 1,000 Gauss Conductors reporting to product;
- Rutile: Assuming TiO_2 material reporting to non-magnetic fractions of the HTR Conductors and HTR Middlings reporting to rutile at a grade of 95% TiO_2 in product;
- Zircon: Assuming TiO_2 material reporting to non-magnetic fractions of the HTR Middlings and Clerici sinks for the non-conductors reporting to zircon at a grade of 66% $\text{ZrO}_2 + \text{HfO}_2$ in product;
- The ilmenite product quality achieved in this testwork indicates the opportunity for improvement by low temperature roasting of the ilmenite to reduce Cr_2O_3 levels and thereby increase the TiO_2 grade of the product;
- Insufficient mass of sample was available to isolate a clean zircon product in the testwork, with approximately 5% gangue mineral in the product, predominantly aluminosilicates and monazite. Given the relatively low distribution of these minerals to the final zircon it would be anticipated that an optimised processing would reduce these contaminant levels; and
- Clean grains of rutile were observed in the expected concentrates but at very low levels. Given the low grade of rutile in the HM and the low sample mass used, the rutile grades presented are potentially underestimated. In future testwork using larger samples it may be possible to isolate a rutile product.

Table 30: HM Composite processing: Potential mass recoveries based on sighter results

		<i>MAL 1</i>	<i>MAL 2</i>	<i>AZA 1</i>
HM Mass				
Ilmenite	%	42.0	48.8	56.9
Titanomagnetite	%	26.4	24.2	11.4
Rutile	%	0.76	0.80	0.98
Zircon (recoverable)	%	1.66	1.92	2.92

2023 Exploration Program

During the March quarter, MRG commenced planning for a targeted exploration program during 2023, following the excellent Q4 2022 Total Heavy Mineral (THM) and mineralogy results from aircore drilling and associated laboratory metallurgical testwork results at Corridor Central (11142C), Corridor South (11137C) and Marao (6842L) licences.

The exploration activities and 2023 HMS work plan (refer Table 31) will focus on new data to update and hopefully further increase the already substantial NPV for the Corridor Project. This will likely comprise:

- infill / extension aircore drilling of Azaria and Malambane for MRE and pit optimisation purposes;
- mineralogical and metallurgical studies, with new grade and metallurgical recovery work to be undertaken initially on Azaria and Malambane drill samples; and
- further study of the non-magnetic part of the existing PEA material to upgrade the zircon recoveries.

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Table 31: Work program for 2023, with priority rating of targets.

Funding Priority 2023	Deposit / Target	Mineralogy VHM (Total %)	Next Step 2023
1	Koko Massava + Nhacutse + Poiombo PEA (NPV) A\$417M	45	Focused metallurgy aimed to upgrade non-magnetic product value, to in turn substantially increase the project NPV
2	Malambane	61.6	Initial metallurgy to confirm significant VHM mineralogy results compared to Koko Massava, Nhacutse + Poiombo
3	Azaria	72.4	Initial metallurgy to confirm significant VHM mineralogy results compared to Koko Massava, Nhacutse + Poiombo
7	Cihari	58.1	Initial metallurgy to confirm significant VHM mineralogy results compared to Koko Massava, Nhacutse + Poiombo
8	Viaria	63.5	To be announced
9	Zulene	62.6	To be announced
10	Magonde	58.2	To be announced
11	Mandende	58.7	To be announced
12	Maduacua	57.4	To be announced
13	Corridor North	NA	To be announced upon grant of ELA
4	Patricio, Fotinho, Adriano (REE + U)	NA	Field work to commence immediately upon grant of ELA. Geological mapping, stream sediment sampling, auger drilling
5	Olinga (REE + U)	NA	Field work to commence immediately upon grant of ELA. Geological mapping, stream sediment sampling, auger drilling
6	Linhuane	NA	Field work to commence immediately upon grant of ELA. Auger drilling to follow up very high THM historic anomalies

Application for Mining Licences for Corridor Projects

MRG announced the successful submittal of Mining Licence Applications (MLA's) for the Company's Corridor Central (6620L) and Corridor South (6621L) Heavy Mineral Sands (HMS) licences. The submission was accepted by INAMI, with subsequent renumbered by INAMI of Corridor Central to 11142C and Corridor South to 11137C. The MLA's follow initial results from the Scoping and Preliminary Economic Analysis (PEA) (refer ASX Announcements 23 August 2022 and 31 August 2022).

The MLA's also follows the recent 4 ELA's for REE and U, namely Patricio (10999L; 19,763.06 Ha), Fotinho (11000L; 19,865.18 Ha), Adriano (11002L; 19,777.14 Ha) and Olinga (11005L; 19,148,72 Ha). MRG will now work with INAMI to progress all MLAs and ELAs.

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MRG will focus future exploration activities within Corridor Central (6620L) and Corridor South (6621L) on the very high Valuable Heavy Mineral (VHM) area discovered east of a very strong lithological boundary. Results from a recent reconnaissance aircore drilling program, as well as mineralogical studies, are expected soon. Further exploration will then aim to deliver these deposits for MRE, with the possibility of significantly improving the economics of the projects.

Uranium & Rare Earth Element Licence Application

MRG made a new exploration licence application (ELA) in the Zambezia Province of Mozambique for Uranium (U) and Rare Earth Elements (REEs)(refer ASX Announcement 15 November 2022).

The new U and REE Olinga ELA (11005 L, 19,148.72 Ha) is situated 890 km North-East of MRG's existing Heavy Mineral Sands (HMS) projects at Corridor Sands (MLAs 11142 C and 11137 C) and 270 km Northeast of the port city of Beira. It is also 115 km East-Northeast of the 3 new MRG REE and U ELAs (refer ASX Announcement 11 May 2022; refer Figure 28).

The ELA application, in combination with the 3 recent ELAs Patricio (10999 L; 19,763.06 Ha), Fotinho (11000 L; 19,865.18 Ha) and Adriano (11002 L; 19,777.14 Ha), will further expand on MRG's exploration licence portfolio (combined 78,554.10 Ha for the 4 ELAs), while also diversifying the Company's portfolio from HMS projects to now include a fourth licence with REE and U as targets.

A Report supplied to MRG by Dr Luc Antoine on historic reconnaissance exploration that took place in 2014 showing highly anomalous results from the 3 new REE and U ELAs (refer ASX Announcement 11 May 2022), but with a walkover of the U and REE area of this new ELA. No analysis was done on samples collected from the U and REE target area.

MRG considers the U and REE ELA as prospective for 2 reasons:

1. The airborne radiometric spectrometer data of a regional national airborne geophysical survey shows some very highly anomalous radiometric areas over the target area of the Olinga 11005 L ELA, with the anomalous data characterised by a higher U:Th ratio compared the 3 REE and U ELAs (refer Figure 29).
2. The ELA area includes granites of different ages (refer Figure 30), with the contact between the granites as a main target for exploration.

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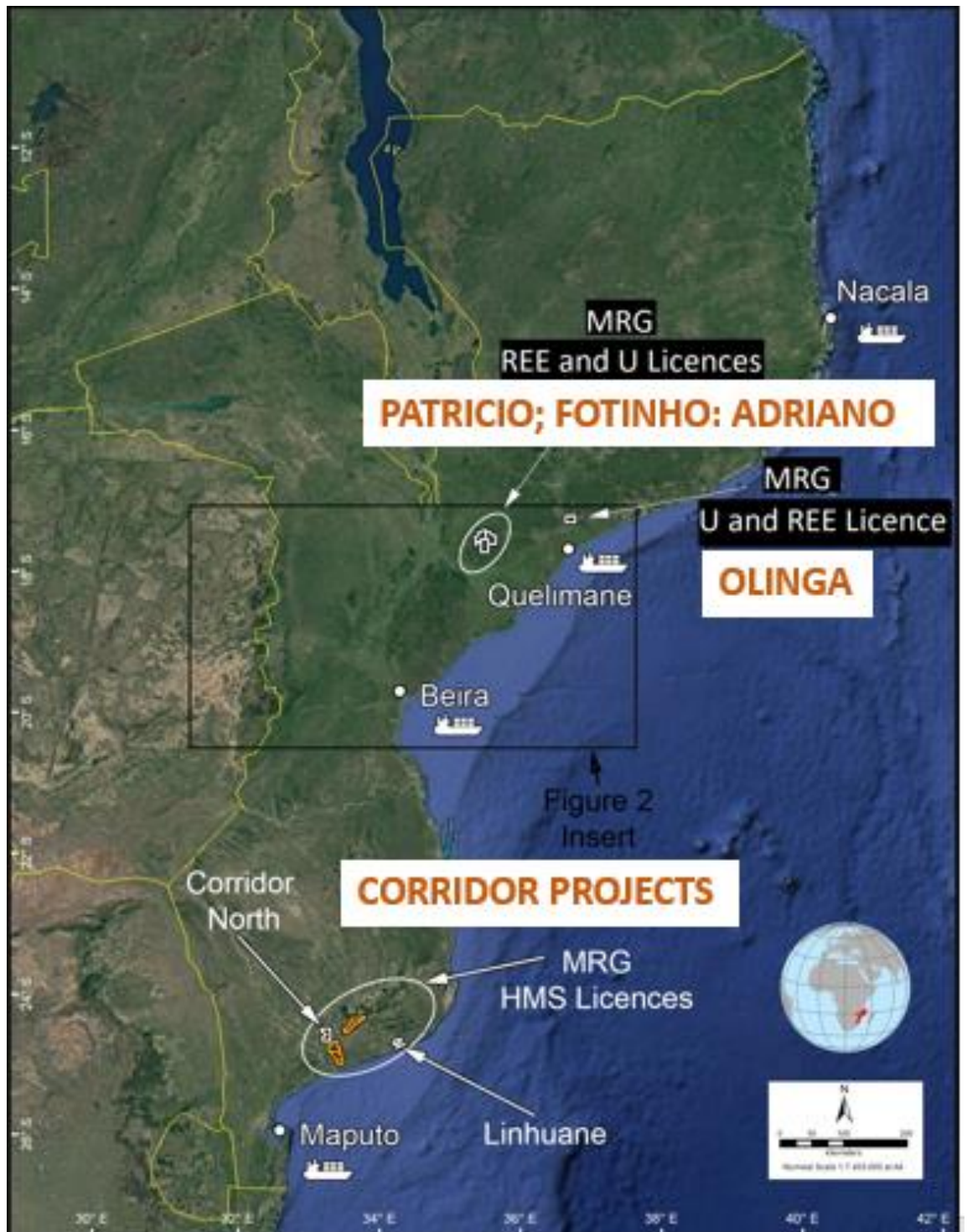


Figure 28: Map of the location of MRG’s new Uranium and Rare Earth ELA (Olinga, 11005 L) in relation to the 3 Rare Earth and Uranium ELAs (Patricio, 10999 L, Adriano, 11000 L and, Fotinho, 11002 L); the MRG Corridor Projects (HMS) and the local port city of Beira.

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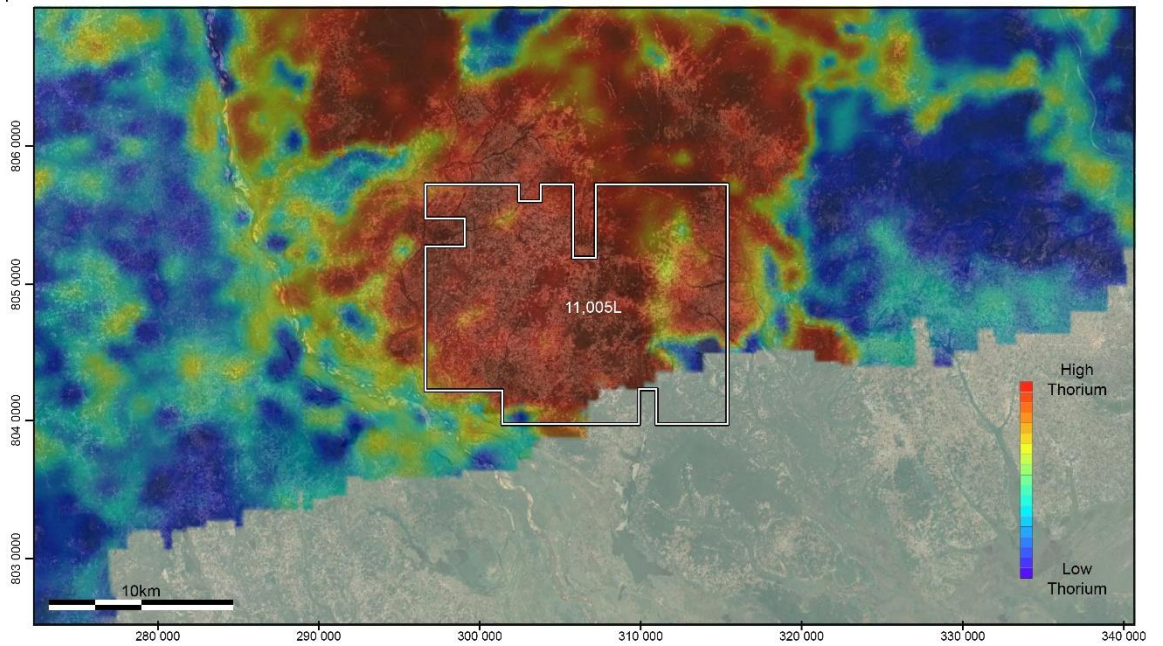


Figure 29: Map showing MRG's Uranium and Rare Earth ELA (Olinga 11005 L) plotted on airborne radiometric spectrometer data of a regional national airborne geophysical survey.

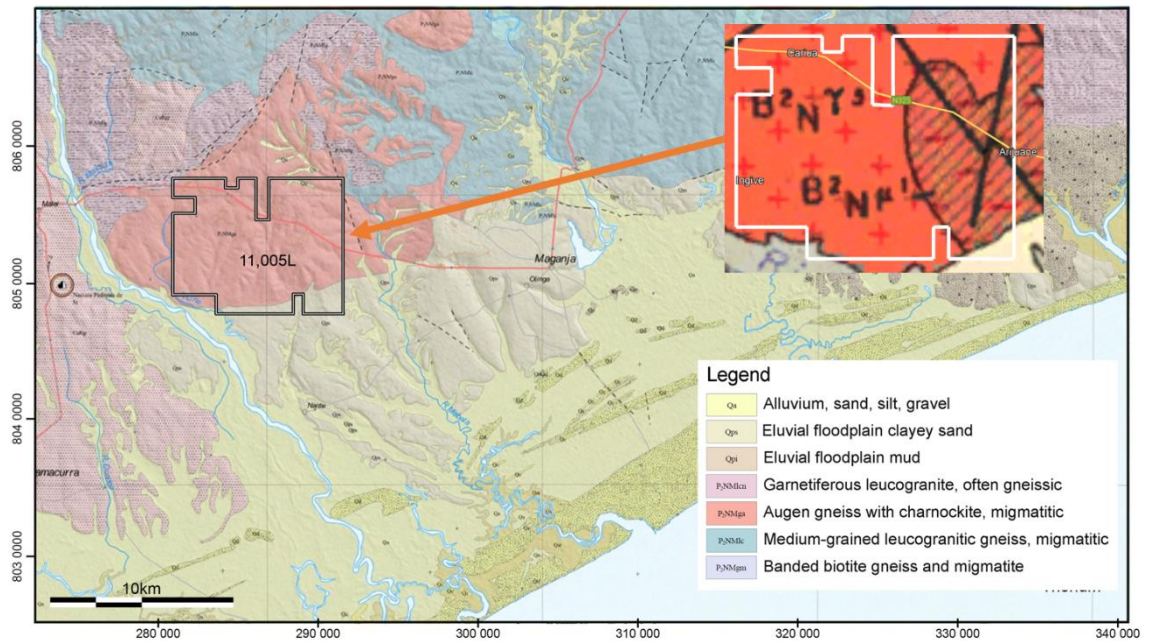


Figure 30: Map showing MRG's Uranium and Rare Earth Exploration Licence Application (ELA; 11005 L) plotted on the regional geology map.

Field based exploration activities will commence on the applied for REE + U projects immediately upon grant of their Exploration Licences.

Corporate

Jangamo Mining Concession

Late in 2022 (ASX Announcements 9 November 2022 and 30 December 2022) MRG advised that it had, subject to Due Diligence, secured an option to acquire Savannah Resources Plc's Jangamo Mining Concession in Mozambique. During the quarter, MRG advised that the Due Diligence period in relation to the option agreement had lapsed and both parties had mutually decided not to proceed with entering into an Option Agreement.

Placement and Options Entitlement Offer

During the March quarter, MRG Metals Limited completed a capital raising (announced 23 November 2022) comprising:

- 3 for 5 pro-rata non-renounceable entitlement offer of options to existing Shareholders closed on 13 January 2023 raising \$312,683.
- A Placement of fully paid ordinary shares, with 2 for 3 free attaching options, raising \$60,000 from Directors, after approval from the General Meeting held on 13 January 2023.
- Placement of fully paid ordinary shares, with 2 for 3 free attaching options, raised \$840,000 (completed in November).

The 3 for 5 pro-rata non-renounceable entitlement offer of Options to existing Shareholders raised \$312,682.80 on closing on 13 January 2023. This resulted in the issue of 312,682,557 listed MRQO Options, exercisable at \$0.008 and expiring 31 December 2025.

The Board sought Shareholder approval at a General Meeting of the Company, held on 13 January 2023, to take up \$60,000 under the same terms as the Placement. This resulted in the issue of 15,000,000 fully paid ordinary shares at \$0.004 per share, together with 10,000,001 free attaching MRQO listed options, exercisable at \$0.008 and expiring 31 December 2025.

Proposed use of funds:

- Corridor Sands HMS Project - improvement programs to increase project economics towards Feasibility. Follow up drilling, mineralogy and metallurgy to test high VHM Azaria and Cihari targets.
- Exploration at HMS, Rare Earth Elements and Uranium Projects should these Exploration Licences be granted.
- Working Capital, costs of the Placement and expenses of the Offers.

Events Subsequent to end of Financial Year

Memorandum of Understanding to Form Joint Venture on Mozambique Corridor Sands Projects

On 26 July 2023, MRG Metals Limited entered a Memorandum of Understanding (MOU) with Tianjin Lanqi Materials Company Limited ("LANQI") for a Joint Venture operation ("JV") on its Mozambique Corridor Sands projects.

Key aspects of the MOU are:

- A period of 3 months Due Diligence commencing from today. During the period of Due Diligence, LANQI shall send their technical team to Mozambique for field inspection and sampling of the Corridor Projects. MRG shall send their representatives to assist LANQI to carry out this work.
- During the period of Due Diligence, LANQI shall also draft a JV agreement and shall send it to MRG together with LANQI's decision to proceed to JV, such that the JV is signed at or before completion of the Due Diligence period.
- A commitment to purchase AUD\$500,000 shares at 0.4c upon successful completion of Due Diligence and entering the JV.

Key Terms of the JV are:

- Both parties shall sign a JV Agreement upon or before completion of Due Diligence period that parties will set up a JV company in Mozambique owned 75 % by LANQI and 25 % by MRG, achieved upon first production.
- LANQI shall invest USD 3 million dollars (and at the commencement of the JV place USD\$3 million into the JV trust account) for the following stages:
 - o To finish the JV company set up in Mozambique and company working capital.
 - i) Working capital to cover JV company in-country costs estimated at \$40k USD for minimum of 12 months.
 - ii) MRG Management involvement in JV at \$15k USD/month for minimum of 18 months.
 - o To complete the mine exploration and feasibility report for the Initial Corridor Project.
 - o To design the engineering and construction plan of the Initial Corridor Project.
 - o To get the mining licence approval from the Government.
- LANQI shall invest all funds necessary to develop the initial mining operation and all subsequent funds for mine expansion either on the Initial Corridor Project or subsequent Corridor Projects.
- LANQI shall guarantee that the total output of the HMC in the Initial Corridor Project shall be not less than 100,000 tpa at 18 months from the date any mining commences on the Initial Corridor Project; the total output of the HMC in Initial Corridor Project shall be increased to 200,000 tpa at or before 3 years from the date any mining commences and to 400,000 tpa at or before 5 years from the date any mining commences.
- The JV Agreement shall specify obligation of the parties to retain JV equity with the intention of not limiting MRG's rights should the HMC production profile not deliver 100,000 tpa by 18 months, 200,000 tpa by 36 months, 400,000 tpa by 5 years and also should the JV not have implemented further expansion plans by 5 years from the date any mining commences in the Initial Corridor project.

Key Terms of the Offtake Agreement are:

1. LANQI shall be the Offtaker for all HMC products in the Initial Corridor Project.
2. The offtake price fixing can be referred to the export prices of the same quality HMC which shall be processed by other companies in Mozambique and the JV shall coordinate independent review mechanism agreeable to both Parties.
3. The JV company shall give 5% sales commission for the offtake agreement.

Definitions:

- Corridor Projects means Mineral Sands projects in Mozambique including Corridor Central (11142C), Corridor South (11137C), Corridor North (10779L) and Linhuane (7423L).
- "Initial Project" means the first of the Corridor Projects chosen by the JV for commencement of production.

Placement

On 7 August 2023, MRG Metals Limited completed a capital raising (announced 1 August 2023) comprising:

- Placement of 200,000,000 fully paid ordinary shares at \$0.0025, with 1 for 2 free attaching MRQO options (100,000,000 options), raised \$500,000
- Issuance of 10,000,000 MRQO options for payment of Lead Manager fees.

Proposed use of funds:

- Progress Rare Earth Elements and Uranium Projects should these Exploration Licences be granted.
- Working Capital.

Tenements

The Tenements held by the Group at reporting date are as follows:

Project	Tenement	% Owned	Note
Norrliden	K nr 1	10	
Malanaset	nr 100	10	
Malanaset	nr 101	10	
Corridor Central	11142C	100	
Corridor South	11137C	100	
Corridor North	10779L	100	Application
Linhuane	7423L	100	Application
Marão	6842L	100	
Marruca	6846L	100	
Olinga	11005L	100	Application
Patricio	10999L	100	Application
Fotinho	11000L	100	Application
Adriano	11002L	100	Application

Directors' Report

The Directors of MRG Metals Ltd present their report together with the financial statements of the consolidated entity, being MRG Metals Ltd ('MRG' or 'the Company') and its controlled entities, MRG Metals (Australia) Pty Ltd, MRG Metals (Exploration) Pty Ltd, Sofala Resources Pty Ltd, Sofala Mining & Exploration Lda, Sofala Mining & Exploration I Lda, Sofala Mining & Exploration II Lda, Sofala Mining & Exploration III Lda, Sofala Mining & Exploration IV Lda, Sofala Mining & Exploration V Lda, Sofala Mining & Exploration VI Lda, Sofala Mining & Exploration VII Lda, Sofala Mining & Exploration VIII Lda, Sofala Mining & Exploration IX Lda and Sofala Mining & Exploration X Lda ('the Group') for the year ended 30 June 2023 and the Independent Auditor's Report thereon.

Director details

The following persons were directors of MRG Metals Ltd during or since the end of the financial year.

Mr Andrew Van Der Zwan

BE Chemical Engineering (hons)

Independent Non Executive Director since 07/01/2013

Chairman since 08/10/2013

Director since 14/02/2011

Andrew has over 30 years engineering and commercial experience, both local and international. He was a Non Executive Director of Gulfx Ltd for 11 years and was employed in various senior positions within the worldwide operations of Exxon Mobil for 17 years.

Other current directorships:

Argo Exploration Ltd (ASX: AXT) since 19/03/2013

Previous directorships (last 3 years):

JVG Global Ltd since May 2019 until Deregistration in March 2022

Interests in shares and options:

44,156,679 shares

4,166,667 options

Mr Shane Turner

CA, Bachelor of Business

Independent Non-Executive Director

Director since incorporation 24/01/2011

Shane is a Chartered Accountant and has over 30 years financial and accounting experience. He has been employed with KPMG, a large regional public accounting practice, operated his own public accounting practice and now is employed with RSM Australia. He has been Company Secretary and CFO of White Rock Minerals (ASX: WRM) since August 2015. He was a Non Executive Director and Company Secretary for Metminco (ASX: MNC) for 2 years.

Other current directorships:

None

Previous directorships (last 3 years):

None

Interests in shares and options:

26,982,509 shares

1,666,667 options

Mr Christopher Gregory

BSc Geology, MAusIMM, MAIG, FSEG, MAICD

Independent Non-Executive Director since 12/08/2013

Director since 12/08/2013

Chris has extensive global minerals industry experience over 38 years, at both technical and executive levels. Career foundation of 22 years in the Asia-Pacific region with Rio Tinto. Past Vice President – Operational Geology at Mandalay Resources (TSX: MND). Founding Partner and Director of Sasak Minerals, vended into SensOre (Private).

Other current directorships:

None

Previous directorships (last 3 years):

None

Interests in shares and options:

69,813,986 shares

4,166,667 options

Company secretary

Shane Turner is a Chartered Accountant and the Group Chief Financial Officer. Shane has held senior positions with a number of professional accounting firms and has a degree in Business. Shane has held the role of Company Secretary at White Rock Minerals (ASX: WRM) since August 2015. Shane has previously held the role of Company Secretary for Metminco (ASX: MNC) for 2 years. He has been the Company Secretary of MRG since incorporation on 24/01/2011.

Principal activities

During the period, the principal activities of entities within the Group were exploration and development of heavy mineral sands, rare earths and uranium within Mozambique. There have been no significant changes in the nature of these activities during the period.

Review of operations and financial results

The operating result of the Group for the year ended was a loss of \$846,894 (2022 loss \$702,340). Refer detailed Review of Operations that precedes this report.

Earnings per share (0.04) cents (2022 (0.04) cents).

Further information on the detailed operations of the Group during the year is included in the Review of Operations Report.

Significant changes in the state of affairs

During the year, the Group carried out exploration and development on its Heavy Mineral Sands projects in Mozambique and applied for Rare Earth and Uranium tenements in Mozambique. MRG announced the results of a Scoping Study and Preliminary Economic Assessment by IHC Mining for the Corridor Central (11142C) and Corridor South (11137C) Projects, specifically the Koko Massava, Nhacutse and Poiombo deposits. Based on the positive outcome of the Scoping Study and Preliminary Economic Assessment, mining licence applications were lodged for the Corridor Central and Corridor South Projects.

During the year, the Group raised \$1,268,123 from placements and an entitlement offer.

Dividends

There were no dividends declared or paid during the financial period.

Events arising since the end of the reporting period

Since the end of the year the following significant events have occurred:

Memorandum of Understanding to Form Joint Venture on Mozambique Corridor Sands Projects

On 26 July 2023, MRG Metals Limited entered a Memorandum of Understanding (MOU) with Tianjin Lanqi Materials Company Limited (“LANQI”) for a Joint Venture operation (“JV”) on its Mozambique Corridor Sands projects.

Key aspects of the MOU are:

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4. LANQI shall be the Offtaker for all HMC products in the Initial Corridor Project.
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Proposed use of funds:

- Progress Rare Earth Elements and Uranium Projects should these Exploration Licences be granted.
- Working Capital.

Likely developments

Progress Corridor HMS projects to Production should Joint Venture be formed with Tianjin Lanqi Materials Company Limited.

Explore on Mozambique HMS, Rare Earth Elements and Uranium Projects tenement Applications if granted.

Look for opportunities to expand our projects.

Pursue a sale of Norrliden.

Business risk management

The Company is committed to the effective management of risk to reduce uncertainty in the Company's business outcomes and to protect and enhance shareholder value. There are various risks that could have a material impact on the achievement of the Company's strategic objectives and future prospects.

Key risks and mitigation activities associated with the Company's objectives are set out below:

The Company is committed to the effective management of risk to reduce uncertainty in the Company's business outcomes and to protect and enhance shareholder value. There are various risks that could have a material impact on the achievement of the Company's strategic objectives and future prospects.

Exploration risk

The Company's projects are at various stages of exploration, and potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of these projects, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, local title processes, changing government regulations and many other factors beyond the control of the Company.

In addition, the tenements forming the projects of the Company may include various restrictions excluding, limiting or imposing conditions upon the ability of the Company to conduct exploration activities. While the Company will formulate its exploration plans to accommodate and work within such access restrictions, there is no guarantee that the Company will be able to satisfy such conditions on commercially viable terms, or at all.

The Company uses a number of exploration techniques in order to reduce the level of exploration risks and continues to explore new and innovative technologies through its day to day operations.

Regulatory risk

The Company's mining and exploration activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Company's tenements is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities. Although the Company has no reason to think that the tenements in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant authority or whether the Company will be able to meet the conditions of renewal on commercially reasonable terms, if at all.

The Company works with local government and mining departments to ensure it meets the required level of reporting requirements and to reduce any potential for breach of regulatory requirements

Future funding risk

The Company has no operating revenue and is unlikely to generate any operating revenue in the foreseeable future. Exploration and development costs and pursuit of its business plan will use funds from the Company's current cash reserves and the amounts raised under future Equity Offers.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern. The Company's funding requirements are reviewed on a regular basis in order to mitigate future funding risk.

Farm in and joint venture risk

The Company is contemplating a joint venture on its Mozambique Corridor Sands projects. This joint venture arrangement would be subject to conditions and expenditure requirements to achieve certain ownership percentage ownership of the relevant projects.

There is a risk that the requirements (including in respect of expenditure) under any farm-in arrangements or that, even if such requirements are met, a commercially viable resource will not be located on the project. In addition, any joint venture arrangement will be subject to risks typically associated with arrangements of that kind, including but not limited to that either party may seek to terminate or withdraw from the arrangement or fail to meet their obligations thereunder. There is also the potential for disputes in respect of the obligations of the parties to the joint venture.

Environmental regulation

The consolidated entity holds participating interests in a number of exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. To the best of the Directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of all environmental legislation described

above and are not aware of any breach of those requirements during the financial year and up to the date of the Directors' report.

Directors' meetings

The number of meetings of directors held during the period and the number of meetings attended by each director were as follows:

Name	Board meetings	
	A	B
Mr A Van Der Zwan	6	6
Mr S Turner	6	6
Mr C Gregory	6	6

Where:

A is the number of meetings the Director was entitled to attend

B is the number of meetings the Director attended

Movement in shares:

	Date	No of shares	Issue price (cents)	\$
Opening balance at 1 July 2022		1,747,058,628		27,761,631
Capital Raising - placement	29/11/2022	210,000,000	0.4	840,000
Issue of Ordinary Shares – corporate mandate	02/12/2022	13,860,000	0.4	55,440
Capital Raising - placement	19/01/2023	15,000,000	0.4	60,000
Capital Raising - placement	07/08/2023	200,000,000	0.25	500,000
Less costs associated with capital raisings		-	-	(78,426)
Closing balance at 28 September 2023		2,185,918,628		27,761,631

Movements in options:

2023	Date	No. options 1 July 2022	Issued/ (Expired)	No. options 30 June 2023	Ex. price (cents)	Expiry date
Issue of options - placement	04/02/2021	162,000,000	(162,000,000)	-	2.5	30/06/2023
Issue of options - corporate mandate	04/02/2021	9,042,000	(9,042,000)	-	2.5	30/06/2023
Issue of options - corporate mandate	30/11/2021	15,000,000	(15,000,000)	-	2.5	30/06/2023
Issue of options - placement	20/01/2022	100,000,000	(100,000,000)	-	2.5	30/06/2023
Issue of options - corporate mandate	20/01/2022	19,194,375	(19,194,375)	-	2.5	30/06/2023
Issue of options - placement	29/11/2022	-	140,000,000	140,000,000	0.8	31/12/2025
Issue of options - corporate mandate	29/11/2022	-	10,000,000	10,000,000	0.8	31/12/2025
Issue of options - corporate mandate	02/12/2022	-	9,240,000	9,240,000	0.8	31/12/2025
Issue of options – rights issue	19/01/2023	-	312,682,557	312,682,557	0.8	31/12/2025
Issue of options - placement	19/01/2023	-	10,000,001	10,000,001	0.8	31/12/2025
Issue of options - placement	07/08/2023	-	100,000,000	100,000,000	0.8	31/12/2025
Issue of options - corporate mandate	07/08/2023	-	10,000,000	10,000,000	0.8	31/12/2025
Closing balance at 28 September 2023		305,236,375	286,686,183	591,922,558		

Remuneration Report (audited)

The Directors of MRG Metals Ltd ('the Group') present the Remuneration Report prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

The remuneration report is set out under the following main headings:

- a. Principles used to determine the nature and amount of remuneration
- b. Details of remuneration
- c. Service agreements
- d. Share-based remuneration
- e. Bonuses included in remuneration
- f. Other information

(a) Principles used to determine the nature and amount of remuneration

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:

- To align rewards to business outcomes that deliver value to shareholders;
- To drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- To ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

MRG Metals Ltd has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The Board, in accordance with its charter as approved by the Board, is responsible for determining and reviewing compensation arrangements for the directors and the executive team.

The remuneration structure that has been adopted by the Group consists of the following components:

- Fixed remuneration being annual salary; and
- Superannuation to meet statutory obligations.

The Board assesses the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

The payment of bonuses, share options and other incentive payments are reviewed by the Board annually as part of the review of executive. All bonuses, options and incentives must be linked to pre-determined performance criteria.

(b) Details of remuneration

Details of the nature and amount of each element of the remuneration of each key management personnel ('KMP') of MRG Metals Ltd are shown in the table below.

Director and other Key Management Personnel Remuneration

Name	Short term employee benefits		Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments	Total (\$)	% of remuneration that is performance based
	Cash salary and fees (\$)	Cash bonus (\$)	Superannuation (\$)	Long-term bonus (\$)	Termination payments (\$)	Performance Rights (\$)		
Non-executive directors								
Mr A Van Der Zwan	100,000	-	10,500	-	-	-	110,500	0%
Mr S Turner	100,000	-	10,500	-	-	-	110,500	0%
Mr C Gregory	100,000	-	10,500	-	-	-	110,500	0%
2023 Total	300,000	-	31,500	-	-	-	331,500	0%
Non-executive directors								
Mr A Van Der Zwan	100,000	-	10,000	-	-	4,796	114,796	4%
Mr S Turner	100,000	-	10,000	-	-	4,796	114,796	4%
Mr C Gregory	100,000	-	10,000	-	-	4,796	114,796	4%
2022 Total	300,000	-	30,000	-	-	14,388	344,388	4%

(c) Service agreements

Remuneration and other terms of employment for Directors and other Key Management Personnel are formalised in a service agreement. The major provisions of the agreements relating to remuneration are set out below:

Name	Base salary	Term of agreement	Notice period
Mr A Van Der Zwan	50,000	Rotation per Corporations Act 2001	Nil
Mr A Van Der Zwan - Consultant	50,000	No fixed term	Nil
Mr C Gregory	50,000	Rotation per Corporations Act 2001	Nil
Mr C Gregory - Consultant	50,000	No fixed term	Nil
Mr S Turner - Director	50,000	Rotation per Corporations Act 2001	Nil
Mr S Turner – Consultant	50,000	No fixed term	Nil

Remuneration of Non-Executive Directors is not to exceed \$150,000. Base fees for the 2023 financial year were \$50,000 per annum.

(d) Share based remuneration

During the year there was no share based remuneration.

(e) Bonuses included in remuneration

No short-term incentive cash bonuses were awarded as remuneration during the financial year.

(f) Other information

Loans to key management personnel (KMP) – there were no loans from the Group to KMP's during the financial year (2022: nil).

The Group used the accounting and taxation services of RSM Australia, an entity associated with Mr. Turner and Mr. Turner. The amounts billed were based on normal market rates and amounted to \$38,000 to Mr. Turner and \$1,710 to RSM (2022 \$38,000 to Mr. Turner).

Shares held by key management personnel

The number of ordinary shares in the Company held by each of the Group's key management personnel, including their related parties, is set out below:

2023					Held at the
Key	Balance at	Received	Other	end of the	
Management	start of year	on	changes	reporting	
Person	Balance at	exercise	changes	period	
	start of year	Additions			
Van Der Zwan	37,906,679	6,250,000	-	44,156,679	
Turner	24,482,509	2,500,000	-	26,982,509	
Gregory	63,563,986	6,250,000	-	69,813,986	
	125,953,174	15,000,000	-	140,953,174	

2022					Held at the
Key	Balance at	Received	Other	end of the	
Management	start of year	on	changes	reporting	
Person	Balance at	exercise	changes	period	
	start of year	Additions			
Van Der Zwan	37,906,679	-	-	37,906,679	
Turner	24,482,509	-	-	24,482,509	
Gregory	63,563,986	-	-	63,563,986	
	125,953,174	-	-	125,953,174	

Options held by key management personnel

The number of options to acquire shares in the Company held by each of the key management personnel of the Group; including their related parties are set out below.

2023 Key Management Person	Balance at start of year	Additions	Deleted on exercise	Ceased/Lapsed	Held at the end of the reporting period
Van Der Zwan	-	4,166,667	-	-	4,166,667
Turner	-	1,666,667	-	-	1,666,667
Gregory	-	4,166,667	-	-	4,166,667
	-	10,000,001	-	-	10,000,001

2022
Nil

The results of the Group for the five years to 30 June 2023 are summarised below, together with the factors that are considered to affect total shareholders return:

	2023	2022	2021	2020	2019
Net profit/(loss) attributable to equity holders of the parent	\$(846,894)	\$(702,340)	\$(665,660)	\$(1,897,244)	\$(4,089,395)
Closing share price at period end	\$0.002	\$0.0065	\$0.008	\$0.010	\$0.005
Closing cash balance	\$575,046	\$1,017,533	\$1,610,733	\$721,248	\$423,937

End of audited remuneration report.

Environmental legislation

The Group's projects are subject to environmental regulation under laws in Sweden and Mozambique; specifically the Group is required to comply with terms of the grant of the tenement and all directions given to it under those terms of the tenement which it holds. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agency during the period ended 30 June 2023.

Indemnities given and insurance premiums paid to auditors and officers

During the year, MRG Metals Ltd negotiated a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

Non-audit services

During the period, William Buck Audit (Vic) Pty Ltd, the Group's auditors, performed no other services in addition to their statutory audit duties.

Details of the amounts paid to the auditors of the Group, and its related practices for audit and non-audit services provided during the year are set out in note 15 to the Financial Statements.

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is included on page 79 of this financial report and forms part of this Directors' Report.

Proceedings of behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Signed in accordance with a resolution of the directors.



Andrew Van Der Zwan
Chairman

28 September 2023

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF MRG METALS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

For personal use only



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



J. C. Luckins
Director
Melbourne, 28 September 2023

Corporate Governance Statement

MRG Metals Ltd has adopted comprehensive systems of controls and accountability as the basis for the administration of corporate governance. To the extent that they are applicable, MRG has adopted the Corporate Governance Principles and Recommendations, 4th Edition as published by ASX Corporate Governance Council in February 2019 and became effective for financial years commencing with the financial year ended 30 June 2022. The Corporate Governance Statement is current at 30 June 2023 and has been approved by the Board of Directors.

ASX Corporate Governance Council Recommendation	MRG policy
Principle 1: Lay solid foundations for management and oversight	
<p>Recommendation 1.1: A listed entity should have and disclose a board charter setting out:</p> <ul style="list-style-type: none"> (a) The respective roles and responsibilities of its board and management; and (b) Those matters expressly reserved to the board and those delegated to management. 	<p>The Company's Corporate Governance framework includes a Board Charter, which details the specific responsibilities of the Board and identifies those areas of authority delegated to senior executives.</p>
<p>Recommendation 1.2: A listed entity should:</p> <ul style="list-style-type: none"> (a) Undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. 	<p>The Company's Board Charter provides that appropriate checks should be undertaken before the appointment of a director. If checks reveal any information that is relevant, then the Company will disclose that information to Shareholders.</p>
<p>Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The Company's Board Charter provides that all directors and senior executives, at the time of their appointment, should execute a written agreement that sets out the key terms of their appointment.</p>
<p>Recommendation 1.4: The company secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.</p>	<p>The Company's Board Charter sets out the role of the Company Secretary and ensures that the Company Secretary is accountable to the Board, through the Chairman.</p>
<p>Recommendation 1.5: A listed entity should:</p> <ul style="list-style-type: none"> (a) Have and disclose a diversity policy; (b) Through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) Disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) The measurable objectives set for that period to achieve gender diversity; (2) The entity's progress towards achieving those objectives; and (3) Either: 	<p>The Company's Diversity Policy requires the Board to set out measurable objectives for achieving gender diversity. The Diversity Policy requires the Board to annually assess its diversity objectives and report on the Company's progress in achieving those objectives. At the end of each reporting period, the Diversity Policy requires the Company to report on its progress and set out the respective proportion of men and women across the whole of the Company (including their representation in key management positions). The Company is not a "relevant employer" under the Workplace Gender Equality Act as it does not employ 100 or more employees in Australia.</p>

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<p>(A) The respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) If the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>	
<p>Recommendation 1.6: A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) Disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>The Company Secretary plays an integral role in monitoring the conduct and activities of Board, ensuring the Board has an appropriate mix of skills and experience and reviewing individual director's performance.</p> <p>The Chairman is responsible for reviewing the performance of the Company Secretary.</p>
<p>Recommendation 1.7: A listed entity should:</p> <p>(a) Have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) Disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>Currently, there are no senior executives. However, if there were, the Chairman would be responsible for reviewing the individual performance of senior executives.</p>
Principle 2: Structure the board to be effective and add value	
<p>Recommendation 2.1: A listed entity should:</p> <p>(a) Have a nomination committee which:</p> <ol style="list-style-type: none"> (1) Has at least three members, a majority of whom are independent directors; and (2) Is chaired by an independent director, and disclose: (3) The charter of the committee; and (4) The members of the committee; and (5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual 	<p>The Company does not currently have a nomination committee. The Board does not consider it necessary given the size of the Company's current operations. Board appointments will be decided by the Board as a whole, taking into consideration the needs of the Company at the relevant time. Where the Company considers there is a need to review the skills and competencies of the existing Directors and to supplement that experience, the Company would consider engaging appropriately qualified third parties to assist with the review. The Company's Board Charter requires the Board to develop succession plans for the future management of the Company.</p>

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<p>attendances of the members at those meetings; or</p> <p>(b) If it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	
<p>Recommendation 2.2: A listed entity should have and disclose a Board skills matrix setting out the mix of skills the Board currently has or is looking to achieve in its membership.</p>	<p>The Company's Board Charter sets out the directors' obligations to prepare and disclose a Board skills matrix. The skills, experience and expertise relevant to the position of director held by each director are disclosed in the Directors' Report and on the Company's website.</p>
<p>Recommendation 2.3: A listed entity should disclose:</p> <p>(a) The names of the directors considered by the board to be independent directors;</p> <p>(b) If a director has an interest, position or relationship of the type described in Box 2.3 of Corporate Governance Principles and Recommendations fourth edition but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) The length of service of each director.</p>	<p>The Company's Board Charter sets out the directors' obligations in relation to conflicts of interests and the disclosure requirements of the Board. Details of each director are disclosed in the Directors' Report and on the Company's website.</p>
<p>Recommendation 2.4: A majority of the Board of a listed entity should be independent Directors.</p>	<p>All of the Company's current directors, being Chris Gregory, Andrew Van Der Zwan and Shane Turner, are independent directors.</p>
<p>Recommendation 2.5: The Chair of the Board of a listed entity should be an independent Director and, in particular should not be the same person as the Chief Executive Officer of the entity.</p>	<p>Andrew Van Der Zwan, an independent director, is the Chairman of the Board.</p>
<p>Recommendation 2.6: A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>The Company's Board Charter requires the Board to implement an induction procedure to assist newly appointed directors to gain an understanding of the Company's policies and procedures. In addition, the Board Charter requires the Board to develop continuing education opportunities in order to provide the directors with the ability to enhance their skills.</p>
<p>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</p>	
<p>Recommendation 3.1: A listed entity should articulate and disclose its values.</p>	<p>The Board has established a Code of Conduct as to the practices necessary to maintain confidence in the</p>

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	Company's integrity, practices necessary to take into account the Company's legal obligations and the reasonable expectations of shareholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.
<p>Recommendation 3.2: A listed entity should:</p> <p>(a) Have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) Ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	The Code of Conduct is available on the Company's website.
<p>Recommendation 3.3: A listed entity should:</p> <p>(a) Have and disclose a whistleblower policy; and</p> <p>(b) Ensure that the board or a committee of the board is informed of any material incidents under that policy.</p>	<p>The Company's Whistleblower Policy is available on the Company's website.</p> <p>The board is informed of any material incidents that occur as a result of this policy.</p>
<p>Recommendation 3.4: A listed entity should:</p> <p>(a) Have and disclose an anti-bribery and corruption policy; and</p> <p>(b) Ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>	<p>The Company's Anti-Bribery & Corruption Policy is available on the Company's website.</p> <p>The board is informed of any material incidents that occur as a result of this policy.</p>
Principle 4: Safeguard the integrity of corporate reports	
<p>Recommendation 4.1: The Board of a listed entity should:</p> <p>(a) Have an Audit Committee which:</p> <p>(1) Has at least 3 members, all of whom are non-executive Directors and a majority of whom are independent Directors;</p> <p>(2) Is chaired by an independent Director who is not the chair of the Board; and</p> <p>And disclose:</p> <p>(3) The charter of the committee;</p> <p>(4) The relevant qualifications and experience of the members of the committee; and</p> <p>(5) In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) If it does not have an audit committee, disclose that fact and the processed it</p>	<p>The Company does not currently have an audit committee. The Board does not consider it necessary given the size of the Company's current operations. The functions of this committee will be carried out by the whole Board. The Company Secretary has significant experience in financial and accounting matters and will be primarily responsible for monitoring and preparing the financial reports. External resources will be commissioned where necessary.</p>

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employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	
Recommendation 4.2: The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which system is operating effectively.	The Company's process and practices comply with the Recommendation. In particular, the CFO of the Company provides a declaration in relation to the Company's financial statements that, in his opinion, the financial records of the Company have been maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
Recommendation 4.3: A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Half Year and Annual accounts are reviewed or audited by an external auditor. Quarterly activity reports are prepared by the Company's Geologist and are reviewed and approved by the Board before release to the market. Quarterly cash flow reports are prepared by the Company's CFO and certified that they have been prepared in accordance with appropriate accounting standards and are reviewed and approved by the Board before release to the market.
Principle 5: Make timely and balanced disclosure	
Recommendation 5.1: A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the ASX listing rule 3.1.	The Company has established a Continuous Disclosure Policy which applies to all directors and senior management. A copy of the Continuous Disclosure Policy is available on the Company's website.
Recommendation 5.2: A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	This recommendation is satisfied. All members of the board receive the ASX Announcement direct from ASX once lodged.
Recommendation 5.3: A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	This recommendation is satisfied.
Principle 6: Respect the rights of securityholders	
Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.	The Company's Continuous Disclosure Policy requires the Company to include all of its corporate governance policies on its websites.

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<p>Recommendation 6.2 A listed entity should have an investor relations program to facilitate effective two-way communication with investors.</p>	<p>The Company's Board Charter sets out the manner in which the Board should endeavour to communicate with its shareholders and the manner in which shareholders can make enquiries to the Company. This includes emails to Shareholders on its Mailing List and via Social Media.</p>
<p>Recommendation 6.3: A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	<p>The Company's Board Charter sets out the Company's goal to encourage participation at general meetings. All Shareholders are notified of meetings.</p>
<p>Recommendation 6.4: A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.</p>	<p>This recommendation is satisfied. All resolutions at a meeting of MRG Metals' security holders are decided by a poll.</p>
<p>Recommendation 6.5: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security register electronically.</p>	<p>This recommendation is satisfied.</p>
<p>Principle 7: Recognise and manage risk</p>	
<p>Recommendation 7.1: The Board of a listed entity should:</p> <ul style="list-style-type: none"> (a) Have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> (1) Has at least 3 members, a majority of whom are independent Directors; (2) Is chaired by an independent Director, <p>And disclose:</p> <ul style="list-style-type: none"> (3) The charter of the committee; (4) The members of the committee; and (5) At the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. 	<p>Given the size of the Company's current operations, the Board has formed the view that a separate risk committee is not necessary. The Board itself monitors all areas of operational and financial risk and considers strategies for appropriate risk management arrangements on an ongoing basis. If considered necessary, external input will be sought to assess and counteract identified risks.</p>
<p>Recommendation 7.2: The Board or a committee of the Board should:</p> <ul style="list-style-type: none"> (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with 	<p>The Board requires that Andrew Van Der Zwan, as Chairman undertakes a review of the Company's risk management framework annually to ensure that the framework continues to be sound, and disclose, in relation to each reporting period, whether such a review has taken place.</p>

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<p>due regard to the risk appetite set by the Board; and</p> <p>(b) Disclose, in relation to each reporting period, whether such a review has taken place.</p>	
<p>Recommendation 7.3: A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>Given the size of the Company's current operations, the Board has formed the view that the appointment of an internal auditor is not necessary. The Board will oversee the risk management and internal control process. If considered necessary, external input will be sought to assess and review the effectiveness of the Company's risk management and internal control process.</p>
<p>Recommendation 7.4: A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>The Company discloses various material risks to company strategy, and how it manages those risks within the Directors' Report section of its Annual Report.</p>
Principle 8: Remunerate fairly and responsibly	
<p>Recommendation 8.1: The Board of a listed entity should:</p> <p>(a) Have a remuneration committee which:</p> <p>(1) Has at least 3 members, a majority of whom are independent Directors;</p> <p>(2) Is chaired by an independent Director,</p> <p>And disclose:</p> <p>(3) The charter of the committee;</p> <p>(4) The members of the committee; and</p> <p>(5) At the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>The Company does not currently have a remuneration committee. The Board does not consider it necessary given the size of the Company's current operations. The Board is responsible for making recommendations regarding director and management remuneration packages. The Company's Board Charter sets out the principles that should be considered by the Board in making recommendations in relation to management remuneration packages.</p>

ASX Corporate Governance Council Recommendation	MRG policy
<p>Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives.</p>	<p>The Board is aware of the need to ensure remuneration remains competitive and consistent with competitor companies and that remuneration reflects the performance of the Company over time. The directors performing an executive role are remunerated based on the scope of their responsibilities and the performance of the Company.</p> <p>Non-executive directors are paid fees within the total as determined by shareholders.</p> <p>The Company provides the requisite disclosure regarding executive remuneration policies in its annual report.</p>
<p>Recommendation 8.3: A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme, and (b) Disclose that policy or a summary of it. 	<p>The Company offers at its discretion to Directors, equity-based remuneration in the form of options to purchase shares and performance rights. This incentive assists in aligning their interests with those of shareholders.</p>

The Board actively monitors the Company's governance framework, related practices and overall culture.

Statement of Financial Position

As of 30 June 2023

	Notes	Consolidated 2023 \$	Consolidated 2022 \$
Assets			
Current			
Cash and cash equivalents	8	575,046	1,017,533
Other receivables	7	362,349	321,471
Total current assets		<u>937,395</u>	<u>1,339,004</u>
Non-current			
Deposits	8	23,096	22,980
Plant & Equipment	11	51,831	72,026
Exploration & Evaluation	12	5,794,788	5,176,689
Total non-current assets		<u>5,869,715</u>	<u>5,271,695</u>
Total assets		<u>6,807,110</u>	<u>6,610,699</u>
Liabilities			
Current			
Trade and other payables	10	59,524	205,916
Total current liabilities		<u>59,524</u>	<u>205,916</u>
Total liabilities		<u>59,524</u>	<u>205,916</u>
Net assets		<u>6,747,586</u>	<u>6,404,783</u>
Equity			
Share capital	9	28,951,328	27,761,631
Reserve	9	-	160,168
Retained earnings		(22,203,742)	(21,517,016)
Total equity		<u>6,747,586</u>	<u>6,404,783</u>

This statement should be read in conjunction with the notes to the financial statements.

Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2023

	Notes	Consolidated 2023 \$	Consolidated 2022 \$
Interest income		6,268	727
Employee benefits expense	5	(231,500)	(244,388)
Consultants		(5,552)	(5,984)
Administration expenses		(515,496)	(461,970)
Impairment of exploration	12	(112,948)	-
Foreign Exchange Gain/(Loss)		12,334	9,275
(Loss) before tax		(846,894)	(702,340)
Tax expense	14	-	-
(Loss) after tax		(846,894)	(702,340)
Other comprehensive income, net of tax		-	-
Total comprehensive (losses)		(846,894)	(702,340)
		Cents	Cents
Earnings per share	16		
Basic earnings per share		(0.04)	(0.04)
Diluted earnings per share		(0.04)	(0.04)

This statement should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

for the year ended 30 June 2023

	Issued Capital \$	Reserves \$	Retained earnings \$	Total equity \$
Balance at 1 July 2022	27,761,631	160,168	(21,517,016)	6,404,783
Loss after income tax expense for the period	-	-	(846,894)	(846,894)
Total comprehensive loss for the period	-	-	(846,894)	(846,894)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital	955,440	312,683	-	1,268,123
Transaction costs	(78,426)	-	-	(78,426)
Options lapsed	-	(160,168)	160,168	-
Balance at 30 June 2023	28,638,645	312,683	(22,203,742)	6,747,586
Balance at 1 July 2021	26,355,247	310,978	(21,103,876)	5,562,349
Loss after income tax expense for the period	-	-	(702,340)	(702,340)
Total comprehensive loss for the period	-	-	(702,340)	(702,340)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital	1,651,110	-	-	1,651,110
Transaction costs	(244,726)	-	-	(244,726)
Vesting of Share based payments	-	138,390	-	138,390
Lapsed Rights/Options	-	(289,200)	289,200	-
Balance at 30 June 2022	27,761,631	160,168	(21,517,016)	6,404,783

This statement should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

for the year ended 30 June 2023

	Notes	Consolidated 2023 \$	Consolidated 2022 \$
Operating activities			
Interest received		6,268	800
Payments to suppliers and employees		(939,818)	(669,287)
Net cash used in operating activities	17	<u>(933,550)</u>	<u>(668,487)</u>
Investing activities			
Payment for term deposits		(116)	(22,980)
Payment for exploration & evaluation		(688,168)	(1,308,736)
Acquisition of plant & equipment		(5,310)	(2,623)
Net cash used in investing activities		<u>(693,594)</u>	<u>(1,334,339)</u>
Financing activities			
Proceeds from issue of capital		1,212,683	1,651,110
Payment of transaction costs		(28,026)	(244,726)
Net cash from financing activities		<u>1,184,657</u>	<u>1,406,384</u>
Net change in cash and cash equivalents		(442,487)	(596,442)
Cash and cash equivalents, beginning of year		1,017,533	1,610,733
Effect of movements in exchange rates		-	3,242
Cash and cash equivalents, end of year	8	<u>575,046</u>	<u>1,017,533</u>

This statement should be read in conjunction with the notes to the financial statements.

Notes to the consolidated financial statements

1 Nature of operations

The activities of MRG Metals Ltd and its controlled entities, MRG Metals (Australia) Pty Ltd, MRG Metals (Exploration) Pty Ltd, Sofala Resources Pty Ltd, Sofala Mining & Exploration Lda, Sofala Mining & Exploration I Lda, Sofala Mining & Exploration II Lda, Sofala Mining & Exploration III Lda, Sofala Mining & Exploration IV Lda, Sofala Mining & Exploration V Lda, Sofala Mining & Exploration VI Lda, Sofala Mining & Exploration VII Lda, Sofala Mining & Exploration VIII Lda, Sofala Mining & Exploration IX Lda and Sofala Mining & Exploration X Lda are exploration and development of heavy mineral sands, rare earths and uranium in Mozambique.

2 General information and statement of compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

MRG Metals Ltd is the Group's ultimate parent company. MRG Metals Ltd is a public company incorporated and domiciled in Australia.

The consolidated financial statements for the year ended 30 June 2023 were approved and authorised for issue by the board of directors on 28 September 2023 (see note 25).

3 New Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards did not have any significant impact on the financial performance or position of the Group.

4 Summary of accounting policies

4.1 Overall considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The consolidated financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The financial statements are presented in Australian dollars, which is the Group's presentation currency.

4.2 Basis of measurement

Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group recorded a loss after tax of \$846,894 and net cash outflows from operating and investing activities were \$1,627,144 for the year ended 30 June 2023. The Group's financial position as at 30 June 2023 was as follows:

- The Group had available cash reserves of \$575,046;
- The Group's current assets of \$937,395 exceed current liabilities of \$59,524 by \$877,871;
- The Group's main activity is exploration and as such it does not presently have a source of operating income, rather it is reliant on equity raisings or funds from other external sources to fund its activities.

Current forecasts indicate that cash on hand as at 30 June 2023 will not be sufficient to fully fund the planned exploration and operational activities during the next twelve months. The Group raised \$500,000 via a Placement subsequent to 30 June 2023 (refer Note 23).

The Group's position as at 31 August 2023 was as follows:

- The Group had available cash reserves of \$792,390;
- The Group continued to have a positive working capital position; and
- There have been no material changes to the Group's liabilities or non-cancellable commitments since 30 June 2023.

These factors indicate a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. As a result, the Group may be required to relinquish title to certain tenements, significantly curtail further expenditures and may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report.

The Directors are confident that the Group will be able to secure sufficient funds or reduce or defer expenditure to ensure that the Group can meet essential operational and expenditure commitments for at least the next twelve months.

Accordingly, the financial statements for the year ended 30 June 2023 have been prepared on a going concern basis as, in the opinion of the Directors, the Group will be in a position to continue to meet its essential operating costs and pay its debts as and when they fall due for at least twelve months from the date of this report.

4.3 Basis of consolidation

The Group financial statements consolidate those of the parent company and its subsidiary undertakings drawn up to 30 June 2023. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

4.4 Segment reporting

Operating segments are presented using the 'management approach', where information is presented on the same basis as the internal reports provided to chief operating decision makers, being the Board of

Directors. The Board of Directors are responsible for the allocation of resource to operating segments and assessing their performance.

4.5 Revenue

Interest income is recognised on an accrual basis using the effective interest method.

4.6 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

4.7 Exploration and evaluation

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

A regular review for impairment is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

4.8 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such

as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.10 Other Receivables

Other receivables are recognised at amortised cost, less any impairment.

4.11 Trade Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short term nature they are measured at amortised cost and not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

4.12 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of MRG Metals Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

4.13 Equity

Share capital represents the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Retained earnings include all current and prior period retained profits.

4.14 Post employment benefits

The Group provides post employment benefits through various accumulation funds.

An accumulation fund is a superannuation fund under which the Group pays fixed contributions into an independent entity. The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. Contributions to the funds are recognised as an expense in the period that relevant employee services are received.

4.15 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

4.16 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

4.17 Significant management judgement in applying accounting policies

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Deferred tax assets/Tax losses

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

The Group has not recognised a deferred tax asset with regard to unused tax losses and other temporary differences, as it has not been determined whether the Company will generate sufficient taxable income against which the unused tax losses and other temporary differences can be utilised in the foreseeable future.

Estimation uncertainty

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Share based payments

Share based payments involve assumptions made by management regarding the date of recognition and application of market price. Refer Note 4.22.

Exploration and evaluation assets

At each reporting date, the directors review the carrying amount of each area of interest, with reference to the indicators of impairment outlined in AASB 6 Exploration for and Evaluation of Mineral Resources.

One or more of the following facts and circumstances indicate that an entity should test exploration and evaluation assets for impairment (the list is not exhaustive):

- (a) the period for which the entity has a right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- (c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- (d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

4.18 Other intangible assets

Recognition of other intangible assets

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

4.19 Property, plant & equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Any gains and losses on disposal of an item of property, plant and equipment are recognised in profit or loss.

(ii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use. Depreciation is recognised in profit or loss or capitalised in exploration and evaluation on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

- plant and equipment 2-20 years
- motor vehicles 4-20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.20 Asset held for sale

When the Group intends to sell a non-current asset or a group of assets (a disposal group), and if sale within 12 months is highly probable, the asset or disposal group is classified as 'held for sale' and presented separately in the statement of financial position.

Assets classified as 'held for sale' are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Once classified as 'held for sale', the assets are not subject to depreciation or amortization.

Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item, profit or loss from discontinued operations.

If an asset held for sale has not been sold within 12 months and a sale is not certain, then an impairment is charged against that asset.

4.21 Share based payments

Share-based remuneration is recognised as an expense in profit or loss, with a corresponding credit to share option reserve or capitalised as a cost of raising capital. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

In addition equity settled share based payment transactions, the company shall measure the goods or services rendered and the corresponding increase in equity, directly at fair value of the goods or services received, unless that fair value cannot be estimated reliably.

The Company issued shares and options to a Manager in consideration for corporate advisory services, calculated on the same basis as the Placement in November 2022 (13,860,000 shares @ \$0.004 and 9,240,000 MRQO options).

4.22 Foreign currency translation

The financial statements are presented in Australian dollars, which is Group's functional and presentation currency. The Group's exploration assets are located in Mozambique.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australia dollars using the exchange rates at the reporting date. The expenses of foreign operations are translated into Australian dollars using the average exchange rates.

5 Employee benefit expense

	Consolidated 2023	Consolidated 2022
	\$	\$
Employee benefit expense incurred	331,500	344,388
Employee benefit expense capitalised in exploration assets	(100,000)	(100,000)
	<u>231,500</u>	<u>244,388</u>

6 Segment reporting

The Group is organised into one operating segment, which is the exploration and development of heavy mineral sands within Mozambique. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources. Non current assets excluding financial instruments are located in Mozambique.

7 Other receivables

	Consolidated 2023	Consolidated 2022
	\$	\$
GST receivables	12,316	31,715
Interest Receivable	521	97
Mozambique VAT receivable	349,512	289,659
Other receivables	<u>362,349</u>	<u>321,471</u>

The receivables noted above are not impaired nor past due.

8 Cash and cash equivalents

Cash and cash equivalents include the following components:

	Consolidated 2023	Consolidated 2022
Cash at bank and in hand:	\$	\$
Australian dollars	574,841	1,003,355
United States dollars	18	13,786
Mozambique meticals	187	392
Cash and cash equivalents	<u>575,046</u>	<u>1,017,533</u>

Short term deposit (Australian dollars) 23,096 22,980

The effective interest rate on the short-term bank deposit is 2.7% (2022: 0.2%); this deposit has an average maturity of 365 days.

The \$23,096 is restricted cash as it is security for Company credit cards.

9 Equity

9.1 Share capital & reserves

The share capital of MRG Metals Ltd consists of fully paid ordinary shares, the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of MRG Metals Ltd.

Details	Quantity	Consolidated 2023 \$
SHARES		
Total at 1 July 2022	1,747,058,628	27,761,631
Additions during the year	238,860,000	955,440
Costs of raising	-	(78,426)
Total share capital at 30 June 2023	<u>1,985,918,628</u>	<u>28,638,645</u>
OPTIONS RESERVE		
Total at 1 July 2022	305,236,375	-
Additions during the year	481,922,558	312,683
Lapsed during the year	(305,236,375)	(857,402)
Total issued options at 30 June 2023	<u>481,922,558</u>	<u>312,683</u>
SHARE BASED PAYMENTS RESERVE		
Total at 1 July 2022		160,168
Lapsed during year		(160,168)
Total reserve at 30 June 2023		<u>-</u>
SHARE CAPITAL & RESERVES		<u>28,951,328</u>

Details	Quantity	Consolidated 2022 \$
SHARES		
Total at 1 July 2021	1,540,669,878	26,355,247
Additions during the year	206,388,750	1,651,110
Costs of raising	-	(244,726)
Total share capital at 30 June 2022	1,747,058,628	27,761,631
OPTIONS RESERVE		
Total at 1 July 2021	171,042,000	-
Additions during the year	134,194,375	-
Total issued options at 30 June 2022	305,236,375	-
SHARE BASED PAYMENTS RESERVE		
Total at 1 July 2021		310,978
Vesting expense		138,390
Lapsed Rights/Options		(289,200)
Total reserve at 30 June 2022		160,168
PERFORMANCE RIGHTS		
Total at 1 July 2021	332,000,000	-
Forfeited	(332,000,000)	-
Total rights at 30 June 2022	-	-
SHARE CAPITAL & RESERVES		27,921,799

(i) Movements in issued capital:

	Date	No of shares	Issue price (cents)	\$
Opening balance at 1 July 2021		1,540,669,878		26,355,247
Capital Raising - placement	20/01/2022	200,000,000	0.8	1,600,000
Issue of Ordinary Shares – corporate mandate	20/01/2022	6,388,750	0.8	51,110
Less costs associated with capital raisings		-	-	(244,726)
Closing balance at 30 June 2022		1,747,058,628		27,761,631

	Date	No of shares	Issue price (cents)	\$
Opening balance at 1 July 2022		1,747,058,628		27,761,631
Capital Raising - placement	29/11/2022	210,000,000	0.4	840,000
Issue of Ordinary Shares – corporate mandate	02/12/2022	13,860,000	0.4	55,440
Capital Raising - placement	19/01/2023	15,000,000	0.4	60,000
Less costs associated with capital raisings		-	-	(78,426)
Closing balance at 30 June 2023		1,985,918,628		28,638,645

(ii) Movements in options:

2022	Date	No. options 1 July 2021	Issued/ (converted)	No. options 30 June 2022	Ex. price (cents)	Expiry date
Issue of options - placement	04/02/2021	162,000,000	-	162,000,000	2.5	30/06/2023
Issue of options - corporate mandate	04/02/2021	9,042,000	-	9,042,000	2.5	30/06/2023
Issue of options - corporate mandate	30/11/2021	-	15,000,000	15,000,000	2.5	30/06/2023
Issue of options - placement	20/01/2022	-	100,000,000	100,000,000	2.5	30/06/2023
Issue of options - corporate mandate	20/01/2022	-	19,194,375	19,194,375	2.5	30/06/2023
Closing balance at 30 June 2022		171,042,000	134,194,375	305,236,375		

2023	Date	No. options 1 July 2022	Issued/ (Expired)	No. options 30 June 2023	Ex. price (cents)	Expiry date
Issue of options - placement	04/02/2021	162,000,000	(162,000,000)	-	2.5	30/06/2023
Issue of options - corporate mandate	04/02/2021	9,042,000	(9,042,000)	-	2.5	30/06/2023
Issue of options - corporate mandate	30/11/2021	15,000,000	(15,000,000)	-	2.5	30/06/2023
Issue of options - placement	20/01/2022	100,000,000	(100,000,000)	-	2.5	30/06/2023
Issue of options - corporate mandate	20/01/2022	19,194,375	(19,194,375)	-	2.5	30/06/2023
Issue of options - placement	29/11/2022	-	140,000,000	140,000,000	0.8	31/12/2025
Issue of options - corporate mandate	29/11/2022	-	10,000,000	10,000,000	0.8	31/12/2025
Issue of options - corporate mandate	02/12/2022	-	9,240,000	9,240,000	0.8	31/12/2025
Issue of options – rights issue	19/01/2023	-	312,682,557	312,682,557	0.8	31/12/2025
Issue of options - placement	19/01/2023	-	10,000,001	10,000,001	0.8	31/12/2025
Closing balance at 30 June 2023		305,236,375	176,686,183	481,922,558		

9.2 Dividends

No dividends were declared or paid during the year. There are no franking credits outstanding at period end.

10 Trade and other payables

Trade and other payables recognised in the Statement of Financial Position can be analysed as follows:

	Consolidated 2023	Consolidated 2022
	\$	\$
Current		
- Trade payables	17,857	161,055
- Other payables and accrued expenses	41,667	44,861
	59,524	205,916

11 Plant and equipment

	Consolidated 2023	Consolidated 2022
	\$	\$
Plant & Equipment	105,582	100,272
Accumulated Depreciation	(53,751)	(28,246)
	<u>51,831</u>	<u>72,026</u>

12 Exploration and evaluation assets

	Consolidated 2023
	\$
Cost as at 1 July 2022	5,176,689
Other exploration costs	731,047
Impairment (i)	(112,948)
Cost as at 30 June 2023	<u>5,794,788</u>

(i) During the year, the Marruca tenement was applied to be surrendered due to lack of good exploration results and better opportunities with other tenement applications. The surrender has yet to be processed by INAMI, but the capitalised costs to date for this tenement have been impaired.

	Consolidated 2022
	\$
Cost as at 1 July 2021	3,781,312
Other exploration costs	1,395,377
Cost as at 30 June 2022	<u>5,176,689</u>

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The relinquishments represent the capitalised amounts written off during the period when ownership of the tenements is abandoned.

13 Asset held for sale

The Norrliden project is currently being marketed for sale. The Norrliden asset was previously recognised as a non-current exploration and evaluation asset. The asset held for sale is recognised at lower of the carrying value and fair value less cost to sell.

	2023	2022
Non-current assets held for sale	608,596	608,596
Less Impairment (a)	<u>(608,596)</u>	<u>(608,596)</u>
	<u>-</u>	<u>-</u>

(a) Refer Note 4.21. If an asset held for sale has not been sold within 12 months and a sale is not certain, then an impairment is charged against that asset. The Company took the view that as a sale was not achieved in the last 12 months, then an impairment was made against the asset.

14 Income tax expense

The relationship between the expected tax expense based on the tax rate of MRG Metals Ltd and the reported tax expense in profit or loss can be reconciled as follows, also showing major components of tax expenses:

	Consolidated 2023	Consolidated 2022
	\$	\$
Profit/(loss) before tax	(846,894)	(702,340)
Expected tax expense/(benefit) @ 25% (2022 25%)	(211,723)	(175,585)
Adjustment for non-deductible expenses:		
- Movement in accruals	798	875
- Impairment of asset held for sale	-	-
	(210,925)	(174,710)
Current period tax (loss) not recognised	(210,925)	(174,710)
Deferred tax expense:		
- Temporary differences	798	875
- Unused tax losses	210,925	174,710
Deferred tax assets not recognised	211,723	175,585

The above potential tax benefit has not been recognised as the recovery is uncertain.

The carry forward tax losses at 30 June 2023 were \$19,610,201.

The taxation benefit of tax losses and temporary differences not brought to account will only be obtained if:

- the Group derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no change in tax legislation adversely affects the Group in realising the benefits from deducting the tax losses.

15 Auditor remuneration

	Consolidated 2023	Consolidated 2022
	\$	\$
Audit services	34,901	34,500
Audit services remuneration	34,901	34,500
Other services	-	-
Total Auditor's remuneration	34,901	34,500

16 Earnings per share

The weighted average number of shares for the purposes of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Consolidated 2023	Consolidated 2022
	\$	\$
Loss after income tax	(846,894)	(702,340)
Weighted average number of shares used in basic earnings per share	1,884,892,765	1,632,272,556
Weighted average number of shares used in diluted earnings per share	1,884,892,765	1,632,272,556
Earnings Per Share	(0.04) cents	(0.04) cents

Diluted Earnings Per Share (0.04) cents (0.04) cents

The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for the inclusion in AASB 133 "Earnings per Share". The rights to options are non-dilutive as the Group is loss generating.

17 Reconciliation of cash flows from operating activities

	Consolidated 2023 \$	Consolidated 2022 \$
Cash flows from operating activities		
(Loss) after income tax expense for the year	(846,894)	(702,340)
Cash flows excluded from loss attributable to operating activities		
Non cash flows in loss:		
Depreciation	-	19,802
Impairment of exploration	112,948	
Foreign exchange (gain)/loss	(12,334)	(9,275)
Vesting charges for share based payments transactions	-	138,390
Change in other assets and liabilities:		
(Increase)/decrease in trade and other receivables	(40,878)	(107,299)
Increase/(decrease) trade and other payables	(146,392)	(7,765)
Net cash used in operating activities	<u>(933,550)</u>	<u>(668,487)</u>

18 Related party transactions

The Parent entity is MRG Metals Ltd.

MRG Metals Ltd owns 100% of the shares of MRG Metals (Australia) Pty Ltd. (2022 100%)

MRG Metals Ltd owns 100% of the shares of MRG Metals (Exploration) Pty Ltd. (2022 100%)

MRG Metals Ltd owns 100% of the shares of Sofala Resources Pty Ltd. (2022 100%)

Sofala Resources Pty Ltd owns 99% of the shares of Sofala Mining & Exploration Lda. (2022 99%), Sofala Mining & Exploration I Lda, Sofala Mining & Exploration II Lda, Sofala Mining & Exploration III Lda, Sofala Mining & Exploration IV Lda, Sofala Mining & Exploration V Lda, Sofala Mining & Exploration VI Lda, Sofala Mining & Exploration VII Lda, Sofala Mining & Exploration VIII Lda, Sofala Mining & Exploration IX Lda and Sofala Mining & Exploration X Lda (Mozambique Companies).

Sofala Mining & Exploration Limitada to Sofala Mining & Exploration IX Lda own the HMS tenements.

Mozambique law requires a separate company for each licence application.

MRG Metals (Australia) Pty Ltd and MRG (Exploration) Pty Ltd have no Assets or Liabilities.

The Group's related parties include its key management and others as described in Note 18.2.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

18.1 Transactions with related parties

The following transactions occurred with related parties:

Payment for goods and services:

The Group used the accounting and taxation services of RSM Australia, an entity associated with Mr. Turner and Mr.

Turner. The amounts billed were based on normal market rates and amounted to \$38,000 to Mr. Turner and \$1,710 to RSM (2022 \$38,000 to Mr. Turner and \$6,870 to RSM).

Receivable from and payable to related parties

There were no trade receivable from or trade payables to related parties.

Loans to/from related parties

There were no loans to or from related parties at the reporting date.

Terms and conditions

All transactions are made on normal commercial terms and conditions and at market rates.

18.2 Transactions with key management personnel

Key management of the Group are the Board of Directors. Key management personnel remuneration is set out in the Remuneration Report in the Director's Report.

	Consolidated 2023	Consolidated 2022
	\$	\$
Short term benefits	300,000	300,000
Post employment benefits	31,500	30,000
Share based payments	-	14,388
Total KMP remuneration	<u>331,500</u>	<u>344,388</u>

18.3 Equity instruments held by KMP

The number of shares in the Company by each of the key management personnel of the Group, including their related parties are set out below:

Year ended 30 June 2023

Key Management Person	Balance at start of year	Additions	Received on exercise	Other changes	Held at the end of the reporting period
Van Der Zwan	37,906,679	6,250,000	-	-	44,156,679
Turner	24,482,509	2,500,000	-	-	26,982,509
Gregory	63,563,986	6,250,000	-	-	69,813,986
	<u>125,953,174</u>	<u>15,000,000</u>	-	-	<u>140,953,174</u>

Year ended 30 June 2022

Key Management Person	Balance at start of year	Additions	Received on exercise	Other changes	Held at the end of the reporting period
Van Der Zwan	37,906,679	-	-	-	37,906,679
Turner	24,482,509	-	-	-	24,482,509
Gregory	63,563,986	-	-	-	63,563,986
	<u>125,953,174</u>	-	-	-	<u>125,953,174</u>

The number of options in the Company by each of the key management personnel of the Group, including their related parties are set out below:

Year ended 30 June 2023

Key Management Person	Balance at start of year	Additions	Deleted on exercise	Ceased/Lapsed	Held at the end of the reporting period
Van Der Zwan	-	4,166,667	-	-	4,166,667
Turner	-	1,666,667	-	-	1,666,667
Gregory	-	4,166,667	-	-	4,166,667
	-	10,000,001	-	-	10,000,001

Year ended 30 June 2022

Nil.

Performance rights held by key management personnel

The number of performance rights held by each of the key management personnel of the Group; including their related parties are set out below.

Year ended 30 June 2023

Nil

Year ended 30 June 2022

Key Management Person	Balance at start of year	Additions	Deleted on exercise	Ceased/Lapsed	Held at the end of the reporting period
Van Der Zwan	4,000,000	-	-	(4,000,000)	-
Turner	4,000,000	-	-	(4,000,000)	-
Gregory	4,000,000	-	-	(4,000,000)	-
	12,000,000	-	-	(12,000,000)	-

19 Contingent assets and contingent liabilities

There were no contingent assets or liabilities in the current financial year (2022 Nil).

20 Commitments for expenditure

	2023	2022
	\$	\$
Exploration and evaluation:		
Within 12 months	45,068	270,736
After 12 months but not later than 5 years	180,272	1,082,944

Exploration and evaluation:

In order to maintain current rights of tenure for exploration tenements, the Group is required to meet the minimum exploration requirements of the Mining Department. The Group holds four tenements in Mozambique, each year the Mozambique mining regulations require companies to submit exploration programs which indicate the expected mining expenditure for the year.

Mozambique New Mining Law Regulations require a minimum spend of 60% of the exploration program submitted for the year. The commitment for FY23 to FY26 is the Group's estimated tenement expenses to be incurred for each licence at a rate of 60%, which is expected to be the best estimate of the required commitment.

21 Financial instrument risk

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The main types of risks are market risk (including interest rate risk), credit risk and liquidity risk.

The Group's risk management is carried out by the board of directors and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets.

The Group does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

21.1 Foreign currency sensitivity

The Group's transactions during the year have been carried out in Australian Dollars, United States Dollars (USD), and Mozambican Meticals (MZN).

There is a risk that changes in foreign exchange rates will affect the Group's income or amounts to be paid or received arising from its financial obligations. The Group's objective of foreign currency risk management is to manage and control foreign currency risk exposures within acceptable parameters, while optimising the return.

The Group's exposure to foreign currency risk relates primarily to foreign exchange rates applicable to the Group's foreign currency denominated obligations recognised in the balance sheet.

Foreign currency risk refers to the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates. The primary foreign currency exposure is to the MZN and USD.

Management monitors the exposure to foreign exchange risk on an ongoing basis by regularly reviewing forward foreign exchange rates applicable to its foreign currency denominated obligations.

The Group's exposure to assets and liabilities to MZN at 30 June 2022 is set out below (Australian dollar equivalents):

	30 June 2023
Reported exchange rate	42.37
Cash at Bank	187
Trade and other payables	(4,267)
Total exposure	(4,080)

The Group's exposure to assets and liabilities to USD at 30 June 2023 is set out below (Australian dollar equivalents):

	30 June 2023
Reported exchange rate	0.6630

Cash at Bank	18
Total exposure	18

The table below shows the effect on profit after income tax expense and total equity from MZN currency exposures, had the rates been 10% higher or lower than the year end rate. Whilst directors cannot predict movements in foreign currency rates, a sensitivity of 10% is considered reasonable taking in to account the current level of exchange rates and the volatility observed on a historical basis.

	30 June 2023	
	Increase/(Decrease) in profit after income tax	Increase/(Decrease) in Equity
Foreign exchange rates - 10%	(408)	(408)
Foreign exchange rates + 10%	408	408

21.2 Interest rate sensitivity

The Group's only exposure to interest rate risk is in relation to a deposit held. Deposits are held with reputable banking financial institutions.

At 30 June 2023, there was \$23,096 on deposit at 2.7% (Note 8).

An increase/decrease by 30% or 0.0081 basis points would have a favourable/adverse effect on profit for the year of \$187. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

21.3 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to minimal credit risk as its only exposure is to interest receivable and GST refunds.

21.4 Liquidity risk analysis

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring actual and forecast cash inflows and outflows due in day-to-day business.

The Group's working capital, being current assets less current liabilities, at 30 June 2023 was \$877,871.

The Directors are confident that the Group will be able to secure sufficient funds or reduce or defer expenditure to ensure that the Group can meet essential operational and expenditure commitments for at least the next twelve months.

Based on this, the directors are satisfied the Group will have sufficient funds to pay its debts as and when they fall due.

As at 30 June, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Current		Non current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
30 June 2023	\$	\$	\$	\$
Trade and other payables	59,524	-	-	-
Total	59,524	-	-	-

	Current		Non current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
30 June 2022	\$	\$	\$	\$

Trade and other payables	205,916	-	-	-
Total	205,916	-	-	-

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date. Unless otherwise stated, the carrying amounts of financial instruments reflect their fair values due to their short term nature.

22 Capital risk management

The Group's objectives when managing capital is to ensure the Group's ability to continue as a going concern so that it can provide an adequate return to shareholders.

The Group would look to raise capital when an opportunity to invest in a business, company or tenement is seen as value adding.

23 Post-reporting date events

Since the end of the year the following significant events have occurred:

Memorandum of Understanding to Form Joint Venture on Mozambique Corridor Sands Projects

On 26 July 2023, MRG Metals Limited entered a Memorandum of Understanding (MOU) with Tianjin Lanqi Materials Company Limited ("LANQI") for a Joint Venture operation ("JV") on its Mozambique Corridor Sands projects.

Key aspects of the MOU are:

- A period of 3 months Due Diligence commencing from today. During the period of Due Diligence, LANQI shall send their technical team to Mozambique for field inspection and sampling of the Corridor Projects. MRG shall send their representatives to assist LANQI to carry out this work.
- During the period of Due Diligence, LANQI shall also draft a JV agreement and shall send it to MRG together with LANQI's decision to proceed to JV, such that the JV is signed at or before completion of the Due Diligence period.
- A commitment to purchase AUD\$500,000 shares at 0.4c upon successful completion of Due Diligence and entering the JV.

Key Terms of the JV are:

- Both parties shall sign a JV Agreement upon or before completion of Due Diligence period that parties will set up a JV company in Mozambique owned 75 % by LANQI and 25 % by MRG, achieved upon first production.
 - LANQI shall invest USD 3 million dollars (and at the commencement of the JV place USD\$3 million into the JV trust account) for the following stages:
 - o To finish the JV company set up in Mozambique and company working capital.
 - i) Working capital to cover JV company in-country costs estimated at \$40k USD for minimum of 12 months.
 - ii) MRG Management involvement in JV at \$15k USD/month for minimum of 18 months.
 - o To complete the mine exploration and feasibility report for the Initial Corridor Project.
 - o To design the engineering and construction plan of the Initial Corridor Project.
 - o To get the mining licence approval from the Government.
 - LANQI shall invest all funds necessary to develop the initial mining operation and all subsequent funds for mine expansion either on the Initial Corridor Project or subsequent Corridor Projects.
 - LANQI shall guarantee that the total output of the HMC in the Initial Corridor Project shall be not less than 100,000 tpa at 18 months from the date any mining commences on the Initial Corridor Project; the total output of the HMC in Initial Corridor Project shall be increased to 200,000 tpa at or before 3 years

from the date any mining commences and to 400,000 tpa at or before 5 years from the date any mining commences.

- The JV Agreement shall specify obligation of the parties to retain JV equity with the intention of not limiting MRG's rights should the HMC production profile not deliver 100,000 tpa by 18 months, 200,000 tpa by 36 months, 400,000 tpa by 5 years and also should the JV not have implemented further expansion plans by 5 years from the date any mining commences in the Initial Corridor project.

Key Terms of the Offtake Agreement are:

7. LANQI shall be the Offtaker for all HMC products in the Initial Corridor Project.
8. The offtake price fixing can be referred to the export prices of the same quality HMC which shall be processed by other companies in Mozambique and the JV shall coordinate independent review mechanism agreeable to both Parties.
9. The JV company shall give 5% sales commission for the offtake agreement.

Definitions:

- Corridor Projects means Mineral Sands projects in Mozambique including Corridor Central (11142C), Corridor South (11137C), Corridor North (10779L) and Linhuane (7423L).
- "Initial Project" means the first of the Corridor Projects chosen by the JV for commencement of production.

Placement

On 7 August 2023, MRG Metals Limited completed a capital raising (announced 1 August 2023) comprising:

- Placement of 200,000,000 fully paid ordinary shares at \$0.0025, with 1 for 2 free attaching MRQO options (100,000,000 options), raised \$500,000
- Issuance of 10,000,000 MRQO options for payment of Lead Manager fees.

Proposed use of funds:

- Progress Rare Earth Elements and Uranium Projects should these Exploration Licences be granted.
- Working Capital.

24 Parent entity information

Information relating to MRG Metals Ltd ('the parent entity')

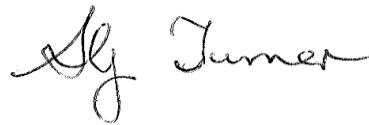
	2023	2022
	\$	\$
Statement of financial position		
Current assets	937,395	1,339,004
Total assets	6,807,110	6,610,699
Current liabilities	59,524	205,916
Total liabilities	59,524	205,916
Issued capital	28,951,328	27,761,631
Reserves	-	160,168
Retained earnings	(22,203,742)	(21,517,016)
	6,747,586	6,404,783
Statement of comprehensive income		
Profit/(loss) for the period	(846,894)	(702,340)
Total comprehensive income	(846,894)	(702,340)

25 Authorisation of financial statements

The consolidated financial statements for the year ended 30 June 2023 were approved by the board of directors on 28 September 2023.



Andrew Van Der Zwan
Chairman



Shane Turner
Director/Secretary

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Directors' declaration

1. In the opinion of the directors of MRG Metals Ltd:

a the consolidated financial statements and notes of MRG Metals Ltd are in accordance with the Corporations Act 2001, including

i. giving a true and fair view of its financial position as at 30 June 2023 and of its performance for the financial period ended on that date; and

ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b there are reasonable grounds to believe that MRG Metals Ltd will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial period ended 30 June 2023.

3. The consolidated financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated at Melbourne, the 28th day of September 2023.



Andrew Van Der Zwan

Director

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MRG Metals Limited Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of MRG Metals Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 4.2 in the financial report, which indicates that the Group incurred a net loss after income tax of \$846,894 and net cash outflows from operating and investing activities of \$1,627,144 for the year ended 30 June 2023. As stated in Note 4.2, these events, or conditions, along with other matters as set forth in Note 4.2 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

KEY AUDIT MATTER	
Exploration and evaluation assets	How our audit addressed it
<p>During the year, additions to exploration and evaluation assets in Mozambique totalled \$731k as detailed in Note 12.</p> <p>Accounting for these costs requires a significant amount of judgements and estimates and there is a risk that capitalisation of these costs may not be appropriate.</p> <p>The Group is also required to assess at each reporting date if there are any triggers for impairment which may suggest that the carrying value is in excess of recovering value in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. Management is required to exercise judgement in evaluating whether any impairment triggers exist.</p> <p>During the year, impairment to exploration and evaluation assets in Mozambique totalled \$112k as detailed in Note 12 due to the Group's intention to relinquish tenement 6864L.</p> <p>Due to the judgements involved in assessing recoverability of capitalised exploration and evaluation assets, this was considered a Key Audit Matter.</p>	<p>In order to address this risk, our audit procedures included the following:</p> <ul style="list-style-type: none"> – Reviewing the directors' assessment of the criteria for the capitalisation of exploration expenditure and evaluation of whether an impairment charge is required; – Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, including an evaluation of the Group's renewal in that area of interest at its expiry; – Examining project spend per each area of interest and comparing this spend to budgeted expenditure; – Agreeing a sample of expenditure capitalised to underlying support and ensuring that it is appropriately recorded in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> and is directly attributable to that area of interest; – Evaluating management's impairment analysis which included the Group's analysis of recoverability of the carrying value of the tenements; and – From an overall perspective, comparing the market capitalisation of the Group to the net carrying value of its assets on the statement of financial position to identify any other additional indicators of impairment. <p>We also assessed the adequacy of the Group's disclosures in respect of capitalised exploration costs and the planned expenditures.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of MRG Metals Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



J. C. Luckins
Director
Melbourne, 28 September 2023

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at 11 September 2023.

Substantial Shareholders

There was one substantial shareholder at 11 September 2023.

Name	Ordinary Shares	
	Number Held	%of quoted shares
10 Bolivianos P/L	111,930,199	5.12

Holdings Range	Shareholders
1 – 1,000	47
1,001 – 5,000	15
5,001 – 10,000	48
10,001 – 100,000	562
100,000 and over	1,374
	<u>2,046</u>

There were 874 holders of less than a marketable parcel of ordinary shares.

Twenty largest quoted shareholders	Ordinary Shares	
	Number Held	%of quoted shares
10 Bolivianos P/L	111,930,199	5.12
CJ & M Gregory S/F A/C	51,813,536	2.37
BNP Paribas Nominees P/L	43,114,144	1.97
JNW SFund P/L JNW S/F A/C	38,100,000	1.74
M Fimeri	38,096,666	1.74
Citicorp Nominees P/L	34,857,160	1.59
C Niu	34,125,000	1.56
Rob Roy P/L John Wright Family A/C	32,951,031	1.51
AJ Barker	30,000,000	1.37
S & E Turner Turner S/F A/C	26,982,509	1.23
Finger Lakes P/L Anvil Investment A/C	26,451,677	1.21
R Joekar	25,000,000	1.14
KV Van Der Zwan Harleston Family A/C	23,241,679	1.06
Altera P/L S/F A/C	21,902,877	1.00
A & KV Van Der Zwan S/F A/C	20,625,000	0.94
EJ Heymann	20,135,000	0.92
D & J Furfaro	20,000,000	0.91
First Investment Partners P/L	18,400,000	0.84
Jolanza P/L Jolanza A/C	18,000,450	0.82
MC Anderson	17,349,000	0.79
	<u>653,075,928</u>	<u>29.88</u>

Restricted equity securities

Nil

Securities exchange

The Company is listed on the Australian Securities Exchange and shares are quoted under the code MRQ.

Twenty largest quoted optionholders	Number Held	Options
		%of quoted options
A Knowles	32,000,000	5.41
Benjay P/L	28,184,810	4.76
C Niu	25,000,000	4.22
10 Bolivianos P/L	22,396,000	3.78
R Joekar	20,000,000	3.38
MF Durward	20,000,000	3.38
FZ Feng	19,999,996	3.38
M Fimeri	19,200,000	3.24
First Investment Partners P/L	19,200,000	3.24
Vivo Trading P/L	13,458,333	2.27
Simmo Enterprises P/L	12,413,333	2.10
PJ Savage & C Savage P&C Savage S/F A/C	11,640,000	1.97
Superhero Securities Limited	10,522,494	1.78
Riya Investments P/L	10,000,000	1.69
D Kenley	10,000,000	1.69
V Brizzi & RL Brizzi Brizzi Family S/F A/C	10,000,000	1.69
R Gropel	9,999,995	1.69
JY Kiu Or Poon	9,999,994	1.69
Blind Tiger P/L DG Borrowdale S/F A/C	7,871,298	1.33
SJ Reid & LS Reid Lilypilly S/F A/C	7,083,333	1.20
	318,969,586	53.89

Securities exchange

The Company is listed on the Australian Securities Exchange and options are quoted under the code MRQO.

Tenements

The Tenements held by the Company at reporting date are as follows:

Project	Tenement	% Owned	Note
Norrliden	K nr 1	10	
Malanaset	nr 100	10	
Malanaset	nr 101	10	
Corridor Central	11142C	100	
Corridor South	11137C	100	
Corridor North	10779L	100	Application
Linhuan	7423L	100	Application
Marão	6842L	100	
Marruca	6846L	100	
Olinga	11005L	100	Application
Patricio	10999L	100	Application
Fotinho	11000L	100	Application
Adriano	11002L	100	Application

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Corporate Directory

Directors & Secretary

Andrew Van Der Zwan
 Non Executive Chairman

Christopher Gregory
 Non Executive Director

Shane Turner
 Non Executive Director and Company Secretary

Principal place of business

12 Anderson Street West, Ballarat VIC 3350
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 Email: info@mrgmetals.com.au, www.mrgmetals.com.au

Registered office

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Corporate Accountant and Registered ASIC Agent

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 Telephone: 1300 288 664

Auditor

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 Level 20
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 Telephone (office): +61 3 9824 8555
 Website: www.williambuck.com

Stock Exchange Listing

ASX Codes: MRQ, MRQO