

ASX ANNOUNCEMENT

29 October 2024

MOZAMBIQUE JOINT VENTURE UPDATE FIRST DRILLING TO COMMENCE AT CORRIDOR NORTH (HMS) FOLLOW-UP INFILL DRILLING AT MARAO (HMS)

Key Highlights

In accordance with MRG's binding Joint Venture Agreement with Sinowin (ASX Announcement 13 June 2024), MRG is pleased to advise the JV has approved and will fund exploration programs totalling in excess of USD\$60,000 at the Corridor North 10779 and Marao 6842 projects.

Corridor North and Marao projects are planned to contribute to an expanded mine production schedule when annual Heavy Mineral Concentrate (HMC) production exceeds 110,000 tonnes at the end of Stage 1 (Corridor North) and 440,000 tonnes at the end of Stage 3 (Marao).

The exploration techniques to be applied at Corridor North and Marao will follow MRG's established Heavy Mineral Sands (HMS) exploration protocols, which successfully discovered Koko Massava, Nhacutse, Poiombo and peripheral HMS deposits in the Corridor Central and Corridor South tenements.

Corridor North 10779

- First exploration at Corridor North project will commence with a 130-hole hand auger grid drilling program.
- Corridor North abuts immediately to the north of the MRG Corridor Central (11142) licence, which is currently under Mining Concession application. HMS mineralisation at MRG's Koko Massava (JORC Resource 1.4Bt @ 5.2% THM; ASX Announcement 22 April 2020) is open northwards towards Corridor North.
- Corridor North also abuts immediately to the east and south of the world-class Dingsheng Minerals Corridor 1 tenement. MRG's data interpretation suggests that HMS mineralisation may extend southwards from Dinsheng into Corridor North.
- Holes with visually estimated >3% total heavy minerals (THM) will be sent to the analytical laboratory for analysis.
- Mineralogy will be conducted on the HMC to determine the valuable heavy mineral (VHM) content.

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- Environmental Management Plan (EMP) completed by MRG, to be delivered to Gaza Province Environmental Department for approval and Environmental licencing.

Marao 6842

- The Magonde, Maduacua and Mandende targets at Marao were previously generated by wide-spaced grid hand auger drilling over the entire Marao HMS Exploration licence (ASX Announcement 21 July 2022). Limited aircore drilling within these 3 targets showed the Magonde target with the highest and most continuous THM grades.
- A 100-hole hand auger grid infill drilling program will therefore be conducted at the Magonde target.
- Holes with visually estimated (VIS) total heavy >3% total heavy minerals (VHM) will be sent to the analytical laboratory for analyses.
- Mineralogy will be conducted on HMC to determine the valuable heavy mineral (VHM) content.
- The program will contribute important geological and assay information, potentially allowing a JORC compliant mineral resource estimate (MRE) to be undertaken at Magonde target.

MRG Metals Limited (“MRG” or “the Company”) (ASX Code: MRQ) is pleased to announce the imminent commencement of auger drilling programs at Corridor North 10779 and Marao 6842 in Mozambique. Budgets for the two drilling programs have been approved and will be funded under the JV by Sinowin. The drilling at Corridor North will be the first exploration on the licence, while work at Marao will focus on closer spaced infill drilling within the Magonde high grade HMS target.

MRG Metals Chairman, Mr Andrew Van Der Zwan said: *“The Joint Venture is pleased to commence activities outside of the Corridor Central and Corridor South tenements, in line with the production expansion we envisage in the JV Agreement. Our view is that while initial production is almost certain to commence within the established footprint, significant HMS discoveries at Corridor North, Marao and elsewhere in the portfolio may not just endorse but accelerate the expansion of HMC production beyond the 440Kt p.a. target outside of the initial mine location. The JV recognises that the Mozambique HMS portfolio is massive in scale and warrants continued evaluation for the optimum growth profile.”*

Details on planned drilling programs:

Corridor North 10779

Corridor North (10779L; 6,421.43 Ha and granted 16/11/2023; refer **ASX Announcement 14 December 2023**) is situated north of and abutting MRG's Corridor Central (11142C) licence (refer **Figures 1 and 2**), currently under Mining Concession application. Corridor Central contains MRG's Koko Massava JORC Resource (1.4Bt @ 5.2% THM). The mineralisation at Koko Massava is open towards the north and interpreted to extend into the southern part of the Corridor North licence (refer **Figure 2**). Corridor North is also located south and east of and abutting the world-class Dingsheng Minerals, S.A's Corridor 1 Project (7054C), which is currently being mined and reportedly contains in excess of 2.7Bt of high grade HMS resource. Mineralisation of the Corridor 1 Project is interpreted to extend into the Corridor North project (refer **Figure 2**).

MRG has completed the Environmental Management Plan (EMP) for Corridor North, which will shortly be delivered to Gaza Province Environmental Department for approval and environmental licence. On completion of engagement with the Provincial and local authorities, drilling can commence.

The first exploration at Corridor North will involve a 130-hole hand auger grid drilling program (**Figure 3**). Drilling is expected to be between 12.0 and 13.5m vertical depth, with the drilling grid as close as 500m by 500m in places. Holes with visually estimated (VIS EST) >3% total heavy minerals (THM) will be sent to the analytical laboratory for analyses. Composite samples, based on lithologies identified, will be sent to South Africa for mineralogical investigations to determine the valuable heavy mineral (VHM) content at Corridor North.

Marao 6842

Previous exploration at Marao (**Figure 1**) has involved covering the entire licence by a grid of hand auger holes (**Figure 4**; refer **ASX Announcements 8 July 2021, 18 June 2021 and 18 March 2021**), with holes showing VIS EST >3% THM sent for analyses. The hand auger drilling identified 3 high THM mineralised targets; Magonde, Maduacua and Mandende targets. Test drilling via aircore confirmed the 3 targets have higher grade mineralisation (refer **ASX Announcement 21 July 2022**), but from the THM mineralisation and mineralogical studies showed the Magonde target as the best immediate target to drill out further. Mineralogical studies were conducted on HMC from all 3 targets (refer **ASX Announcements 12 December 2022 and ASX Announcement 27 April 2021**).

The Magonde target has now been identified for infill hand auger drilling at a 250m by 250m grid (**Figure 5**). A 100-hole drilling program (**Figure 5**) has been designed to test the shallow (between 12.0 and 13.5m) mineralisation in the Magonde target and surrounding area. Holes with VIS EST >3% THM will again be sent to the analytical laboratory for analyses, with additional mineralogical

investigations to also take place. Drilling will commence early in November 2024 on receipt of all sampling equipment on site.

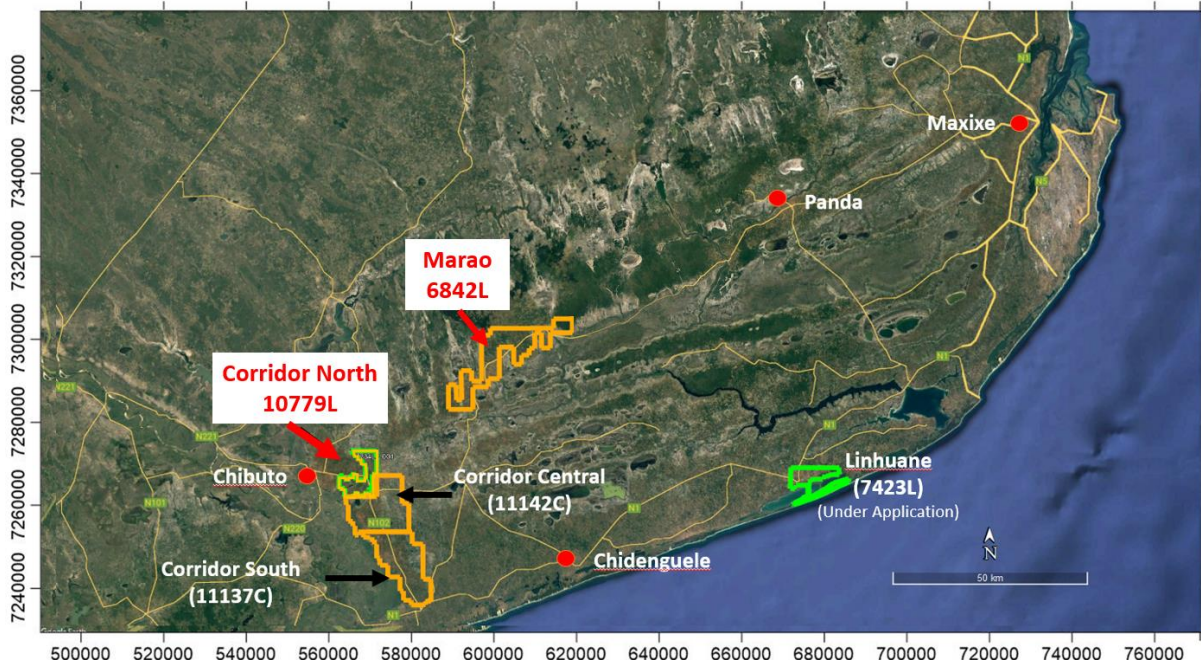


Figure 1: Map of the location of Corridor North 10779 and Marao 6842 licences where hand auger drilling will be taking place. Map only shows the MRG heavy mineral sands (HMS) licences, not the REE and Uranium licences in Mozambique.

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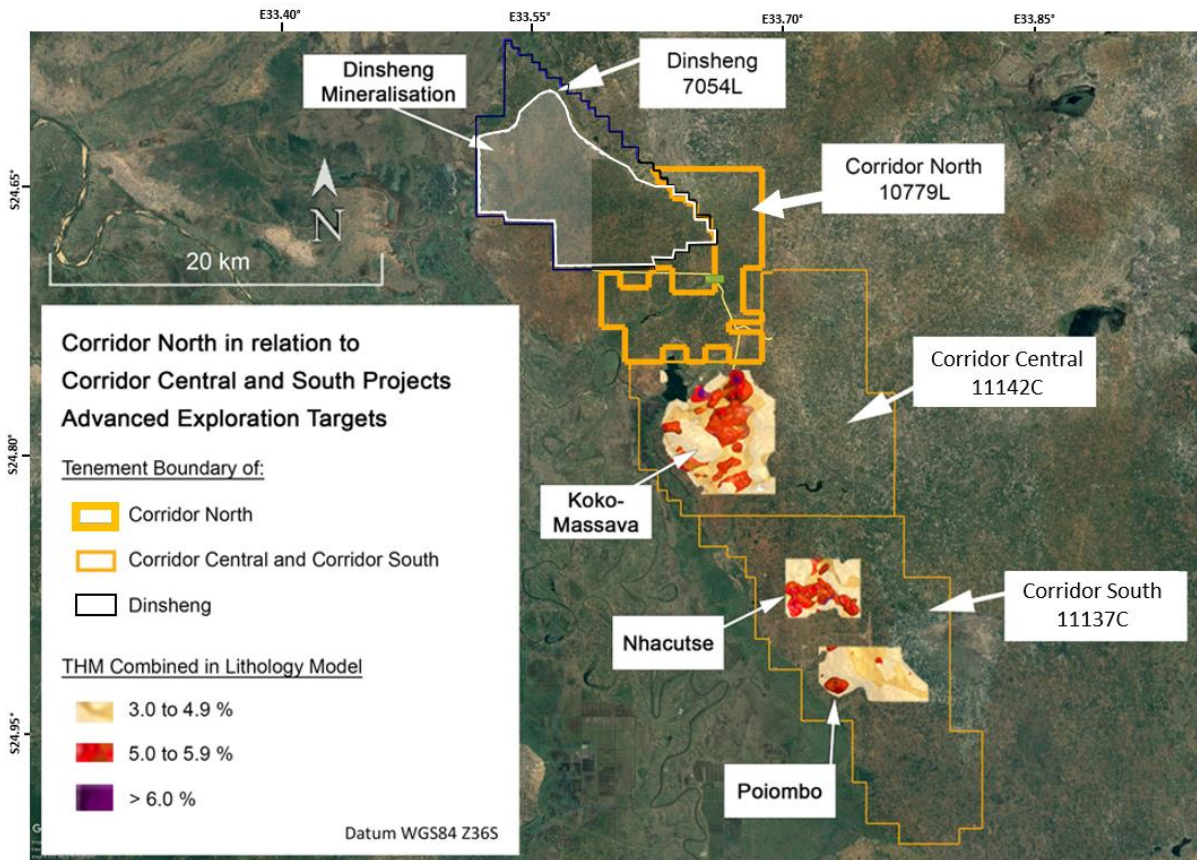


Figure 2: Corridor North 10779 licence with the MRG deposits in Corridor Central 11142 (Koko Massava) and Corridor South 11137 (Nhacutse and Poiombo), with MRG's Koko Massava deposit and the Dinsheng 7045 deposits interpreted to extend into Corridor North.

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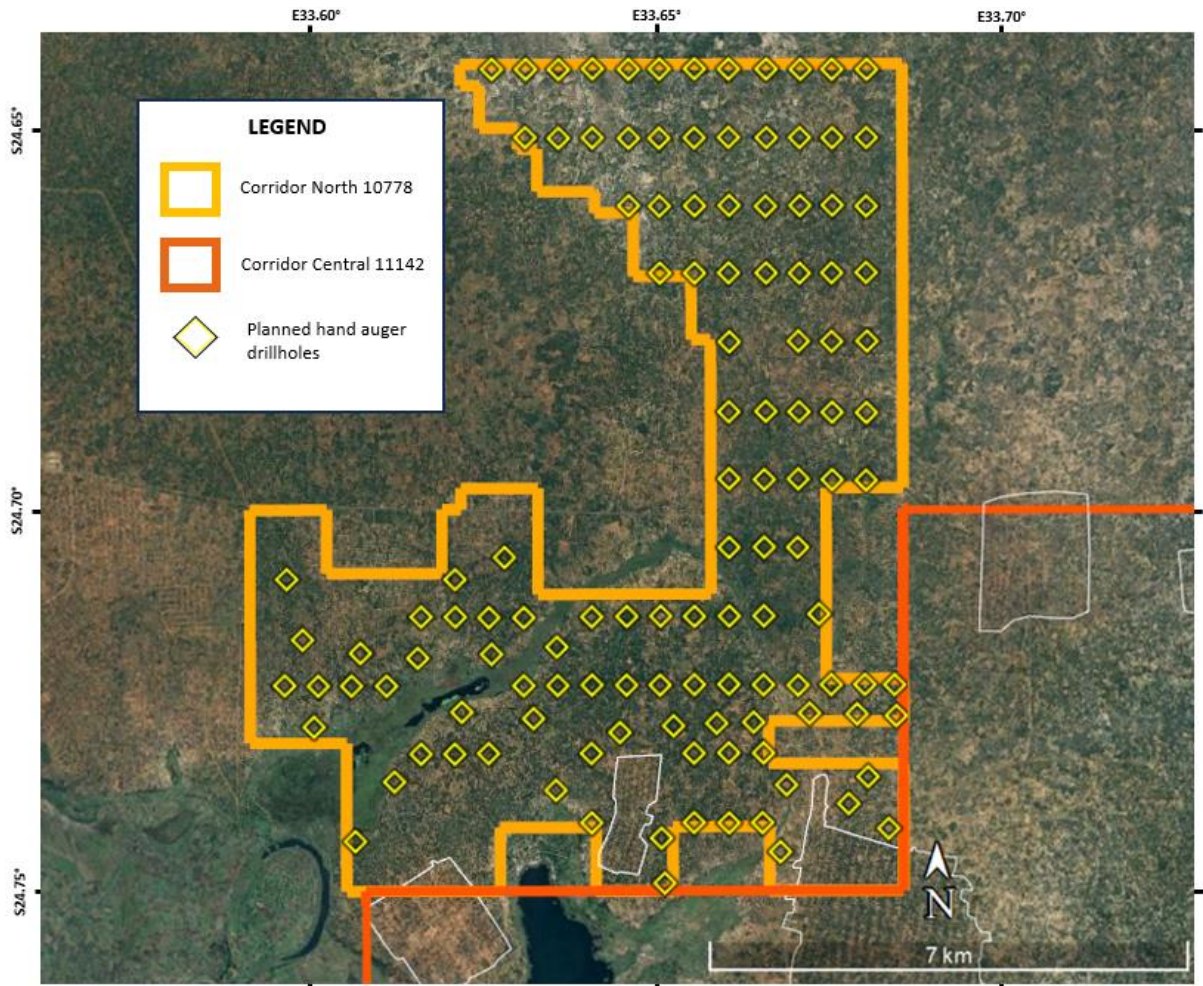


Figure 3: Corridor North 10779 licence with the planned hand auger holes shown.

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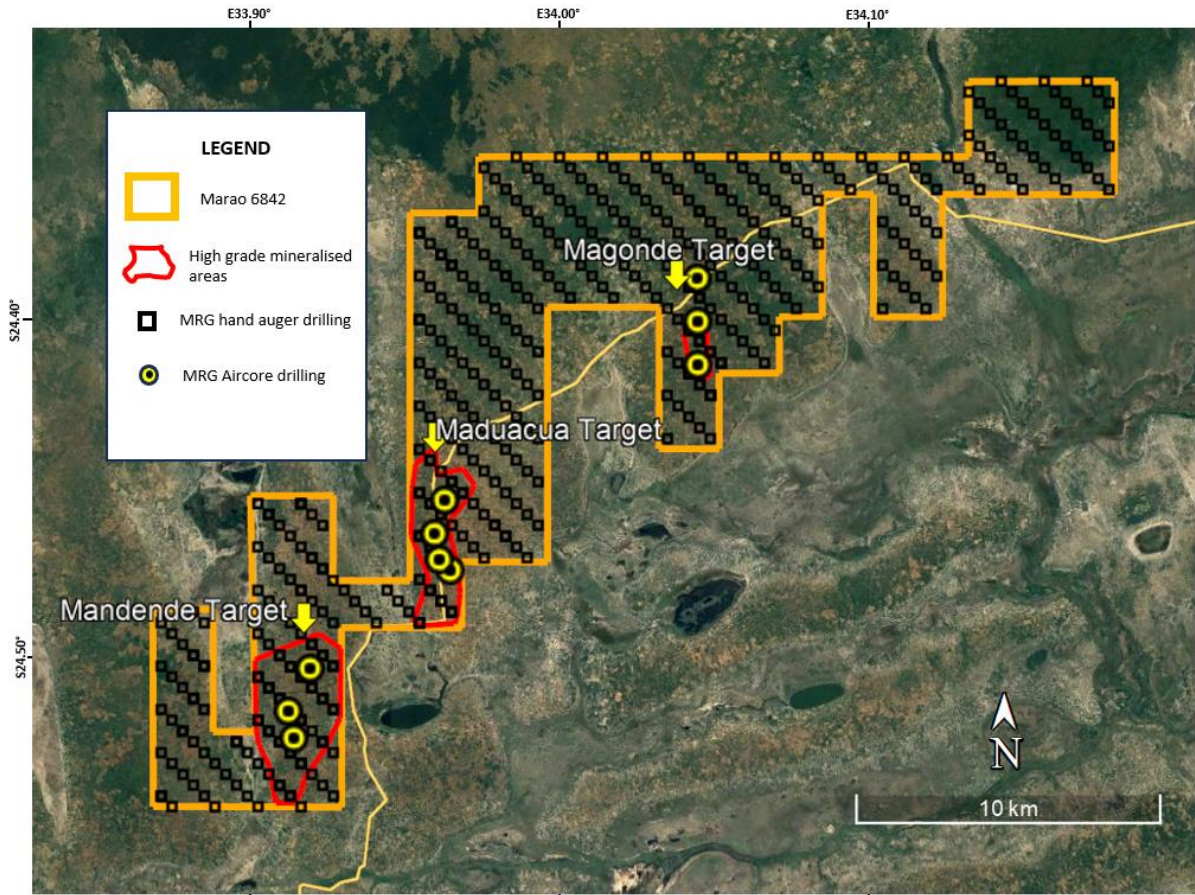


Figure 4: Marao 6842 licence with MRG drilled aircore and hand auger holes and the 3 targets generated to date.

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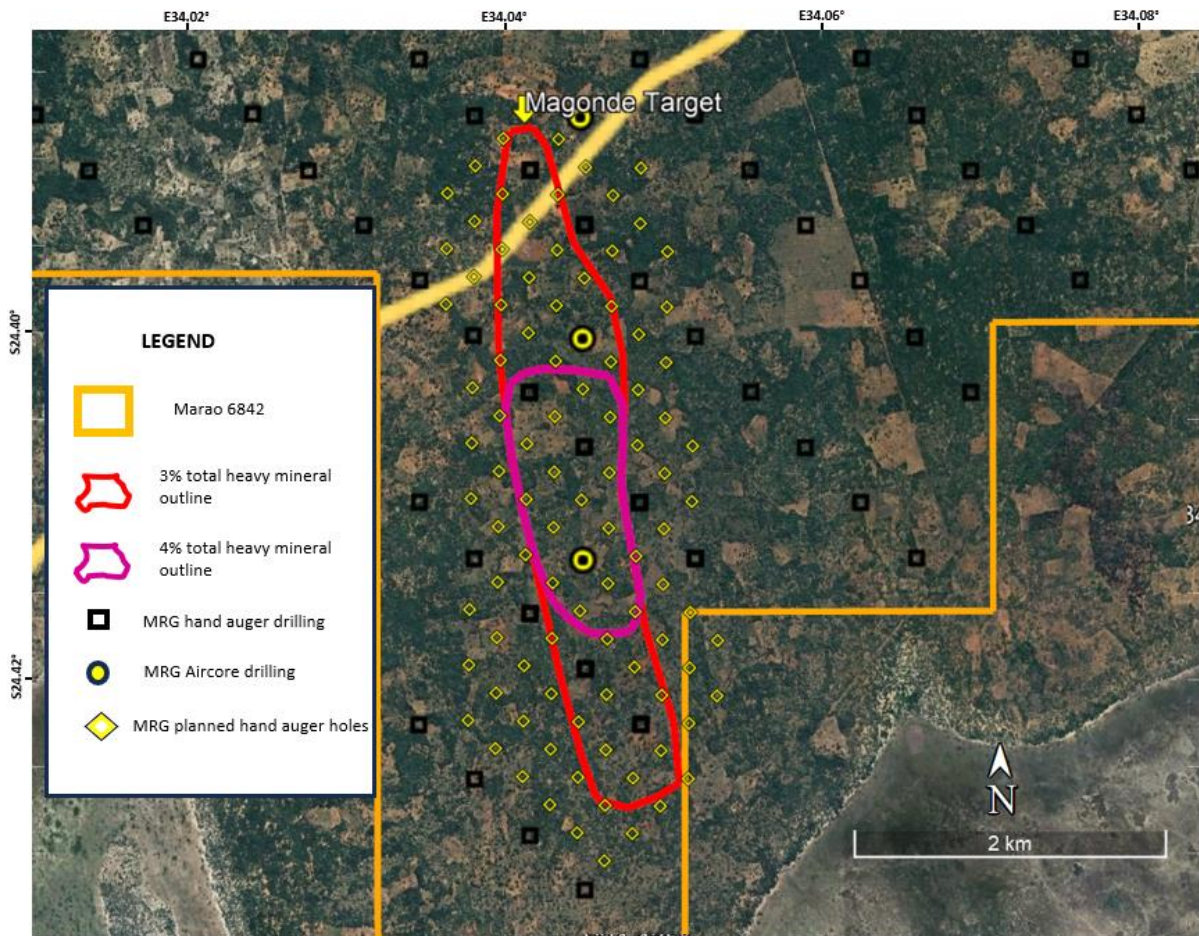


Figure 5: Magonde target within Marao 6842 with the 3% assay derived total heavy mineral (THM) outline (red) and 4% THM outline (magenta), with the MRG drilled aircore and hand auger holes and the planned hand auger drill holes.

Competent Persons' Statement

The information in this report, as it relates to Mozambique Exploration Results, is based on information compiled and/or reviewed by Mr JN Badenhorst, who is a member of the South African Council for Natural Scientific Professions (SACNASP) and the Geological Society of South Africa (GSSA). Mr Badenhorst is a contracted employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Badenhorst consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

-ENDS-



Authorised by the Board of MRG Metals Ltd.

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