



MRG SUCCESSFULLY COMPLETES DUE DILIGENCE TO ACQUIRE HIGH POTENTIAL HEAVY MINERAL SANDS PROJECTS IN MOZAMBIQUE

- On 11 April 2018, MRG Metals (“MRG” or the “Company”) announced it had entered into a binding Heads of Agreement (“HoA”) to acquire three high potential Heavy Mineral Sands (“HMS”) Projects held by Sofala Resources Pty Ltd (“Sofala”).
- We confirm the due diligence in relation to those Projects has been successfully completed.
- MRG will now proceed to a General Meeting of Shareholders in late June where MRG Shareholder approval will be sought. To this end MRG has commenced facilitation of the necessary reports to accompany the Notice of General Meeting, including an Independent Geologist Report and an Independent Expert Report.
- An update on the Projects will be provided shortly as MRG progresses towards Shareholder approval.
- Further, there has been a slight change to the Milestones in order to comply with ASX Listing Rules and Policy.

MRG Chairman, Andrew Van Der Zwan commented “The Company is pleased to have successfully completed the important Due Diligence process and will now progress to formal acquisition via Shareholder approval, anticipated prior to end of June. This acquisition will provide MRG with pipeline of projects in a World Class HMS province. We look forward to providing Shareholders with an update shortly covering additional information on the Projects, the proposed exploration plans commencing in Q3, and the expanded Project plans into 2019.”

Heads of Agreement

Under the revised HOA, upon satisfaction of due diligence, approval by MRG Shareholders will be sought at a General Meeting. Following Shareholder and regulatory Approval and at Settlement of the transaction, MRG will:

- Reimburse Sofala loans (not to exceed US\$100,000).
- Issue 175,000,000 MRQ fully paid ordinary shares and 175,000,000 MRQOB options to the Sofala and Trophosys shareholders.
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Milestone payments and timeframe for payments:

1. Within 24 months of Settlement and the achievement of a 350M tonne JORC 2012 compliant resource (minimum Total Heavy Minerals (THM) of 5%), MRG shall issue 240,000,000 MRQ fully paid ordinary shares to Sofala and Trophosys shareholders.
2. Following completion of a Scoping Study on the HMS Projects showing positive economics combined with a MRG Board decision to commence a PFS at any time after Settlement or within 30 months MRG shall issue 480,000,000 MRQ fully paid ordinary shares to Sofala and Trophosys. Further, the Sofala and Trophosys shareholders will voluntarily escrow 240,000,000 of these shares, until such time that MRG achieves a Market Capitalisation greater than A\$100M for greater than 30 days or for a period of 24 months from issue, whichever occurs first. If the HMS Projects are sold at a valuation greater than \$100 million cash or based on consideration that is valued by an Independent Expert's Report, prior to the completion of milestone 2, then all shares under milestones 1 and 2 will be issued.