



QUARTERLY REPORT

FOR THE QUARTER ENDED 31 DECEMBER 2019

MOZAMBIQUE HEAVY MINERAL SAND PROJECTS

CORRIDOR CENTRAL TENEMENT (6620L)

AIRCORE DRILLING FOLLOWED UP SOIL AUGER DRILLING TO CONFIRM HMS DISCOVERY AT KOKO MASSAVA:

- AIRCORE DRILLING DEFINED AN EXTENSIVE MINERALISED FOOTPRINT, STILL OPEN IN ALL DIRECTIONS.
- LABORATORY ASSAYS RECEIVED FROM THE FIRST 8 OF 82 AIRCORE HOLES.
- HIGH AIRCORE DRILLING ASSAY GRADES >5% AND UP TO 17.64% TOTAL HEAVY MINERAL (THM) FROM NEAR SURFACE AND AT >50M DEMONSTRATES THE ROBUST NATURE OF MINERALISATION.
- STRONG CORRELATION DEMONSTRATED BETWEEN VISUAL FIELD ESTIMATION OF THM GRADE AND LABORATORY ASSAY OF THM GRADE, WITH VISUAL FIELD ESTIMATION TYPICALLY CONSERVATIVE.
- HIGHLIGHTS OF FIRST KOKO MASSAVA AIRCORE ASSAY RESULTS:
 - 18M @ 7.44% THM (HOLE 19CCAC116) FROM 3-21M
 - 18M @ 8.15% THM (HOLE 19CCAC116) FROM 30-45M
 - 24M @ 7.19% THM (HOLE 19CCAC118) FROM 3-27M
 - 6M @ 11.89% THM (HOLE 19CCAC118) FROM 21-27M AND 24M @ 5.19% THM
- ASSAY RESULTS FOR REMAINING 74 HOLES OF AIRCORE DRILLING DUE IN THE NEXT QUARTER.
- AUGER DRILLING TO 11.5 METRES DEPTH FROM SURFACE DEMONSTRATED A HMS MINERALISED FOOTPRINT AT KOKO MASSAVA OF >20 SQUARE KILOMETRES.

CORRIDOR SOUTH TENEMENT (6621L)

HIGH GRADE LABORATORY RESULTS FROM AUGER DRILLING IN CORRIDOR SOUTH TENEMENTS INDICATES THE POTENTIAL FOR FURTHER SUBSTANTIAL HEAVY MINERAL SAND DISCOVERIES:

- AT NHACUTSE TARGET, INITIAL AUGER DRILL ASSAY RESULTS INCLUDE 10.5M @ 6.39% THM CORRELATING WITH AN EXTENSIVE THORIUM GEOPHYSICAL ANOMALY.
- AT POIOMBO TARGET, TWO AUGER DRILL HOLES WITHIN A 9KM X 1KM MAGNETIC ANOMALY, INITIAL AUGER DRILL ASSAY RESULTS INCLUDE 9M @ 6.63% THM.
- AT BUNGANE TARGET, AN 11KM² ZONE WITH RECONAISANCE AUGER DRILL ASSAYS OF >3-5% THM CORRELATES WITH A THORIUM GEOPHYSICAL ANOMALY

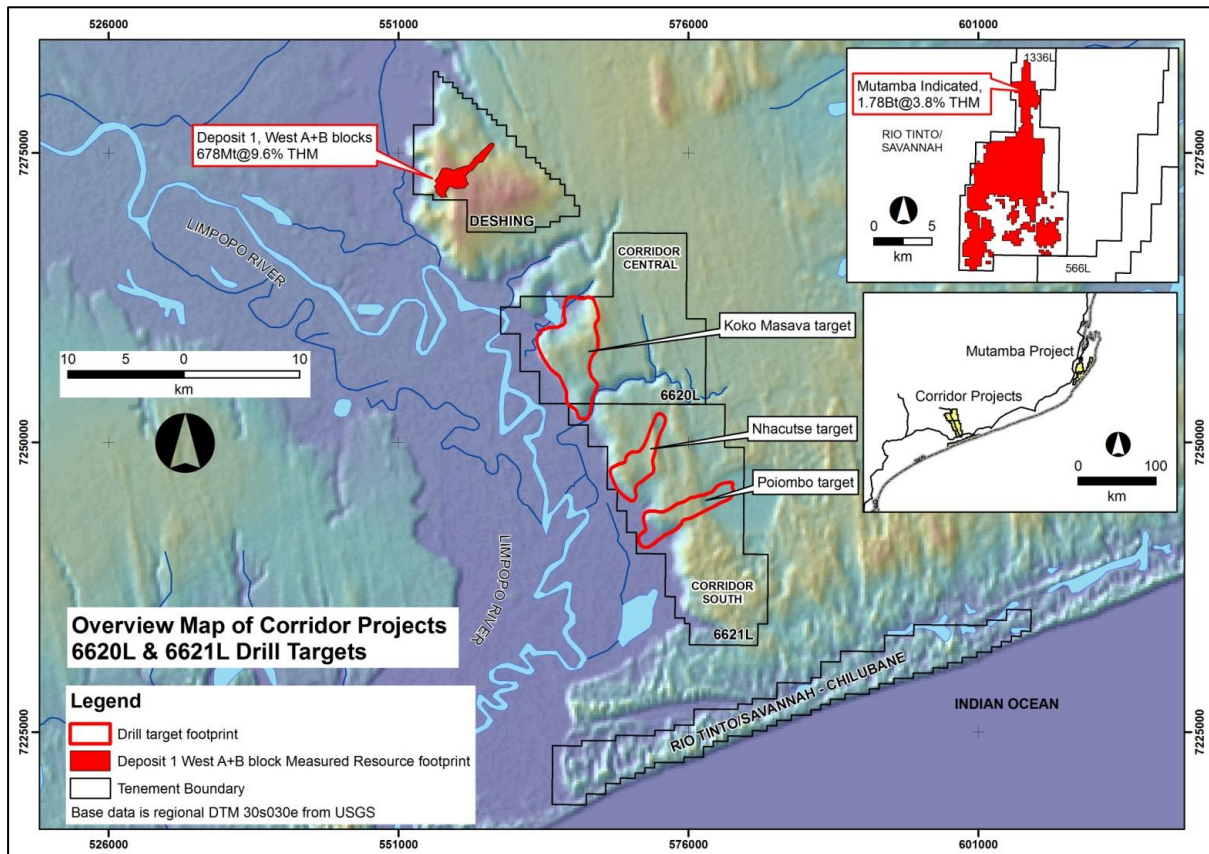


Figure 1 showing locations of MRG's Corridor Central and Corridor South Projects in Mozambique; Targets Koko Massava, Nhacutse and Poiombo; and competitor HMS deposits.

MRG is exploring for economic deposits of Heavy Mineral Sands in the southern part of Mozambique. Activities during the Quarter ending 31 December 2019 were focussed within the Corridor Central (6620L) and Corridor South (6621L) tenements (Figure 1).

Corridor Central Project (6620L)

KOKO MASSAVA TARGET

Aircore Drilling Results

The first batch of aircore drill samples representing the first 8 holes of 82 holes drilled to date at Koko Massava were received at the end of the quarter. Highly significant laboratory assay results confirmed the significant lateral and vertical extent of the mineralised footprint and the significant potential for definition of a high grade, large tonnage heavy mineral sand (HMS) mineral resource.

The laboratory results are for a batch of 202 samples, including QAQC samples, from a total of 16 aircore holes. The hole numbers include 19CCAC104 to 19CCAC119 (Figure 2). The results do not represent a complete set of samples from each hole, with the remainder of samples to be assayed in the near future. For holes 19CCAC104 to 19CCAC111 the results received to date are too incomplete to be included here in Table 1 and Figure 2. The assays required to complete these holes will be included in the 3rd Batch of Aircore samples due to be reported in Quarter 1, 2020.



Drillholes 19CCAC112 – 119 are only pending the 0-3m sample interval and are considered to be complete enough to include in Table 1 and Figure 2. The line of 8 holes marked on Figure 2 provide an almost complete picture of the significance of the HMS mineralisation. Overall, the available laboratory data set shows the aircore holes noted above attained an uncut average downhole grade 3.70% - 6.23% THM, with hole depths ranging from 51 – 75m. These results highlight the robust nature of the HMS mineralisation in the Koko Massava area that begins near surface and continues to the end of hole in numerous cases.

The best hole returned within this new laboratory batch is 19CCAC116, with a maximum of 17.64% THM (Table 1). Overall, based on the almost complete dataset (0-3m not yet available), hole 19CCAC116 comprises an uncut downhole average of 6.23% THM over 51m from 3-54m. Slime values related to hole 19CCAC116 are moderate, with a range of 6.99%-19.04% and an average of 12.02%.

In terms of overall Slime characteristics within this aircore laboratory batch, only 43 of 202 primary samples contained Slime values >20%. The range of Slime within the batch is 3.18% to 32.25%, with overall average of 14.71%, which suggests the host sand will be amenable to typical dry mining methods and standard gravitational HMS pre-concentration.

The Company's first aircore laboratory results, reported here, for drilling within the Koko Massava target further validate the potential for definition of a significant HMS mineral resource. Additional new laboratory results for aircore drill samples are expected to be reported in Quarter 1, 2020.

Aircore samples were sent to Western Geolabs in Perth for heavy liquid separation analysis. Samples were initially oven dried and disaggregated if required by hand, weighed and then split to approximately 100g sub-samples. The sub-sample was wetted and attritioned to ensure further breakdown of any clay aggregates and then de-slimes at 45µm to measure Slime percent. The sub-sample was then screened at +1mm to remove and measure Oversize percent. The +45µm-1mm fraction was then subjected to heavy liquid separation (HLS) with tetrabromoethane (TBE) at specific gravity of 2.95. The settling time for HLS was 45 minutes with several stirs of the liquid to ensure adequate heavy mineral 'drop'.

In terms of QAQC, field duplicate samples and standard reference material (SRM) samples are inserted at a frequency of 1 per 25 primary samples (alternating between duplicate and standard) and submitted 'blind' to the laboratory. At the laboratory, additional duplicates are routinely prepared at a frequency of 1 per 10 primary samples.

Table 1: Summary laboratory sample data for aircore drilling at the Koko Massava target. Visual field estimate data (VIS THM%) are included to demonstrate relative correlation with laboratory data.

HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	EOH (M)	ELEV'N (M)	AVG HOLE VIS THM%	AVG DATA SET THM%	MAX DATA SET THM%	MIN DATA SET THM%	AVG DATA SET SLIME%	AVG DATA SET O/S%	INCLUDES
19CCAC112	568301	7257779	51	72	3.4	4.41	7.17	3.37	16.76	0.58	Only 0-3m sample interval outstanding from lab 3m @ 7.17 (36-39m)
19CCAC113	567997	7258191	75	77	2.7	4.97	9.36	1.77	17.14	1.69	Only 0-3m sample interval outstanding from lab 21m @ 5.10% THM (3-24m) 9m @ 4.21% THM (24-33m) 42m @ 5.00% THM (33-75m)
19CCAC114	567698	7258564	63	79	2.9	4.90	8.64	3.20	19.90	1.16	Only 0-3m sample interval outstanding from lab 39m @ 4.30% THM (3-42m) 21m @ 6.00% THM (42-63m)
19CCAC115	567390	7258955	75	95	2.7	5.65	11.51	2.63	14.29	1.22	Only 0-3m sample interval outstanding from lab 39m @ 4.40% THM (3-42m) 21m @ 7.30% THM (42-63m) 3m @ 11.51% THM (45-48m) 3m @ 10.00% THM (60-63m)
19CCAC116	567105	7259362	54	81	2.5	6.23	17.64	1.70	12.04	1.11	Only 0-3m sample interval outstanding from lab 18m @ 7.44% THM (3-21m) 3m @ 11.35% THM (15-18m) 15m @ 8.15% THM (30-45m) 3m @ 17.64% THM (39-42m)
19CCAC117	566784	7259790	54	62	2.1	3.70	7.26	1.46	10.27	1.30	Only 0-3m sample interval outstanding from lab 30m @ 3.47% THM (3-33m) 21m @ 4.02% THM (33-54m) 3m @ 7.26% THM (42-45m)
19CCAC118	566480	7260153	51	54	3.6	5.64	12.55	2.41	11.10	1.05	Only 0-3m sample interval outstanding from lab 24m @ 7.19% THM (3-27m) 6m @ 11.89% THM (21-27m) 24m @ 4.42% THM (27-51m)
19CCAC119	566185	7260561	51	36	2.8	5.46	14.14	2.80	9.88	1.22	Only 0-3m sample interval outstanding from lab 24m @ 5.19% THM (3-27m) 24m @ 5.72% THM (27-51m) 3m @ 14.14% THM (48-51m)

Note: VIS = visual estimated; O/S = Oversize (+1mm); All data averages are uncut and from surface. Dip of all holes in -90 degrees and azimuth is 360 degrees.

Table 2: Detailed laboratory sample data for significant aircore drillhole 19CCAC116 at Koko Massava.

HOLE_ID	SAMPLE NUMBER	FROM (M)	TO (M)	THM%		SLIME%	O/S%	SAMPLE TYPE	SAMPLE CATEGORY
19CCAC116	1911601	0	3	Result pending		Result pending	Result pending	AIRCORE	PRIMARY
19CCAC116	1911602	3	6	5.58		17.60	0.67	AIRCORE	PRIMARY
19CCAC116	1911604	6	9	5.74		18.48	0.80	AIRCORE	PRIMARY
19CCAC116	1911605	9	12	6.28		21.51	0.63	AIRCORE	PRIMARY
19CCAC116	1911606	12	15	6.77		28.55	0.50	AIRCORE	PRIMARY
19CCAC116	1911607	15	18	11.35		5.12	3.21	AIRCORE	PRIMARY
19CCAC116	1911608	18	21	8.93		5.70	1.56	AIRCORE	PRIMARY
19CCAC116	1911609	21	24	4.94		7.30	1.47	AIRCORE	PRIMARY
19CCAC116	1911610	24	27	4.55		8.86	0.65	AIRCORE	PRIMARY
19CCAC116	1911611	27	30	3.94		10.92	0.24	AIRCORE	PRIMARY
19CCAC116	1911612	30	33	5.87		7.80	1.35	AIRCORE	PRIMARY
19CCAC116	1911613	33	36	5.67		9.69	1.48	AIRCORE	PRIMARY
19CCAC116	1911614	36	39	4.54		10.21	1.01	AIRCORE	PRIMARY
19CCAC116	1911615	39	42	17.64		12.26	0.45	AIRCORE	PRIMARY
19CCAC116	1911616	42	45	7.04		9.09	0.25	AIRCORE	PRIMARY
19CCAC116	1911617	45	48	3.04		7.36	1.57	AIRCORE	PRIMARY
19CCAC116	1911618	48	51	2.91		8.38	2.63	AIRCORE	PRIMARY
19CCAC116	1911619	51	54	1.70		10.90	0.85	AIRCORE	PRIMARY

Note: O/S = Oversize (+1mm).

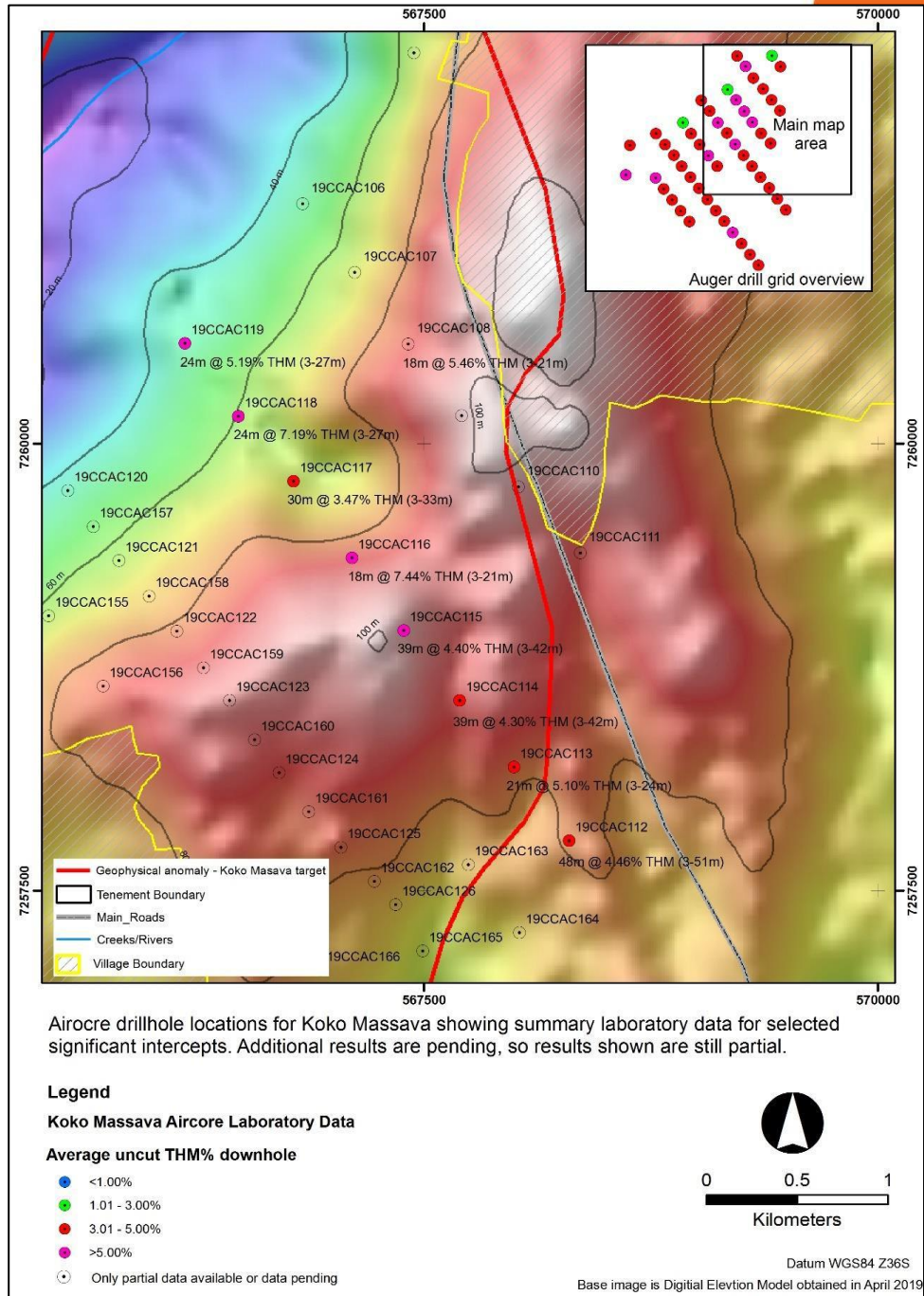


Figure 2: Location map of Koko Massava aircore drillholes, showing summary laboratory data for THM grades for the first line of aircore drilling, holes 19CCAC112 to 19CCAC119, minus the first 3 metres from surface for these holes (assay results not yet received). For reference, the insert map shows auger assay results over Koko Massava. The 4th line of auger holes down from top-right in the insert map approximates the location of the first line of 8 aircore holes reported here.

Aircore Drilling Activities

Phase 1 drilling of wide spaced holes at 500m x 1000m commenced in the northeast and progressed systematically along drill lines to the southwest to completion. Spacing was established from comparison with similar, World class heavy mineral sand deposits, including Mutamba, with the anticipation that data will meet geological confidence requirements to establish a maiden JORC Mineral Resource Estimate for the area.

Phase 1 aircore drilling comprised 48 holes with ~2,439 metres of drilling (Figure 3). Hole depth varies from 24m to 75m, with an average of 50.8m.

Visual Total Heavy Mineral Highlights

Forty six of the 48 holes in Phase 1 have intersected individual 3m sample intervals of >4% estimated visual THM, with 29 of the 48 showing uncut, average estimated visual THM% grades >3% over the entire hole depth (Table 3). Maximum individual sample intervals in the holes completed range from 2.9% – 13.0% estimated visual THM.

The best result reported is 19CCAC146 which was drilled to 24m depth and contains 24m @ 4.64% estimated visual THM from surface (Table 3), including 9m @ 5.2% estimated visual THM (15-24m). The hole ended at 24m due to problems with sample recovery. However, the final sample interval of 21-24m contained a grade of 7.0% visual estimated THM.

The host lithology is typically red-brown, moderately to well sorted, medium grained sand with moderate silt content (Figures 3, 4 and 5). Estimated visual THM grades at the project typically range between 1.0%-6.0% from surface to around 18m. Downhole grades below 18m commonly range 3.5%-8% estimated visual THM. The highest estimated visual THM grades (i.e. 10-13%) appear to be located between 21-33m downhole, suggesting a potential palaeo-strandline within that zone.

Drilling is being undertaken by Bamboo Rock Drilling Limitada utilising a purpose-built Thor Reverse Circulation Aircore drill rig with 76mm diameter rods and 80mm diameter Harlsan aircore bits. Samples are collected via a cyclone as entire 3m composites.

Samples are then logged by the geologist onsite and analysed by wet pan concentration for estimated visual total heavy mineral (estimated THM) percent using a standard procedure defined by MRG and validated by several rounds of laboratory assays. In terms of QA/QC, field duplicates are prepared at a frequency of 1 per 25 primary samples and a standard reference material (SRM) sample is inserted at a frequency of 1 per 50 primary samples.

Wet pan concentration analysis to estimate visual THM percent for each sample in the field is a preliminary and qualitative method. However, from the auger drilling program at Koko Massava, visual estimation of grade in the field compares well with quantitative assay results of the same sample interval received later from the laboratory. Ongoing calibration is aimed at training the Geologist's eye to increase the accuracy of visual estimation of heavy mineral grade in the field.

These encouraging results warranted MRG to immediately commence Phase 2 infill drilling in areas of highest estimated visual heavy mineral grade with holes located at 250m x 1000m and 500m x 500m centres.

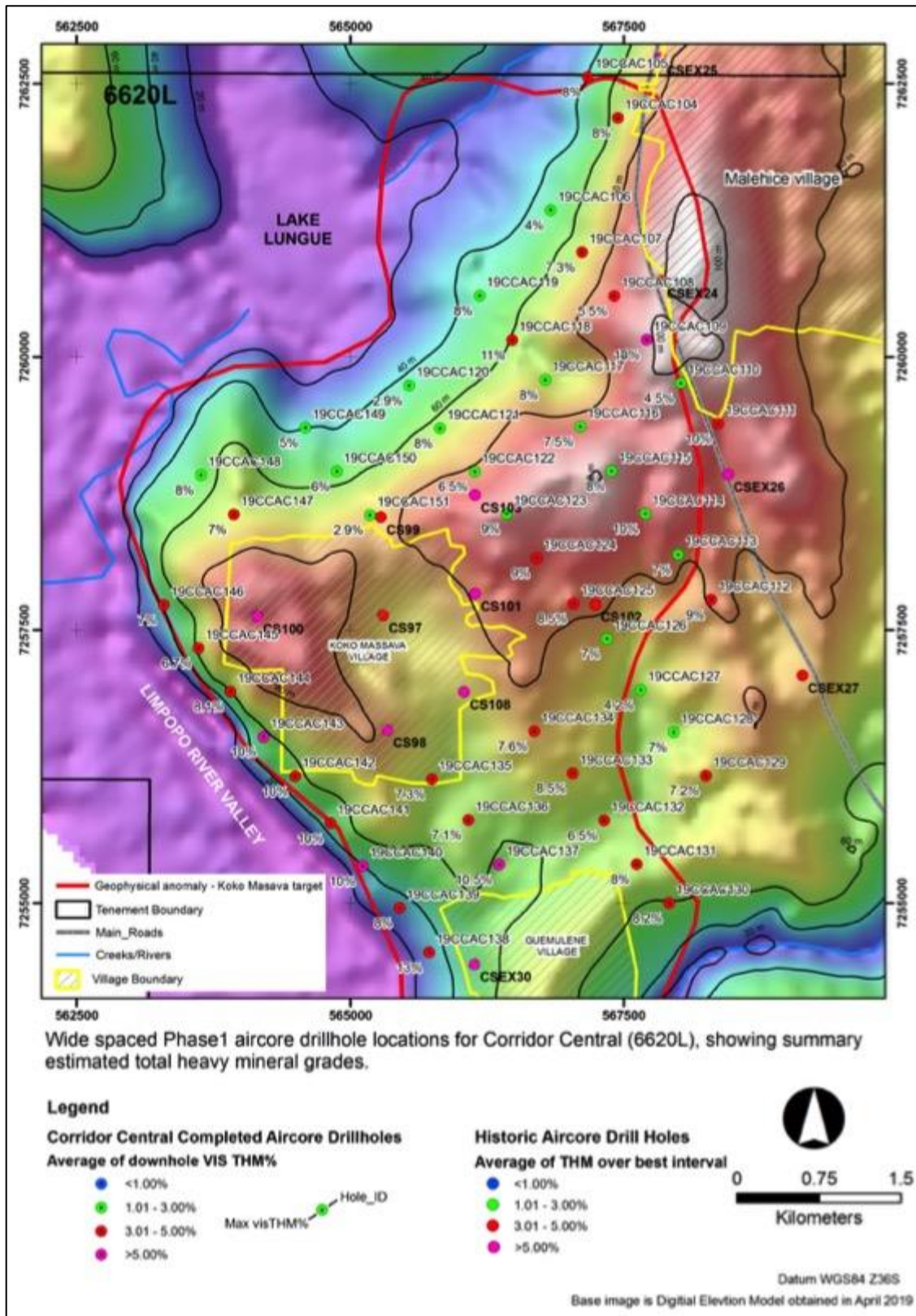


Figure 3: Location map of Phase 1 Aircore Drillholes completed to 13 November 2019 at Koko Massava.



Figure 4: Aircore drill rig operation at Koko Massava.



Figures 5,6 & 7: Host lithology - typically red-brown, moderately to well sorted, medium grained sand with moderate silt content.

Table 3: Summary of new Koko Massava drill data completed to 13 November 2019 with preliminary estimated visual (VIS) THM% data. Average (AVG) data is uncut grade weighted from surface to end of hole.

HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	EOH (M)	ELEV' N (M)	DIP	AZI	AVG VIS THM%	MIN VIS THM%	MAX VIS THM%	INCLUDING
19CCAC114	567698	7258564	63	79	-90	360	2.8	1.0	10.0	15m @ 4.8% visTHM (30-45m)
19CCAC115	567390	7258955	75	95	-90	360	2.6	1.0	8.0	21m @ 3.3% visTHM (30-51m) 15m @ 4.0% visTHM (60-75m)
19CCAC116	567105	7259362	54	81	-90	360	2.4	0.2	7.5	9m @ 5.1% visTHM (12-21m) 3m @ 7.5% visTHM (39-42M)
19CCAC117	566784	7259790	54	62	-90	360	2.0	0.8	8.0	3m @ 4.0% visTHM (24-27m) 6m @ 5.2% visTHM (42-48m)
19CCAC118	566480	7260153	51	54	-90	360	3.5	1.4	11.0	18m @ 5.8% visTHM (15-33m) 6m @ 10.5% visTHM (21-27m)
19CCAC119	566185	7260561	51	36	-90	360	2.7	1.4	8.0	6m @ 3.8% visTHM (12-18m) 9m @ 5.7% visTHM (42-51m)
19CCAC120	565541	7259737	51	40	-90	360	1.7	0.5	2.9	18m @ 2.4% visTHM (24-42m)
19CCAC121	565821	7259346	51	53	-90	360	2.9	1.4	8.0	12m @ 5.2% visTHM (39-51)
19CCAC122	566140	7258951	51	74	-90	360	2.5	1.0	6.5	6m @ 5.0% visTHM (18-24m)
19CCAC123	566431	7258564	51	85	-90	360	3.0	1.4	9.0	15m @ 3.0% visTHM (3-18m) 9m @ 5.4% visTHM (24-33m)
19CCAC124	566703	7258159	51	83	-90	360	3.2	1.1	9.0	18m @ 3.2% visTHM (18-36m) 15m @ 5.0% visTHM (36-51m)
19CCAC125	567044	7257743	54	78	-90	360	3.8	1.7	8.5	21m @ 6.0% visTHM (33-54m)
19CCAC126	567345	7257422	51	68	-90	360	2.4	0.6	7.0	12m @ 5.30% visTHM (33-45m)
19CCAC127	567656	7256952	51	57	-90	360	2.6	1.3	4.2	6m @ 3.5% visTHM (6-12m) 12m @ 3.5% visTHM (24-36m)
19CCAC128	567959	7256565	51	57	-90	360	2.9	1.6	7.0	15m @ 3.7% visTHM (9-24m) 3m @ 7.0% visTHM (42-45m)
19CCAC129	568252	7256169	51	68	-90	360	4.1	1.0	7.2	18m @ 4.3% visTHM (3-21m) 3m @ 6.3% visTHM (33-36m) 9m @ 5.2% visTHM (42-51m)
19CCAC130	567914	7255002	51	48	-90	360	4.6	2.1	8.2	9m @ 4.3% visTHM (12-21m) 30m @ 5.3% visTHM (21-51m) 6m @ 7.8% visTHM (33-39m)
19CCAC131	567619	7255356	51	59	-90	360	4.1	2.0	8.0	24m @ 3.9% visTHM (3-27m) 18m @ 5.0% visTHM (33-51m)
19CCAC132	567321	7255757	51	56	-90	360	3.5	1.6	6.5	9m @ 5.4% visTHM (3-12m)
19CCAC133	567035	7256190	51	63	-90	360	4.4	1.0	8.5	39m @ 5.0% visTHM (0-39m) 6m @ 8.2% visTHM (24-30m)
19CCAC134	566683	7256574	51	70	-90	360	3.6	2.1	7.6	15m @ 3.6% visTHM (3-18m) 12m @ 5.3% visTHM (30-42m)
19CCAC135	565746	7256137	51	63	-90	360	3.7	1.3	7.3	15m @ 5.0% visTHM (24-29m)
19CCAC136	566082	7255762	51	60	-90	360	3.6	1.2	7.1	6m @ 5.4% visTHM (12-18m) 18m @ 4.5% visTHM (27-45m)
19CCAC137	566362	7255355	51	53	-90	360	5.3	0.9	10.5	15m @ 7.9% visTHM (30-45m)
19CCAC138	565724	7254549	51	32	-90	360	4.4	0.5	13.0	18m @ 8.0% visTHM (18-36m)
19CCAC139	565453	7254958	42	27	-90	360	3.8	0.5	8.0	9m @ 6.2% visTHM (6-15m) 9m @ 5.4% visTHM (24-33m)
19CCAC140	565114	7255341	51	40	-90	360	5.8	2.0	10.0	9m @ 9.1% visTHM (9-18m) 9m @ 7.8% visTHM (42-51m)
19CCAC141	564820	7255732	51	46	-90	360	4.6	1.5	10.0	9m @ 6.4% visTHM (15-24m) 3m @ 10.0% visTHM (42-45m)
19CCAC142	564499	7256163	51	48	-90	360	4.8	1.0	10.0	12m @ 5.1% visTHM (0-12m) 9m @ 7.5% visTHM (21-30m) 9m @ 7.1% visTHM (42-51m)
19CCAC143	564211	7256523	51	55	-90	360	6.4	1.6	10.0	9m @ 5.7% visTHM (0-9m) 24m @ 6.7% visTHM (18-42m) 9m @ 10.0% visTHM (42-51m)

HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	EOH (M)	ELEV'N (M)	DIP	AZI	AVG VIS THM%	MIN VIS THM%	MAX VIS THM%	INCLUDING
19CCAC144	563908	7256939	45	53	-90	360	4.08	0.5	8.1	12m @ 6.2% visTHM (3-15m) 6m @ 7.2% visTHM (24-30m)
19CCAC145	563613	7257334	50	58	-90	360	3.93	1.0	6.7	12m @ 5.4% visTHM (0-12m) 6m @ 5.6% visTHM (24-30m)
19CCAC146	563298	7257731	24	35	-90	360	4.64	2.5	7.0	9m @ 5.0% visTHM (3-12m) 9m @ 5.2% visTHM (15-24m)
19CCAC147	563937	7258557	51	70	-90	360	3.09	1.4	7.0	21m @ 4.2% visTHM (30-51m)
19CCAC148	563638	7258919	69	46	-90	360	2.65	0.5	8.0	9m @ 3.4% visTHM (6-15m) 6m @ 4.0% visTHM (24-30m) 6m @ 6.0% visTHM (45-51m)
19CCAC149	564591	7259353	51	28	-90	360	2.52	1.0	5.0	6m @ 3.4% visTHM (3-9m)
19CCAC150	564878	7258952	54	43	-90	360	2.41	0.8	6.0	12m @ 401% visTHM (42-54m)
19CCAC151	565182	7258553	24	64	-90	360	2.23	1.4	2.9	6m @ 2.8% visTHM (18-24m)

Phase 2 Infill Drilling

Phase 1 drilling of wide spaced holes at 500m x 1000m was completed in mid-November. The very encouraging results underpinned the Company's decision to commence the Phase 2 infill drilling in areas of high estimated THM grades, closing the hole spacing to 250m x 1000m and 500m x 500m. As of 25 November 2019, a total of 48 Phase 1 and 34 Phase 2 aircore holes have been completed at Koko Massava, comprising 4,112.5m of drilling (Figure 8), with holes varying in depth from 24m–75m and an average depth of 50.1m.

A total of 1,372 primary samples were collected and 56 QA/QC samples inserted into the sample stream.

Visual Total Heavy Mineral Results

Thirty one of the 34 holes completed in Phase 2 drilling intersected individual 3m sample intervals of >4% estimated visual THM, with 24 of the 34 holes showing uncut, average estimated visual THM% grades >3% over the entire hole depth (Table 4). Maximum individual sample intervals in the holes completed range from 2.9% – 14.0% estimated visual THM. The host lithology is typically red-brown, moderately to well sorted, medium grained sand with moderate silt content.

The best hole reported in this Phase 2 drilling is 19CCAC184, drilled to 51m depth, which contains 51m @ 5.66% estimated visual THM from surface (Table 4), including 9m @ 8.7% estimated visual THM (24-33m). This hole 19CCAC184 had an individual sample peak of 14% visual THM.

The second most significant hole reported for this update is 19CCAC179, comprising 51m @ 5.24% estimated visual THM from surface, including 45m @ 5.7% estimated visual THM (0-45m).

Similar to previously reported data, visual estimated THM grades typically range between 1.0%-6.0% from surface to about 18m, whereas grades below 18m depth in the hole commonly range 3.5%-8% visual THM. The highest visual estimated THM grades (ie 10-14%) appear to be located between 21-48m downhole, depending on the elevation of the hole collar, which suggests there may be a palaeo-strandline in this zone.

Drilling of the Phase 1 wide spaced holes (500m x 1000m), defined a large 20km² footprint of estimated high grade heavy mineral sand with thick zones of very high grade near surface. The preliminary Phase 2 infill drill data has supported this large mineralised footprint and suggests good continuity of the high grade mineralisation between drill lines, particularly in the southeast portion of the Koko Massava target (Figure 8).

The second aircore sample batch was fully permitted by the Ministry of Mineral Resources on 26 November 2019 and arrived in Perth 15 December 2019 with results expected in January 2020.

MRG has engaged Greg Jones of IHC Robbins to define the scope and deliverables for a JORC code compliant Mineral Resource Estimate (MRE) and Technical Report.

A key value driver for heavy mineral sand projects is the mineral assemblage, and to this end, a number of heavy mineral concentrate (HMC) samples have been selected from auger drill work over the Koko Massava target to obtain additional mineral assemblage data. These HMC samples have been selected on the basis of characterising mineral assemblage for very high grade zones (>5% THM), high grade zones (3-5% THM), medium grade zones (1-3% THM), and a distribution across the mineralised footprint from east to west. This data will be collected before the end of 2019 and will form a foundation for additional and more comprehensive mineral assemblage characterisation that will be needed for the MRE which is expected to be published Q1 2020.

Table 4: Summary of new Phase 2 Koko Massava drill data completed to 25 November 2019 with preliminary estimated visual (VIS) THM% data. Average (AVG) data is uncut grade weighted from surface to end of hole.

HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	EOH (M)	ELEV'N (M)	DIP	AZI	AVG VIS THM%	MIN VIS THM%	MAX VIS THM%	INCLUDING
19CCAC152	565025	7258740	48	60	-90	360	1.58	0.2	4.5	6m @ 3.8% visTHM (24-30m)
19CCAC153	564753	7259143	51	40	-90	360	2.78	0.5	6.5	9m @ 5.8% visTHM (30-39m)
19CCAC154	565139	7259441	50	40	-90	360	3.93	1.2	8.5	9m @ 3.6% visTHM (0-9m) 41m @ 4.0% visTHM (9-50m)
19CCAC155	565434	7259038	51	61	-90	360	2.44	0.4	3.9	9m @ 3.5% visTHM (24-33m)
19CCAC156	565734	7258645	51	77	-90	360	3.17	1.3	6.5	27m @ 3.0% visTHM (0-27m) 24m @ 3.4% visTHM (27-51m)
19CCAC157	565680	7259536	51	45	-90	360	3.68	1.4	6.5	15m @ 4.8% visTHM (3-18m) 12m @ 4.3% visTHM (18-30m)
19CCAC158	565987	7259148	51	67	-90	360	3.97	1.3	6.6	21m @ 5.5% visTHM (021m)
19CCAC159	566287	7258747	51	83	-90	360	4.87	1.7	12	27m @ 3.8% visTHM (0-27m) 21m @ 6.6% visTHM (27-48m)
19CCAC160	566568	7258344	48	85	-90	360	2.91	1.9	4.5	18m @ 3.5% visTHM (27-45m)
19CCAC161	566867	7257942	54	78	-90	360	4.89	2	10	27m @ 3.8% visTHM (0-27m) 27m @ 6.0% visTHM (27-54m)
19CCAC162	567229	7257552	54	73	-90	360	3.62	0.7	9	27m @ 3.3% visTHM (0-27m) 12m @ 6.1% visTHM (27-39m)
19CCAC163	567747	7257646	54	68	-90	360	2.94	1	5.7	36m @ 3.5% visTHM (0-36m)
19CCAC164	568027	7257266	51	74	-90	360	2.35	0.4	3.8	18m @ 3.0% visTHM (3-21m)
19CCAC165	567495	7257162	45	66	-90	360	2.63	0.3	14	30m @ 3.4% visTHM (0-30m) 9m @ 5.8% visTHM (21-30m)
19CCAC166	566930	7257054	51	68	-90	360	2.03	1	3.1	27m @ 2.6% visTHM (6-33m)
19CCAC167	567248	7256685	51	66	-90	360	3.38	2	6	45m @ 3.5% visTHM (0-45m) 6m @ 5.6% visTHM (24-30m)
19CCAC168	567554	7256257	42	62	-90	360	3.12	0.6	6.5	39m @ 3.3% visTHM (0-39m) 9m @ 5.1% visTHM (30-39m)
19CCAC169	566862	7256367	51	69	-90	360	3.15	0.9	8	21m @ 3.0 visTHM (0-21m) 15m @ 4.8% visTHM (21-36m)
19CCAC170	567149	7255975	36	61	-90	360	2.64	1.3	4	15m @ 2.9% visTHM (0-15m)
19CCAC171	566447	7256053	42	62	-90	360	4.04	2.1	6.7	36m @ 4.3% visTHM (0-36m) 6m @ 6.5% visTHM (30-36m)
19CCAC172	566757	7255652	51	58	-90	360	4.27	2	8	42m @ 4.6% visTHM (0-46m) 9m @ 6.1% visTHM (30-39m)
19CCAC173	567460	7255565	51	57	-90	360	5.01	1.5	7.5	36m @ 5.4% visTHM (0-36m) 15m @ 4.2% visTHM (36-51m)
19CCAC174	567735	7255141	51	52	-90	360	4.84	2.4	10	18m @ 4.3% visTHM (0-18m) 33m @ 5.2% visTHM (18-51m)
19CCAC175	565859	7255947	51	53	-90	360	3.51	1.4	10	33m @ 3.0% visTHM (0-33m) 15m @ 4.9% visTHM (33-48m)
19CCAC176	565648	7255453	51	56	-90	360	4.4	1.9	10.1	36m @ 3.4% visTHM (0-36m) 15m @ 6.7% visTHM (36-51m)
19CCAC177	565983	7255057	51	53	-90	360	4.4	1.9	11.2	21m @ 2.5% visTHM (0-21m) 30m @ 5.7% visTHM (21-51m)
19CCAC178	566227	7255518	51	58	-90	360	3.86	1.5	6.8	18m @ 4.3% visTHM (3-21m) 15m @ 5.2% visTHM (27-42m)
19CCAC179	566514	7255141	51	49	-90	360	5.24	1.8	7.5	45m @ 5.7% visTHM (0-45m)
19CCAC180	565856	7254377	45	35	-90	360	4.74	1.6	9.7	18m @ 4.7% visTHM (3-21m) 24m @ 5.0% visTHM (21-45m)
19CCAC181	565597	7254811	39	27	-90	360	2.4	0.1	4.9	12m @ 3.0% visTHM (3-15m)
19CCAC182	565288	7255145	45	35	-90	360	4.42	0.5	8.2	33m @ 5.3% visTHM (3-36m)
19CCAC183	564957	7255548	51	45	-90	360	4.58	1.7	8.5	9m @ 4.9% visTHM (0-9m) 36m @ 5.0% visTHM (15-51m)
19CCAC184	564648	7255913	51	48	-90	360	5.66	2	14	9m @ 8.7% visTHM (24-33m)
19CCAC185	564367	7256338	51	49	-90	360	4.91	1.6	9.1	15m @ 4.7% visTHM (0-15m) 21m @ 6.7% visTHM (30-51m)

Drill Program Process and Additional Details

Drilling was undertaken by Bamboo Rock Drilling Limitada utilising a purpose-built Thor Reverse Circulation Aircore drill rig with 76mm diameter rods and 80mm diameter Harlsan aircore bits. Samples are collected via a cyclone as entire 3m composites. Each sample is logged by the Geologist onsite and analysed by wet pan concentration for estimated visual total heavy mineral (visual THM) percent using a standard procedure defined by the Company and validated by three rounds of laboratory assays. In terms of QA/QC, field duplicates are prepared at a frequency of 1 per 25 primary samples and a standard reference material (SRM) sample is inserted at a frequency of 1 per 50 primary samples.

Wet pan concentration analysis to estimate visual THM percent for each sample in the field is a preliminary and qualitative method. However, from the auger drilling program at Koko Massava, visual estimation of grade in the field compares well with quantitative assay results of the same sample interval received later from the laboratory.

Auger Drilling

Hand held auger drilling to a depth of approximately 11.5 metres has been well established by MRG as a cheap, cost effective exploration tool to rapidly assess the exploration potential of a target. Progress to date at Koko Massava has confirmed the value of auger drilling to assist the definitive aircore drilling undertaken as a follow-up, with assay results from auger correlating well with aircore drilling techniques.

The first phase of auger drilling was completed in the previous quarter. Auger assays are shown on Figure 10 and in Table 5

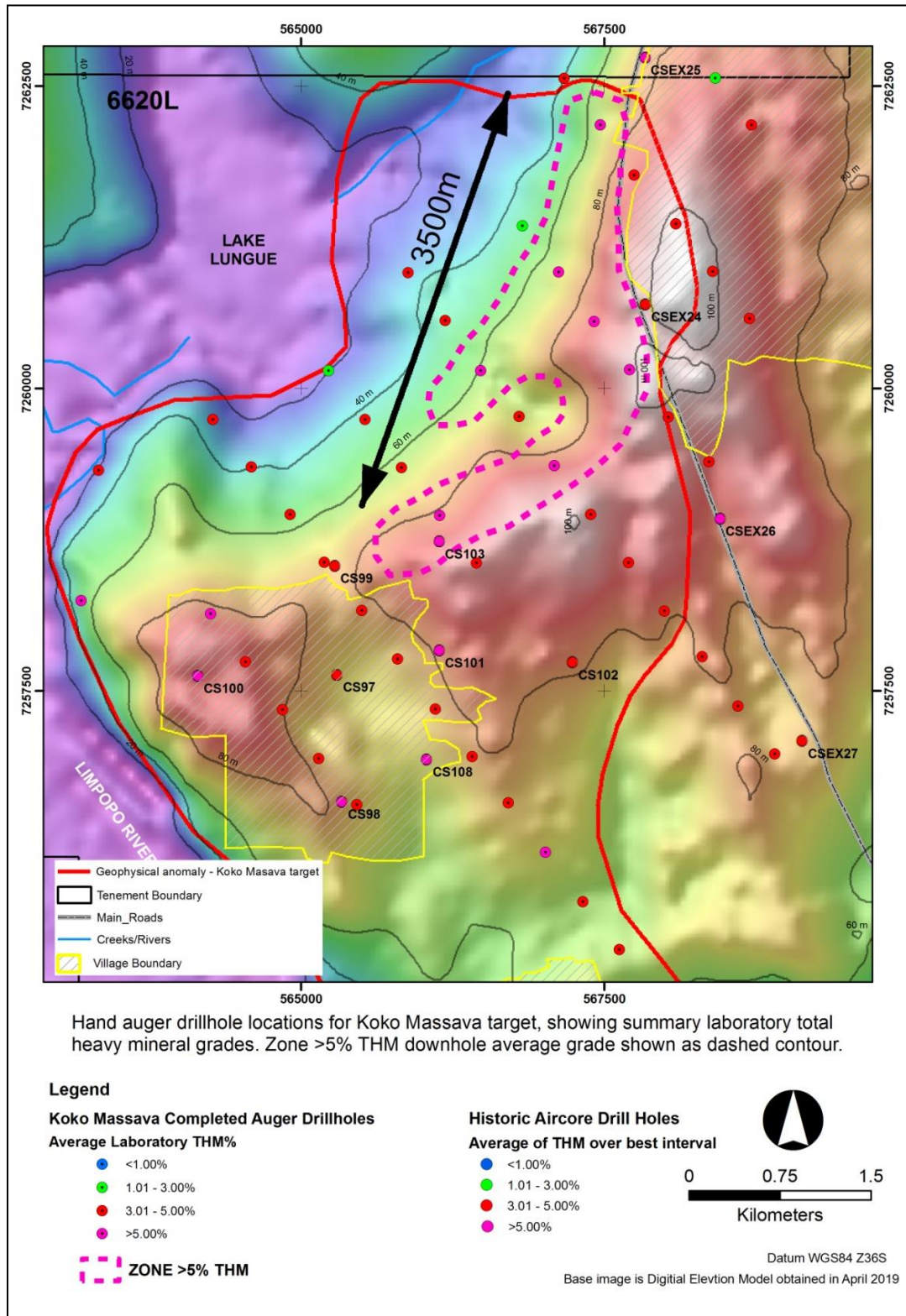


Figure 10: Initial phase auger drilling showing average downhole assays to maximum 11.5 metres and spatial comparison with historic aircore holes showing best minimum 3metre assay intervals.

Assay Summary

The laboratory results are for a batch of 246 samples, including QAQC samples, from a total of 34 holes. The hole numbers include 19CCHA068 to 19CCHA102 (Figure 10).

Overall, the laboratory results show 31 of the 34 holes attained an uncut average downhole grade >3% total heavy mineral (THM), with 7 of the 34 holes having an uncut average downhole grade of >5% THM. There are 10 holes that end in ≥5% THM, and 5 of the holes were collared at surface with grade ≥5% THM.

Visual estimates of heavy mineral concentrations were recorded during field sampling and logging. Analysis of the field visual estimates of THM percent relative to the laboratory data shows a very good correlation with an average absolute difference of only 2.1%. The range in the differential between the visual THM percent estimate and the laboratory THM percent result is 0.0% - 4.2%, indicating field procedures being implemented by the Company are working very well.

Auger Sample Laboratory Results

Auger samples were sent to Western GeoLabs in Perth for heavy liquid separation analysis. Samples were initially oven dried and disaggregated if required by hand, weighed and then split to approximately 100g sub-samples. The sub-sample was wetted and attritioned to ensure further breakdown of any clay aggregates and then de-slimes at 45µm to measure Slime percent. The sub-sample was then screened at +1mm to remove and measure Oversize percent. The +45µm-1mm fraction was then subjected to heavy liquid separation (HLS) with tetrabromoethane (TBE) at specific gravity of 2.95. The settling time for HLS was 45 minutes with several stirs of the liquid to ensure adequate heavy mineral 'drop'.

In terms of QAQC, field duplicate samples are prepared at a frequency of 1 per 25 primary samples and submitted 'blind' to the laboratory. At the laboratory, additional duplicates are routinely prepared at a frequency of 1 per 10 primary samples.

The auger drilling was part of a reconnaissance programme of broad-spaced holes at 500m stations on traverses 1000m apart and designed to test for extensions of the footprint of the Koko Massava target that was reported in August 2019

The best hole returned within this new laboratory batch is 19CSHA074, which was collared at surface in 5.40% THM (0-1.5m) and ended in 6.05% THM (9.0-10.5m) with a maximum of 6.68% THM (Table 5). Overall, hole 19CSHA074 comprises an uncut downhole average of 6.15% THM over 10.5m from surface. Slime values related to hole 19CSHA074 are moderate, with a range of 6.99%-19.04% and an average of 12.02%.

Auger holes 19CCHA072 and -073 were drilled on the same line as 19CCHA074 and also achieved >5% THM uncut downhole average grades, from surface to 10.5m (Table 6), indicating HMS mineralisation at this point is at least 1000m wide (Figure 10). This new laboratory data combined with the previously reported data has defined continuous HMS mineralisation >5% THM over at least 3000m along strike and up to 1000m wide (Figure 10). This high grade zone correlates with a break in slope on the northwest side of the Koko Massava target and may represent exposure of a mineralised horizon at a particular elevation due to surface erosion.

In terms of overall Slime characteristics within this new laboratory batch, only 31 of 237 primary samples contained Slime values >20%. The range of Slime within the batch is 2.96% to 36.79%, with overall average of 13.47%, which suggests the host sand will be amenable to typical dry mining methods and standard gravitational HMS pre-concentration.

The Oversize fraction characteristics show a range from 0.24% to 3.84%, with an average of 1.01%.

These laboratory assay results for auger drilling in the Koko Massava target further validate the potential for discovery of significant HMS mineralisation and demonstrate good correlation with visual estimated grades for THM reported for aircore drilling within the same area.

Table 5: Summary laboratory sample data for auger drilling at the Koko Massava target. Visual field estimate data (VIS THM%) are included to demonstrate relative correlation with laboratory data.

HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	EOH (M)	ELEV'N (M)	DIP	AZI	AVG HOLE VIS THM%	AVG HOLE THM%	MAX HOLE THM%	MIN HOLE THM%	AVG HOLE SLIME%	AVG HOLE O/S%
19CCHA068	566447	7258555	10.5	83	-90	360	2.94	4.82	5.75	4.14	17.93	0.7
19CCHA069	566142	7258949	10.5	70	-90	360	2.91	5.92	6.69	5.48	12.87	0.75
19CCHA070	565828	7259344	10.5	48	-90	360	2.72	4.24	4.64	3.94	14.3	1.14
19CCHA071	565528	7259743	10.5	35	-90	360	2.42	3.06	3.34	2.87	14.25	1.24
19CCHA072	567709	7260153	10.5	85	-90	360	3.54	5.85	6.63	4.7	13.57	0.42
19CCHA073	567415	7260553	10.5	83	-90	360	3.05	5.20	5.56	4.79	13.56	0.72
19CCHA074	567123	7260960	10.5	67	-90	360	2.65	6.15	6.70	5.4	12.02	0.85
19CCHA075	566824	7261342	10.5	34	-90	360	1.17	2.70	3.03	2.5	11.39	1.05
19CCHA076	568027	7259760	10.5	92	-90	360	1.38	3.58	4.20	3.19	14.68	0.39
19CCHA077	568365	7259394	10.5	78	-90	360	1.57	4.04	4.69	3.53	14.84	0.51
19CCHA078	567169	7262562	10.5	34	-90	360	1.34	3.34	3.75	2.87	7.62	1.18
19CCHA079	567466	7262178	10.5	63	-90	360	2.21	5.49	6.03	4.64	9.8	0.74
19CCHA080	567747	7261762	10.5	84	-90	360	2.34	4.77	5.80	4.17	9.45	1.21
19CCHA081	568090	7261358	10.5	100	-90	360	2.34	4.22	4.62	3.83	13.06	0.77
19CCHA082	568394	7260967	10.5	98	-90	360	2.28	4.77	5.17	4.2	12.64	0.73
19CCHA084	568414	7262565	10.5	79	-90	360	1.65	2.97	3.37	2.46	11.84	1.2
19CCHA085	568714	7262176	10.5	78	-90	360	1.99	3.50	3.70	3.10	11.02	1.8
19CCHA086	568698	7260577	10.5	89	-90	360	2.22	4.54	5.14	3.95	14.86	0.73
19CCHA087	565884	7260955	7.0	23	-90	360	2.28	4.32	4.68	3.8	5.88	0.7
19CCHA088	568603	7257372	10.5	72	-90	360	2.20	4.21	4.51	3.51	13.28	0.36
19CCHA089	568905	7256976	10.5	72	-90	360	1.74	4.04	4.52	3.13	16.15	0.71
19CCHA090	565228	7260146	6.0	16	-90	360	1.25	1.72	1.86	1.59	27.41	2.2
19CCHA091	564273	7259742	10.5	30	-90	360	1.42	3.25	3.74	2.51	8.34	1.33
19CCHA092	563332	7259322	10.5	17	-90	360	2.24	4.17	4.38	3.89	6.1	0.85
19CCHA093	563187	7258245	5.8	54	-90	360	3.59	5.72	6.24	5.38	14.83	2.06
19CCHA094	564254	7258137	10.5	78	-90	360	2.63	5.05	5.56	4.62	17.17	1.19
19CCHA095	564541	7257739	10.5	80	-90	360	1.88	4.55	5.15	3.74	17.2	0.62
19CCHA096	564847	7257343	10.5	84	-90	360	1.84	3.79	4.21	3.45	16.38	1.07
19CCHA097	565146	7256938	10.5	70	-90	360	2.07	4.58	5	3.99	16.31	0.97
19CCHA098	565460	7256557	10.5	72	-90	360	1.80	3.48	4.02	3.08	15.09	1.07
19CCHA099	565502	7258162	10.5	66	-90	360	1.47	3.63	4.26	3.23	16.68	1.41
19CCHA100	565797	7257762	10.5	69	-90	360	2.47	3.95	4.22	3.41	15.58	1.56
19CCHA101	566108	7257349	10.5	70	-90	360	2.01	4.01	4.35	3.3	15.93	1.7
19CCHA102	566410	7256955	10.5	79	-90	360	2.40	4.28	4.97	3.56	15.58	1.36

Note: VIS = visual estimated; O/S = Oversize (+1mm); All data averages are uncut and from surface.

Table 6: Detailed laboratory sample data for significant auger drillholes 19CCHA072 to -074 at Koko Massava.

HOLE_ID	SAMPLE NUMBER	FROM (M)	TO (M)	THM%	SLIME%	O/S%	SAMPLE TYPE	SAMPLE CATEGORY
19CCHA072	1907201	0.0	1.5	4.70	8.00	0.64	HAND AUGER	PRIMARY
19CCHA072	1907202	1.5	3.0	5.87	10.19	0.38	HAND AUGER	PRIMARY
19CCHA072	1907203	3.0	4.5	5.93	12.17	0.45	HAND AUGER	PRIMARY
19CCHA072	1907204	4.5	6.0	5.37	15.86	0.48	HAND AUGER	PRIMARY
19CCHA072	1907205	6.0	7.5	5.84	17.09	0.34	HAND AUGER	PRIMARY
19CCHA072	1907206	7.5	9.0	6.63	15.79	0.45	HAND AUGER	PRIMARY
19CCHA072	1907207	9.0	10.5	6.63	15.91	0.25	HAND AUGER	PRIMARY
19CCHA073	1907301	0.0	1.5	4.79	6.99	0.82	HAND AUGER	PRIMARY
19CCHA073	1907302	1.5	3.0	5.29	11.09	0.72	HAND AUGER	PRIMARY
19CCHA073	1907303	3.0	4.5	5.44	11.05	0.74	HAND AUGER	PRIMARY
19CCHA073	1907304	4.5	6.0	5.31	12.20	0.81	HAND AUGER	PRIMARY
19CCHA073	1907305	6.0	7.5	4.92	17.17	0.77	HAND AUGER	PRIMARY
19CCHA073	1907306	7.5	9.0	5.12	19.04	0.62	HAND AUGER	PRIMARY
19CCHA073	1907307	9.0	10.5	5.56	17.41	0.61	HAND AUGER	PRIMARY
19CCHA074	1907401	0.0	1.5	5.40	7.44	0.85	HAND AUGER	PRIMARY
19CCHA074	1907402	1.5	3.0	5.96	9.57	0.89	HAND AUGER	PRIMARY
19CCHA074	1907403	3.0	4.5	6.30	11.22	0.69	HAND AUGER	PRIMARY
19CCHA074	1907404	4.5	6.0	5.91	14.36	0.93	HAND AUGER	PRIMARY
19CCHA074	1907405	6.0	7.5	6.27	14.24	0.78	HAND AUGER	PRIMARY
19CCHA074	1907406	7.5	9.0	6.68	12.13	0.86	HAND AUGER	PRIMARY
19CCHA074	1907407	7.5	9.0	6.70	13.58	0.86	HAND AUGER	DUPLICATE OF 1907406
19CCHA074	1907408	9.0	10.5	6.05	13.63	0.94	HAND AUGER	PRIMARY

Note: O/S = Oversize (+1mm).

Corridor South Project (6621L)

Auger drilling in Corridor South Project identified extensive new zones of high grade HMS, demonstrating the potential for further discoveries in addition to Koko Massava.

Excellent auger drill results were received at Nhacutse, Poiombo and Bungane targets.

Highlights of the Corridor South auger assay results include:

- 10.5m @ 5.19% THM (hole 19CSHA042) from surface
- 10.5m @ 4.15% THM (hole 19CSHA044) from surface
- 10.5m @ 4.16% THM (hole 19CSHA046) from surface
- 10.5m @ 6.39% THM (hole 19CSHA048) from surface & ended in 6.92% THM
- 9.0m @ 6.63% THM (hole 19CSHA056) from surface & ended in 7.13% THM

Of particular importance are the high grade results from auger test drilling at the Poiombo target (TMI Anomaly 10 – refer Announcement 13 June 2019) and Nhacutse target (Thorium Anomaly 6 – refer Announcement 4 June 2019), which indicate the potential for the discovery of two new extensive zones of high grade HMS mineralisation (Figure 1 and Figure 11).

As was the case with earlier auger drilling at Koko Massava target in the Corridor Central tenement (currently being aircore drilled), a high grade mineralized footprint is again presenting from auger drilling at Nhacutse target. Highest assays to date include Hole 19CSHA048, which returned a high grade, uncut result of 10.5m @ 6.39% THM from surface (Table 7).

Poiombo target is also showing significant potential for a further discovery, based on early auger drilling of an ENE-WSW trending TMI magnetic anomaly. Hole 19CSHA056 returned a high grade, uncut result of 9m @ 6.63% THM from surface (Table 8).

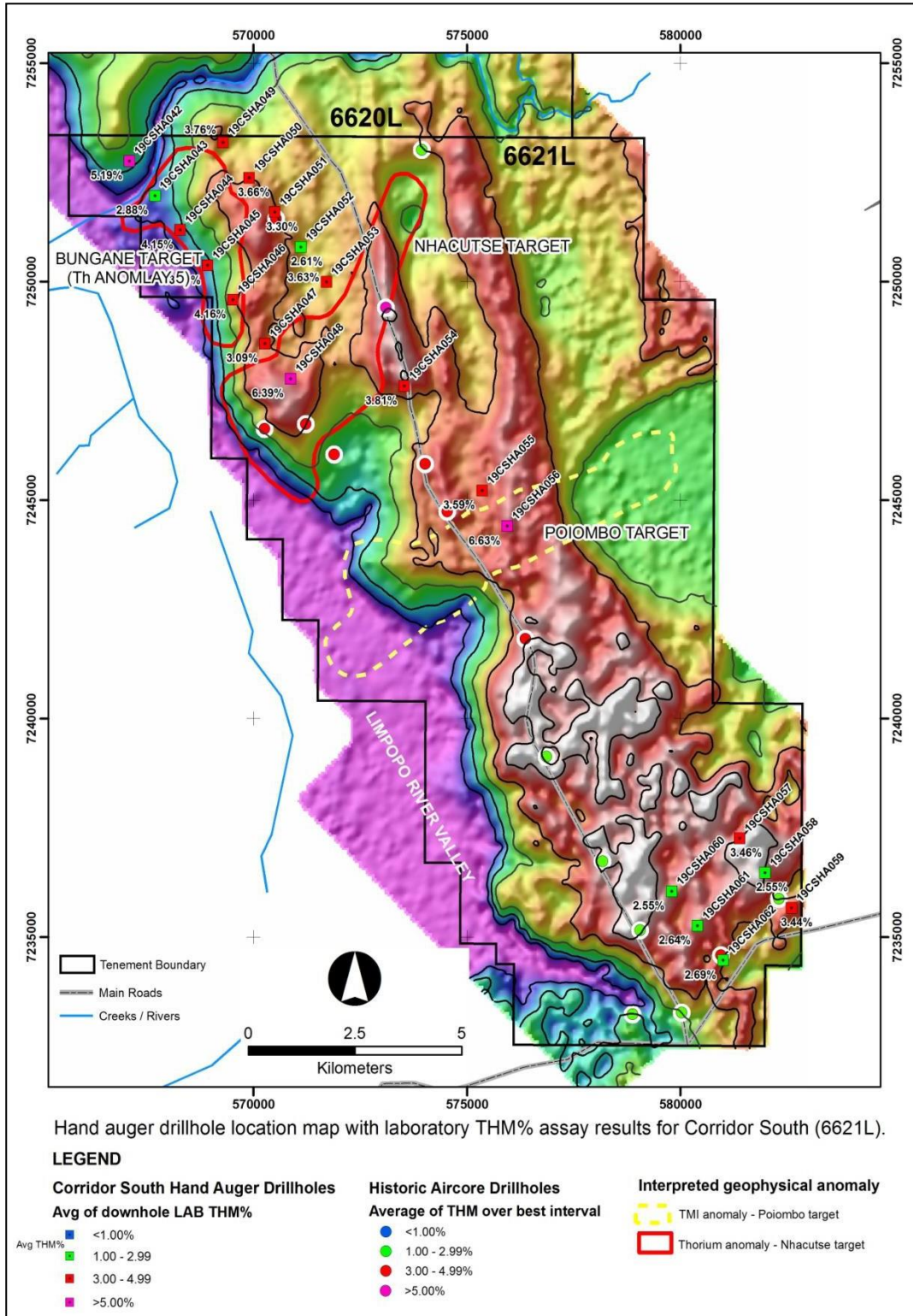


Figure 11: Hand auger drillhole location map for Corridor South (6621L) showing summary results for laboratory analyses of samples. Background image is 2019 digital elevation model.

Overall, the laboratory results show 28% of holes end in >4% total heavy mineral (THM) and 76% of holes ended at 10.5m in heavy mineral sand (HMS) with grade >3% THM. This first data set for Corridor South tenement confirms the significant potential for discovery of high grade, large tonnage HMS mineralisation.

These auger drilling results further reinforce the significance of auger drilling as an integral part of the comprehensive methodology and systematic approach being implemented by the Company for HMS exploration across its Corridor projects in Mozambique since acquiring the tenements on 22 January 2019.

Visual estimates of heavy mineral concentrations were recorded during field sampling. Analysis of the field visual estimates of THM percent relative to the laboratory data shows a very good correlation with an average absolute difference of only 0.66%. The range in the differential between the visual THM% estimate and the laboratory THM% result is 0% - 3.02%, indicating field procedures being implemented by the Company are working very well.

Auger Sample Laboratory Results

Auger samples were sent to Western GeoLabs in Perth for heavy liquid separation analysis. Samples were initially oven dried and disaggregated if required by hand, weighed and then split to approximately 100g sub-samples. The sub-sample was wetted and attritioned to ensure further breakdown of any clay aggregates and then de-slimed at 45µm to measure Slime percent. The sub-sample was then screened at +1mm to remove and measure Oversize percent. The +45µm-1mm fraction was then subjected to heavy liquid separation (HLS) with tetrabromoethane (TBE) at specific gravity of 2.95. The settling time for HLS was 45 minutes with several stirs of the liquid to ensure adequate heavy mineral 'drop'.

In terms of QAQC, field duplicate samples are prepared at a frequency of 1 per 25 primary samples and submitted 'blind' to the laboratory. At the laboratory, duplicates are routinely prepared at a frequency of 1 per 10 primary samples.

Auger drilling is the exploration technique used by the Company as an initial reconnaissance tool, usually comprising broad-spaced holes at 1000m stations on traverses 2000m apart, designed to test geophysical anomalies and follow up around historic drilling results. Of particular importance are the auger drill results received from test drilling over the high potential Nhacutse target and Poiombo target.

Results for the Nhacutse target drilling indicate auger hole 19CSHA048 was collared in 6.06% THM (0-1.5m) and ended at 10.5m in an impressive 6.92% THM (Table 8). The uncut, average downhole result for this hole is 6.39% THM, with an average slime content of 17.70%. The Nhacutse target corresponds to the geophysical Thorium Anomaly 6 and is up to 6 km long and 2 km wide and represents another extremely good result that could yield a second new discovery of HMS mineralisation of significant scale within the Corridor South tenement.

At the Poiombo target, hole 19CSHA056 was collared at surface in 5.95% THM (0-1.5m) and ended in 7.13% THM (7.5-9.0m) with a maximum of 7.26% THM (Table 8). It comprises an uncut downhole average of 6.63%THM with corresponding slime values being moderate, showing a range of 8.35%-17.40% and an average of 14.85%. The Poiombo target corresponds to geophysical TMI Anomaly 10 and is up to 9 km long and 1 km wide. This excellent progress at Poiombo target suggests that with further high grade assay data it could deliver a new discovery of HMS mineralisation with an extremely large surface footprint and significant depth potential.

In addition to these significant results at both Nhacutse and Poiombo targets, 8 other auger holes returned significant results with uncut average downhole grades ranging from 3.10% - 5.20% THM in the Thorium Anomaly 5 (Bungane) target area (Figure 11 and Table 7). All of these holes end in sample intervals (9-10.5m) with grades >3% THM. This represents a zone of HMS mineralisation covering an area of about 11 km², extending about 3.8 km NW-SE and 2.6 km NE-SW, which is open in all directions.

The Company's new laboratory results, reported here, for auger drilling in the Corridor South tenement further validate the potential for discovery of at least two major zones of HMS mineralisation.

Table 7: Summary laboratory sample data for auger drilling at the Corridor South tenement. Visual field estimate data is included to demonstrate close correlation with laboratory data.

HOLE_ID	UTM EAST WGS84	UTM NORTH WGS84	EOH (M)	ELEV'N (M)	PROSPECT	AVG HOLE VIS THM%	AVG HOLE THM%	MIN HOLE THM%	MAX HOLE THM%	AVG HOLE SLIME%	AVG HOLE O/S%
19CSHA042	567092	7252760	10.5	44	KOKO MASSAVA	3.89	5.19	4.67	5.62	23.13	0.65
19CSHA043	567691	7251967	10.5	24	BUNGANE	2.79	2.88	2.40	3.13	10.89	1.46
19CSHA044	568285	7251183	10.5	28	BUNGANE	4.42	4.15	3.77	4.56	11.93	1.22
19CSHA045	568923	7250372	10.5	37	BUNGANE	2.87	3.59	3.36	3.87	15.67	0.62
19CSHA046	569522	7249589	10.5	69	BUNGANE	3.54	4.16	3.49	4.80	13.13	0.70
19CSHA047	570269	7248583	10.5	72	BUNGANE	2.54	3.09	2.73	3.37	13.92	0.78
19CSHA048	570872	7247781	10.5	89	NHACUTSE	4.18	6.39	5.91	6.92	17.69	0.44
19CSHA049	569289	7253190	10.5	74	BUNGANE	2.94	3.76	3.46	4.18	16.99	0.50

HOLE_ID	UTM EAST WGS84	UTM NORTH WGS84	EOH (M)	ELEV'N (M)	PROSPECT	AVG HOLE VIS THM%	AVG HOLE THM%	MIN HOLE THM%	MAX HOLE THM%	AVG HOLE SLIME%	AVG HOLE O/S%
19CSHA050	569897	7252377	10.5	76	BUNGANE	3.08	3.66	3.41	3.99	15.12	0.46
19CSHA051	570499	7251592	10.5	82	BUNGANE	2.85	3.30	3.00	3.65	16.08	0.54
19CSHA052	571109	7250793	10.5	62	BUNGANE	2.25	2.61	2.38	2.86	15.01	0.81
19CSHA053	571709	7249996	10.5	71	BUNGANE	3.04	3.63	3.16	3.95	15.67	0.83
19CSHA054	573535	7247612	10.5	90	NHACUTSE	3.04	3.81	3.40	4.10	13.89	0.93
19CSHA055	575358	7245222	10.5	80	POIOMBO	2.78	3.59	3.15	3.89	15.27	0.81
19CSHA056	575950	7244405	9.0	90	POIOMBO	5.38	6.63	5.95	7.26	14.85	0.38
19CSHA057	581396	7237262	10.5	98	CHONGOENE	3.07	3.46	3.05	3.72	12.31	2.78
19CSHA058	581993	7236473	10.5	99	CHONGOENE	2.37	2.55	2.27	2.73	14.87	0.93
19CSHA059	582609	7235669	10.5	80	CHONGOENE	3.18	3.44	2.79	3.90	15.05	0.54
19CSHA060	579802	7236048	10.5	91	CHONGOENE	2.61	2.55	2.28	2.83	12.85	2.24
19CSHA061	580409	7235258	10.5	92	CHONGOENE	2.72	2.64	2.20	3.01	11.83	1.28
19CSHA062	581009	7234469	10.5	72	CHONGOENE	2.84	2.69	2.36	2.95	11.40	0.66

Note: VIS = visual estimated; O/S = Oversize (+1mm); All data averages are uncut.

Table 8: Detailed laboratory sample data for auger drillholes at Poiombo and Nhacutse targets on the Corridor South Tenement.

HOLE_ID	SAMPLE NUMBER	FROM (M)	TO (M)	THM%	SLIME%	O/S%	SAMPLE TYPE	SAMPLE CATEGORY
19CSHA042	1904201	0.0	1.5	4.76	15.24	0.72	HAND AUGER	PRIMARY
19CSHA042	1904202	1.5	3.0	5.19	15.32	0.76	HAND AUGER	PRIMARY
19CSHA042	1904203	3.0	4.5	5.47	21.01	0.67	HAND AUGER	PRIMARY
19CSHA042	1904204	4.5	6.0	4.67	26.86	0.59	HAND AUGER	PRIMARY
19CSHA042	1904205	6.0	7.5	5.07	26.43	0.65	HAND AUGER	PRIMARY
19CSHA042	1904206	7.5	9.0	5.62	28.70	0.62	HAND AUGER	PRIMARY
19CSHA042	1904207	9.0	10.5	5.60	28.41	0.60	HAND AUGER	PRIMARY
19CSHA048	1904801	0.0	1.5	6.06	9.78	0.42	HAND AUGER	PRIMARY
19CSHA048	1904802	1.5	3.0	5.91	14.23	0.49	HAND AUGER	PRIMARY
19CSHA048	1904803	3.0	4.5	6.34	16.04	0.48	HAND AUGER	PRIMARY
19CSHA048	1904804	4.5	6.0	5.97	22.06	0.44	HAND AUGER	PRIMARY
19CSHA048	1904805	6.0	7.5	6.57	19.14	0.41	HAND AUGER	PRIMARY
19CSHA048	1904806	7.5	9.0	6.52	20.14	0.45	HAND AUGER	PRIMARY
19CSHA048	1904807	7.5	9.0	6.88	19.66	0.45	HAND AUGER	DUPLICATE OF 1904806
19CSHA048	1904808	9.0	10.5	6.92	20.52	0.39	HAND AUGER	PRIMARY
19CSHA056	1905601	0.0	1.5	5.95	8.35	0.43	HAND AUGER	PRIMARY
19CSHA056	1905602	1.5	3.0	6.11	14.10	0.41	HAND AUGER	PRIMARY
19CSHA056	1905603	3.0	4.5	6.59	16.66	0.40	HAND AUGER	PRIMARY
19CSHA056	1905604	4.5	6.0	6.78	17.40	0.39	HAND AUGER	PRIMARY
19CSHA056	1905605	6.0	7.5	7.26	16.99	0.32	HAND AUGER	PRIMARY
19CSHA056	1905606	7.5	9.0	7.13	15.60	0.36	HAND AUGER	PRIMARY

Note: O/S = Oversize.

SWEDEN - NORRLIDEN FARM-IN

During the quarter, MRG and its JV Partner, Mandalay Resources, continued to pursue potential sale opportunities.

CORPORATE

During the Quarter the Company successfully completed a placement to Directors of \$199,500 and a placement to raise \$1,250,000, before costs.

The Company issued 28.50 million ordinary shares at an issue price of \$0.007, together with 28.50 million free attaching MRQOB options, which have an exercise price of \$0.01 and an expiry date of 20 December 2020; to Directors of the Company.

The Company issued 125,000,000 fully paid ordinary shares and 62,500,000 free attaching MRQOB options, which have an exercise price of \$0.01 and an expiry date of 20 December 2020 to institutional and sophisticated investors at the issue price of \$0.01.

The Company issued 6,875,000 fully paid ordinary shares and 3,437,500 free attaching listed options to acquire fully paid ordinary shares (MRQOB – exercise price of \$0.01 and expiring on 20 December 2020) to Pinnacle Equities Pty Ltd (or its nominee) in partial satisfaction of capital raising fees for capital services provided.

The Company issued a total of 12,000,000 Class C Performance Rights and 12,000,000 Class D Performance Rights to the Directors of the Company (namely, Mr Andrew Van Der Zwan, Mr Christopher Gregory and Mr Shane Turner) (or their nominees), in accordance with the shareholder approval at the Annual General Meeting of the Company held on 28 November 2019 (refer Notice of Annual General Meeting issued on 28 October 2019 for terms of rights); and issued a 4,000,000 Class C Performance Rights and 4,000,000 Class D Performance Rights to Mr Mark Alvin (or his nominee), in accordance with the shareholder approval at the Annual General Meeting of the Company held on 28 November 2019 (refer Notice of Annual General Meeting issued on 28 October 2019 for terms of rights).

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	EL 6620	100	
Corridor South	EL 6621	100	
Linhuane	7423L	100	Application
Marao	6842L	100	Application
Marruca	6846L	100	Application

Competent Persons' Statement

The information in this report, as it relates to Mozambique Exploration Results is based on information compiled and/or reviewed by Dr Mark Alvin, who is a member of The Australasian Institute of Mining and Metallurgy. Dr Alvin is an 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". Dr Alvin consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

MRG METALS LIMITED

ABN

83 148 938 532

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	0	25
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(636)	(782)
(b) development		
(c) production		
(d) staff costs	(80)	(160)
(e) administration and corporate costs	(88)	(129)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(803)	(1,044)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation (if capitalised)		
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (Mozambique tenement tax)	0	(71)
2.6	Net cash from / (used in) investing activities	0	(71)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,450	2,111
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(13)	(13)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	1,437	2,098

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	754	405
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(803)	(1,044)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	(71)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,437	2,098

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,388	1,388

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	22	30
5.2	Call deposits	1,366	724
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,388	754

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
87
Nil

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Director Fees, Secretarial Fees, Consulting Fees, & Accounting Fees.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	Nil	Nil
7.5 Unused financing facilities available at quarter end		Nil
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	803
8.2 Capitalised exploration & evaluation (Item 2.1(d))	0
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	803
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,388
8.5 Unused finance facilities available at quarter end (Item 7.5)	0
8.6 Total available funding (Item 8.4 + Item 8.5)	1,388
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.73
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No. Reduced cashflow due to reduced Exploration over wet season and while awaiting assays and calculation of maiden Mineral Resource Estimate.	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes. Post quarter end have received to date \$119K from exercise of Options.	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes. Funds on hand should be sufficient to fund planned operations of next two quarters.	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 16 January 2020

Authorised by: By the board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.