AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE

20 January 2020

SECOND AIRCORE DRILLING ASSAYS CONFIRM AND EXCEED VISUAL ESTIMATES OF HEAVY MINERAL GRADE AT KOKO MASSAVA

Key Highlights

- **ADDITIONAL HIGH GRADE LABORATORY RESULTS FROM 15 AIRCORE DRILLHOLES AT KOKO MASSAVA CONFIRMS EXTENSIVE MINERALISED FOOTPRINT, STILL OPEN IN ALL DIRECTIONS.**
- **HIGH GRADES OF >5% AND UP TO 14.81% TOTAL HEAVY MINERAL (THM) FROM NEAR SURFACE AND TO DEPTHS >50M CONTINUES TO DEMONSTRATE THE ROBUST NATURE OF MINERALISATION.**
- **TO DATE WE HAVE REPORTED 23 OF 82 HOLES. ALL THE REMAINING SAMPLES ARE AT THE PERTH LAB.**
- **HIGHLIGHTS OF THESE AIRCORE ASSAY RESULTS FROM KOKO MASSAVA INCLUDE:**
  - **HOLE 19CCAC122 - 51M @ 5.30% THM FROM 0-51M; INCLUDING 36M @ 6.21% THM FROM 0-36M**
  - **HOLE 19CCAC124 - 51M @ 5.79% THM FROM 0-51M; INCLUDING 39M @ 6.28% THM FROM 12-51M**
  - **HOLE 19CCAC125 – 54M @ 5.69% THM FROM 0-54M; INCLUDING 18M @ 7.62% THM FROM 27-45M**
  - **HOLE 19CCAC133 – 51M @ 5.73% THM FROM 0-51M; INCLUDING 15M @ 8.34% THM FROM 24-39M**
  - **HOLES 19CCAC 123, 129 AND 131 OPEN AT DEPTH WITH FINISHING GRADE >5% THM AND HOLES 19CCAC121, 124 AND 125 OPEN AT DEPTH WITH FINISHING GRADES >8% THM**
- **MOST OF THE UPCOMING AIRCORE ASSAYS (REFER FIGURE 2) SHOW HIGHER VISUAL ESTIMATED THM THAN THE VISUAL ESTIMATED THM OF THE AIRCORE ASSAYS RECEIVED TO DATE.**

Background

MRG Metals (ASX Code: MRQ) is pleased to provide the second (of four) batch of laboratory assay results from aircore drilling on the Koko Massava prospect within the Corridor Central tenement (6620L). This second batch of results is again highly significant and further demonstrates the significant lateral and vertical extent of the mineralised footprint. In addition, it underpins 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 267 samples, including QAQC samples, from a total of 15 aircore holes. The hole numbers include 19CCAC120 to 19CCAC134 (Figure 1).

The laboratory assay data set from these 15 aircore holes attained an uncut average downhole grade range of 3.05%–5.79% THM, from hole depths of between 51-54 metres. 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. Based on the data set currently available (aircore batches one and two), the surface footprint of the zone of high grade HMS mineralisation >5% THM is up to 4km in strike and 1.5km in width. This is expected to be expanded with the third and fourth batches of aircore assays.

MRG Chairman, Mr Andrew Van Der Zwan, said "The assay results from these 15 Aircore holes confirm and consistently exceed the field visual estimations and the level and location of grades from surface to depth supports both a massive mineralized footprint with very good early indications of substantial tonnage of accessible high grade zones. Our efforts will continue to expand the footprint with a clear emphasis on identifying large high grade zones.

We now await the assay results from the remaining 59 holes, which are all currently in the Perth Lab for processing. Some of the next holes to be assayed showed significant visual estimates of THM and if the assay results continue to validate the visual estimates then the profile of the potential resource will become clearer as many of the holes achieved excellent results throughout and some remained open, at high grade, at depth. This has also been a consistent occurrence on a number of the holes assayed to date and bodes well for some pockets of viable grades at depths below 50 metres. This has yet to be factored into any analysis of potential resource scale, but will feed into the resource estimation process as well as identifying further Aircore drilling in February to potentially identify additional high grade material to add to the mix. Our focus during the Mineral Resource Study will be not only on establishing a large resource base, but also on identifying high grade/high confidence zones that may be of immediate economic interest to optimize a Scoping Study later in 2020.

With the Auger expansion drilling program continuing at Koko Massava and the Aircore Drill ready to commence new and expansion drilling; January through February will be an informative period for Koko Massava. March and April will see us commence follow up Auger programs at Poiombo and Nhacutse as we look to replicate the same program as Koko Massava."

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Aircore Sample Laboratory Results

From this new batch of laboratory assays, the most significant hole was 19CCAC124, which returned an uncut downhole average of 5.79% THM over the length of the hole from the surface to a depth of 51m, including 39m @ 6.28% THM from 12-51m, with a maximum assay over 3m of 11.90% THM (Table 1 and Table 2). Slime values related to hole 19CCAC124 are moderate, with a range of 4.36%–36.36% and an average of 17.61%.

The second most significant hole was 19CCAC133, which returned an uncut 51m @ 5.73% THM (Table 1), with a maximum grade interval of 11.63% THM (30-33m).

The highest grade from an individual sample interval in this sample batch was returned from hole 19CCAC125 with 14.81% from 33-36m. Overall, this hole achieved an uncut 54m @ 5.69% THM from 0-54m (Table 1).

Importantly, 60% of holes were collared (0-3m depth from surface) in sand with grades >3.0% THM. Holes 19CCAC122, 123 and 133 were all collared in grades >4.0% THM highlighting the near-surface nature of the HMS mineralisation over broad areas.

In terms of overall Slime characteristics within this aircore laboratory batch, only 98 of 256 primary samples contained Slime values >20%. The range of Slime within the batch is 4.36% to 43.16%, with overall average of 18.68%, which suggests the host sand will be amenable to typical dry mining methods and standard gravitational HMS pre-concentration.

The Oversize fraction characteristics within this sample batch show a range from 0.12% to 9.91%, with an average of 1.04%.

With respect to comparison between the visual estimation and laboratory assay result for THM%, within this sample batch reported here, the average of the absolute variance is only 1.5% THM (range 0.03% to 7.51%, n = 256). Only 14% of visual estimates were overestimated (range 0.03% to 3.37% over estimation), relative to 86% that were underestimated (0.03% to 7.51% under estimation). To this end, there is a high likelihood that the majority of additional laboratory results to be returned as Aircore Batch 3 (holes 19CCAC135-160) and Batch 4 (holes 19CCAC161-185) will meet or exceed the field visual estimated THM% grades shown on Figure 2.

The Company's second aircore laboratory results, reported here, for drilling at Koko Massava further validate the potential for definition of a significant HMS mineral resource. Additional new laboratory results for aircore drill samples are expected before the end of January 2020.

Laboratory Process

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-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 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 Koko Massava. 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 HOLE THM%	MAX HOLE THM%	MIN HOLE THM%	AVG HOLE SLIME%	AVG HOLE O/S%	INCLUDES
19CCAC120	565541	7259737	51	40	1.7	3.05	5.30	1.45	14.59	1.90	9m @ 4.61% THM (39-48m)
19CCAC121	565821	7259346	51	53	2.9	4.10	8.40	1.92	12.79	1.36	21m @ 4.04% THM (0-21m) 6m @ 8.22% THM (45-51m)
19CCAC122	**566140**	**7258951**	**51**	**74**	**2.5**	**5.30**	**9.27**	**1.75**	**11.78**	**2.05**	**36m @ 6.21% THM (0-36m) 6m @ 8.64% THM (18-24m)**
19CCAC123	566431	7258564	51	85	3.0	4.90	6.52	2.32	16.61	0.81	33m @ 5.26% THM (0-33m)
19CCAC124	**566703**	**7258159**	**51**	**83**	**3.2**	**5.79**	**11.90**	**3.07**	**17.61**	**0.61**	**39m @ 6.28% THM (12-51m) 6m @ 10.56% THM (42-48m)**
19CCAC125	**567044**	**7257743**	**54**	**78**	**3.8**	**5.69**	**14.81**	**3.32**	**19.40**	**1.08**	**18m @ 7.62% THM (27-45m)**
19CCAC126	567345	7257422	51	68	2.4	4.10	9.89	2.31	19.86	0.64	15m @ 5.78% THM (27-42m)
19CCAC127	567656	7256952	51	57	2.6	3.91	7.69	1.87	20.47	0.73	21m @ 5.08% THM (18-39m)
19CCAC128	567959	7256565	51	57	2.9	3.60	7.83	2.23	19.85	0.88	12m @ 5.26% THM (39-51m)
19CCAC129	568252	7256169	51	68	4.1	4.19	5.21	2.50	20.10	0.63	24m @ 4.28% THM (0-24m)
19CCAC130	**567914**	**7255002**	**51**	**48**	**4.6**	**5.46**	**9.94**	**3.54**	**22.84**	**0.60**	**30m @ 4.22% THM (0-30m) 21m @ 7.23% THM (30-51m)**
19CCAC131	567619	7255356	51	59	4.1	4.76	7.76	2.85	22.13	0.65	3m @ 7.76% THM (24-27m) 15m @ 5.76% THM (36-51m)
19CCAC132	567321	7255757	51	56	3.5	3.84	5.33	2.62	22.73	0.82	24m @ 4.32% THM (0-24m)
19CCAC133	**567035**	**7256190**	**51**	**63**	**4.4**	**5.73**	**11.63**	**1.43**	**20.48**	**0.93**	**15m @ 8.34% THM (24-39m)**
19CCAC134	566683	7256574	51	70	3.6	3.91	5.83	2.79	18.91	1.88	21m @ 4.43% THM (21-42m)

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

Table 2: Detailed laboratory sample data for significant aircore drillholes 19CCAC122 and 124 at Koko Massava.

HOLE ID	SAMPLE NUMBER	FROM (M)	TO (M)	THM%	SLIME%	O/S%	SAMPLE TYPE	SAMPLE CATEGORY
19CCAC122	1912201	0	3	4.70	11.14	1.23	AIRCORE	PRIMARY
19CCAC122	1912202	3	6	5.86	10.23	0.93	AIRCORE	PRIMARY
19CCAC122	1912203	6	9	5.62	12.43	0.78	AIRCORE	PRIMARY
19CCAC122	1912204	9	12	5.48	15.93	0.90	AIRCORE	PRIMARY
19CCAC122	1912205	12	15	5.75	14.24	0.90	AIRCORE	PRIMARY
19CCAC122	1912206	15	18	6.55	16.28	0.64	AIRCORE	PRIMARY
19CCAC122	1912207	18	21	8.00	19.63	0.54	AIRCORE	PRIMARY
19CCAC122	1912208	21	24	9.27	11.06	0.45	AIRCORE	PRIMARY
19CCAC122	1912209	24	27	5.77	9.94	0.53	AIRCORE	PRIMARY
19CCAC122	1912210	27	30	7.09	9.13	0.79	AIRCORE	PRIMARY
19CCAC122	1912211	30	33	4.10	8.80	2.62	AIRCORE	PRIMARY
19CCAC122	1912212	33	36	6.27	14.42	4.34	AIRCORE	PRIMARY
19CCAC122	1912213	36	39	2.31	5.92	9.91	AIRCORE	PRIMARY
19CCAC122	1912214	39	42	4.79	10.92	4.56	AIRCORE	PRIMARY
19CCAC122	1912215	42	45	1.75	14.10	1.61	AIRCORE	PRIMARY
19CCAC122	1912216	45	48	2.43	4.46	3.42	AIRCORE	PRIMARY
19CCAC122	1912217	48	51	4.44	11.64	0.76	AIRCORE	PRIMARY
19CCAC122	1912218	-	-	3.74	7.10	1.11	AIRCORE	STANDARD
19CCAC124	1912401	0	3	3.07	13.32	0.91	AIRCORE	PRIMARY
19CCAC124	1912402	3	6	3.82	17.88	0.64	AIRCORE	PRIMARY
19CCAC124	1912403	6	9	4.91	23.91	0.51	AIRCORE	PRIMARY
19CCAC124	1912404	9	12	4.97	22.43	0.49	AIRCORE	PRIMARY
19CCAC124	1912405	12	15	5.06	25.25	0.57	AIRCORE	PRIMARY
19CCAC124	1912406	15	18	4.30	28.62	0.44	AIRCORE	PRIMARY
19CCAC124	1912407	18	21	5.08	36.36	0.29	AIRCORE	PRIMARY
19CCAC124	1912408	21	24	5.14	33.71	0.37	AIRCORE	PRIMARY
19CCAC124	1912409	21	24	5.04	33.62	0.28	AIRCORE	DUPLICATE OF 1912408
19CCAC124	1912410	24	27	6.26	24.92	0.19	AIRCORE	PRIMARY
19CCAC124	1912411	27	30	7.84	16.91	0.72	AIRCORE	PRIMARY
19CCAC124	1912412	30	33	6.57	15.38	0.38	AIRCORE	PRIMARY
19CCAC124	1912413	33	36	4.32	13.47	0.27	AIRCORE	PRIMARY
19CCAC124	1912414	36	39	5.92	5.25	0.33	AIRCORE	PRIMARY
19CCAC124	1912415	39	42	3.53	4.36	0.46	AIRCORE	PRIMARY
19CCAC124	1912416	42	45	9.22	4.94	1.83	AIRCORE	PRIMARY
19CCAC124	1912417	45	48	11.90	5.86	1.23	AIRCORE	PRIMARY
19CCAC124	1912418	48	51	6.44	6.77	0.75	AIRCORE	PRIMARY

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

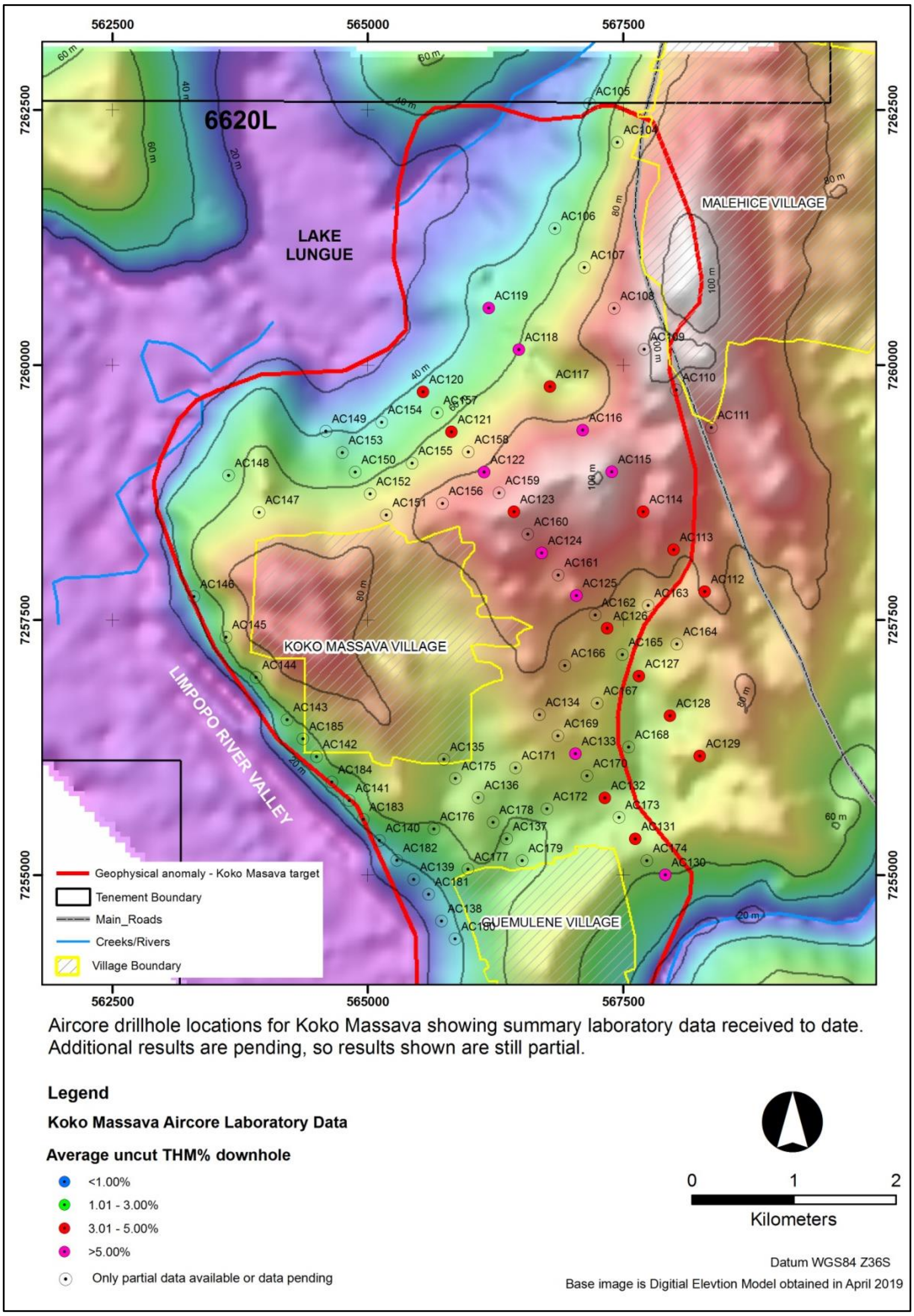

Figure 1: Location map of Koko Massava aircore drillholes reported previously and in this update, showing summary laboratory data for THM grades. Drillhole names are shortened for map presentation, but are all prefixed by '19CC'.

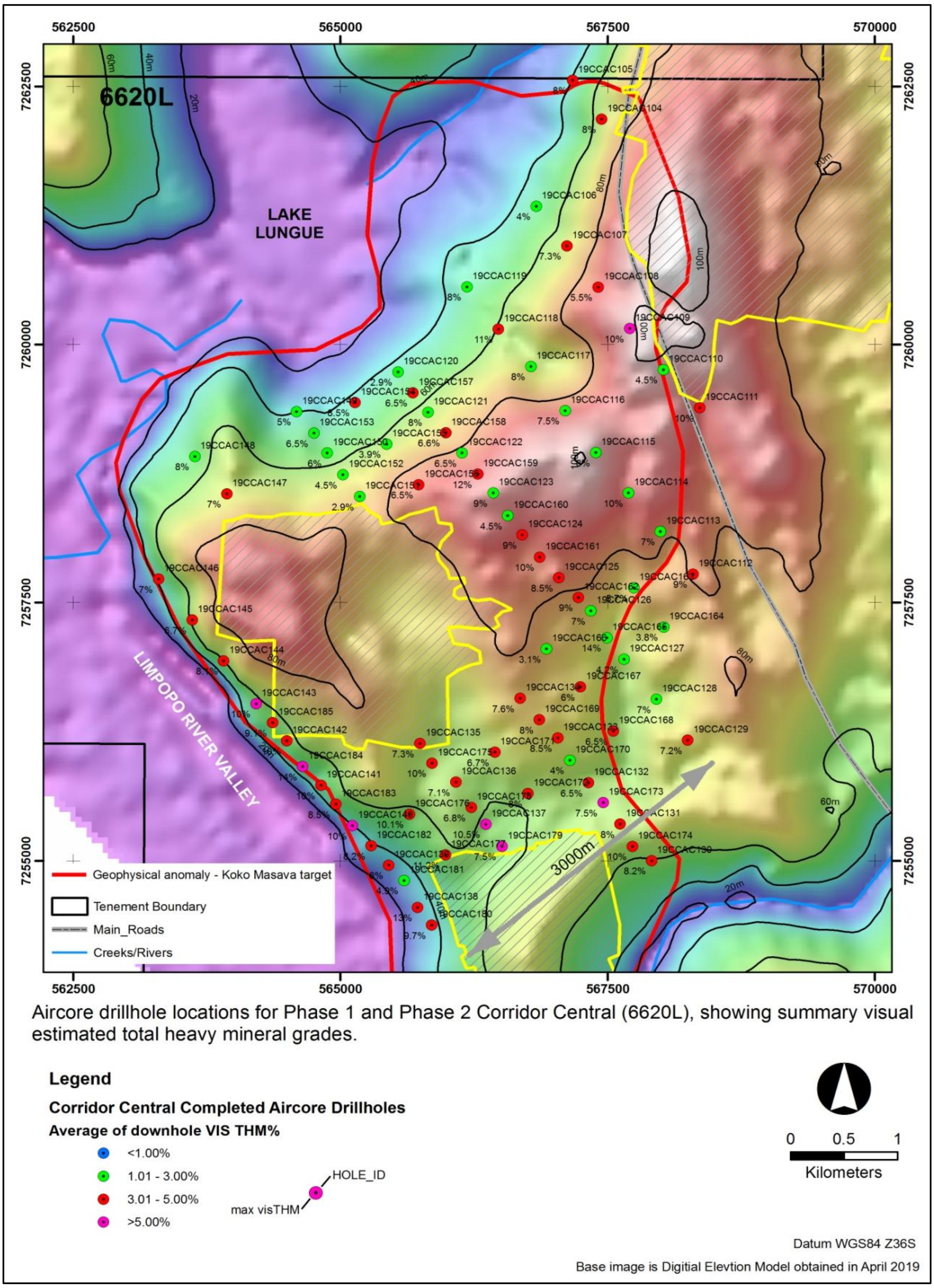

Figure 2: Location map of Phase 1 (wide spaced) and Phase 2 (infill) aircore drillholes completed to date at Koko Massava. Each hole is coloured according to visual estimated average grade over the entire hole. The reader is invited to compare Figure 1 against Figure 2 to understand the emerging picture as the laboratory assays are received.

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.

-ENDS-

On behalf of:

Mr Andrew Van Der Zwan
Chairman
MRG Metals Ltd

Appendix 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• A sample of sand, approximately 20g, was scooped from the sample bag of each sample interval for wet panning and visual estimation. • The same sample mass is used for every pan sample visual estimation. • The consistent sized pan sample is to ensure visual calibration is maintained for consistency in percentage visual estimation of total heavy mineral (THM). • Geotagged photographs are taken of each panned sample with the corresponding sample bag to enable easy reference at a later date • The larger 3m interval aircore drill samples were homogenized prior to being grab sampled for panning. • The large 3m drill samples have an average of about 23kg and were split down in Mozambique to approximately 300-600g by a 3-tier riffle splitter for export to the Primary processing laboratory. • At the laboratory the 300-600g laboratory sample was dried and split to 100g, de-slimed (removal of -45µm fraction) and oversize (+1mm fraction) removed, then subjected to heavy liquid separation using TBE to determine total heavy mineral (THM) content.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Reverse Circulation 'Aircore' drilling with inner tubes for sample return was used. • Aircore drilling is considered a standard industry technique for heavy mineral sand (HMS) mineralization. Aircore drilling is a form of reverse circulation drilling where the sample is collected at the face and returned inside the inner tube. • Aircore drill rods used were 3m long. • Drill rods used were 76mm in diameter and NQ diameter (80mm) Harlsan aircore drill bits were used. • All holes have been drilled vertically. • The drilling onsite is governed by a Aircore Drilling Guideline to

Criteria	JORC Code explanation	Commentary
		ensure consistency in application of the method.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Drill sample recovery is monitored by measuring and recording the total mass of each 3.0m sample at the drill rig with a standard spring balance. • While initially collaring the hole, limited sample recovery can occur in the initial 0.0m to 3.0m sample interval owing to sample and air loss into the surrounding loose soil. • The initial 0.0m to 3.0m sample interval is drilled very slowly in order to achieve optimum sample recovery. • The entire 3.0m sample is collected at the drill rig in large numbered plastic bags for dispatch to the onsite initial split preparation facility. • At the end of each drill rod, the drill string is cleaned by blowing down with air to remove any clay and silt potentially built up in the sample pipes and cyclone. • The twin-tube aircore drilling technique is known to provide high quality samples from the face of the drill hole. • Wet and moist samples are placed into large plastic basins to sun-dry prior to riffle splitting the subsample.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The 3.0m aircore drill intervals are logged onto paper field log sheets at the drill site prior to transcribing into a Microsoft Excel spreadsheet at the onsite field office. • The aircore samples were logged for lithology, colour, grainsize, rounding, sorting, estimated %THM, estimated %slimes and any relevant comments, such as slope and vegetation. • Geological logging is governed by an Aircore Drilling Guideline document with predefined log codes and guidance of what to include in data fields to ensure consistency between individuals logging data. • Data is backed-up each day at the field office to a cloud storage site. • Data from the Microsoft Excel spreadsheets is imported into a Microsoft Access database and the data is subjected to numerous validation queries to ensure data quality.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to*	• The entire 3.0m aircore drill sample collected at the rig was dispatched to a sample preparation facility to split with a 3-tier riffle splitter to reduce sample mass for the sub-sample. • After the sub-sample for export has been collected, the remaining portion of the 3m sample interval is returned to its original bag and archived at the onsite warehouse for reference. • The water table depth was noted in all geological logs if intersected.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>maximise representivity of samples.
• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.
• Whether sample sizes are appropriate to the grain size of the material being sampled.</td><td>• Employees undertaking the primary sampling and splitting are closely monitored by a geologist to ensure sampling quality is maintained.
• Almost all of the samples are sand, silty sand, sandy silt, clayey sand or sandy clay and this sample preparation method is considered appropriate.
• The sample sizes were deemed suitable to reliably capture THM, slime, and oversize characteristics, based on industry experience of the geologists involved and consultation with laboratory staff.
• Field duplicates of the samples are completed at a frequency of 1 per 25 primary samples and are inserted ‘blind’ into the sample batches.
• Standard Reference Material (SRM) samples are inserted ‘blind’ into the sample batches in the field at a frequency of 1 per 50 samples.</td></tr>
<tr><td>Quality of assay data and laboratory tests</td><td>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.
• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.
• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</td><td>• The wet panning of samples provides an estimate of the %THM content within the sample which was sufficient for the purpose of determining approximate concentrations of THM.
• The field derived visual panned THM estimates are compared to a range of laboratory derived THM images of pan concentrates. This allows the field geologists to calibrate the field panned visual estimated THM with known laboratory measured THM grades.

Laboratory Analysis Methodology

• The individual 300-600g aircore sub-samples were sent to Western GeoLabs in Perth, Western Australia, which is considered the Primary laboratory.
• The 300-600g aircore samples were first oven dried, disaggregated to break up any clay balls, and riffle split to 100g sub-samples. They were then wetted and attritioned and screened for removal and determination of Slimes (-45µm) and Oversize (+1mm) contents.
• The +45um-1mm sample fraction was then analysed for THM% content by heavy liquid separation (HLS).
• The laboratory used TBE as the heavy liquid medium for HLS – with density 2.95 g/ml, measured daily.
• This is an industry standard technique for HLS to determine THM in HMS exploration.
• Field duplicates of the aircore samples were collected at a frequency of 1 per 25 primary samples and submitted ‘blind’ to the Primary laboratory with the field sample batch. Standard Reference Material (SRM) samples are inserted ‘blind’ into the sample batches in the field at a frequency of 1 per 50 samples.</td></tr>
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Criteria	JORC Code explanation	Commentary
		• Western GeoLabs completed its own internal QA/QC checks that included laboratory repeats every 10th sample prior to the results being released. • Analysis of the Company and laboratory QA/QC samples show the laboratory data to be of acceptable accuracy and precision. • The adopted QA/QC protocols are acceptable for this stage test work.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Selected visual estimated THM field data are checked by the Chief Geologist. • Significant visual estimated THM >5% are verified by the Chief Geologist. This is done either in the field or via field photographs of the pan sample. • The Chief Geologist makes regular visits to the field drill sites to check on process and procedure. • Numerous aircore twin holes were drilled at auger hole locations. • The field data has been manually transcribed from paper logs into a master Microsoft Excel spreadsheet which is appropriate for this stage in the exploration program. Data is then imported into a Microsoft Access database where it is subjected to various validation queries. • Test work has not yet been undertaken at a Secondary laboratory to check the veracity of the Primary laboratory data. This work is planned as part of the Company's standard QA/QC procedure. • A process of laboratory data validation using mass balance is undertaken to identify entry errors or questionable data. • Field and laboratory inserted duplicate sample pairs (THM/oversize/slime) of each batch are plotted to identify potential quality control issues.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Downhole surveys for shallow aircore holes are not required due to the shallow nature. • A handheld 16 channel Garmin GPS was used to record the positions of the aircore holes in the field. • The handheld Garmin GPS has an accuracy of +/- 5m. • The datum used for coordinates is WGS84 zone 36S. • The accuracy of the drillhole locations is sufficient for this stage of exploration.
Data spacing and	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the*	• Grid spacing used in the Phase 1 drill program is 1000m between drill lines (traverses) and 500m between hole stations.

Criteria	JORC Code explanation	Commentary
distribution	*degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The 500m space between aircore holes is sufficient to provide a reasonable degree of confidence in geological models and grade continuity within the holes for aeolian style HMS deposits. • Closer spaced drilling in Phase 2 (500m x 500m and 1000m x 250m spaced holes) has provided a higher confidence in geological models and grade continuity between the holes. • Each aircore drill sample is a single 3.0m sample of sand intersected down the hole. • No compositing has been applied to values of THM, slime and oversize.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The aircore drilling was oriented perpendicular to the interpreted strike of mineralization defined by reconnaissance auger drill data and geophysical data interpretation. • Drill holes were vertical and the nature of the mineralisation is relatively horizontal. • The orientation of the drilling is considered appropriate for testing the lateral and vertical extent of mineralization without any bias.
Sample security	• *The measures taken to ensure sample security.*	• Aircore samples remain in the custody of Company representatives until they are transported to Maputo for final packaging and securing. • The Company uses a commercial shipping company, Deugro, to ship samples from Mozambique to Perth. • The Company dispatched these aircore samples to Western GeoLabs in Perth for heavy liquid separation analysis. • Western GeoLabs is a dedicated and specialist, dedicated heavy mineral sand analysis laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Internal data and procedure reviews are undertaken. • No external audits or reviews have been undertaken.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The exploration work was completed on the Corridor Central tenement (6620L) which is 100% owned by the Company through its 100% ownership of its subsidiary, Sofala Mining & Exploration Limitada, in Mozambique. • All granted tenements have initial 5 year terms, renewable for 3 years. • Traditional landowners and village Chiefs within the areas of influence were consulted prior to the auger programme and were supportive of the programme. • An Environment Management Plan was prepared by an independent consultant and submitted to the Provincial Directorate of Lands, Environment and Rural Development in accordance with Mining Law and Regulations.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historic exploration work was completed by Corridor Sands Limitada, a subsidiary of Southern Mining Corporation and subsequently Western Mining Corporation, in 1999. BHP-Billiton acquired Western Mining Corporation and undertook a Bankable Feasibility Study of the Corridor Deposit 1 about 15km north of the Company's tenements. • The Company has obtained digital data in relation to this historic information. • The historic data comprises limited Reverse Circulation Aircore drilling. • The historic results are not reportable under JORC 2012.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Two types of heavy mineral sand mineralisation styles are possible along coastal Mozambique: 1. Thin but high grade strandlines which may be related to marine or fluvial influences, and 2. Large but lower grade deposits related to windblown sands. • The coastline of Mozambique is well known for massive dunal systems such as those developed near Inhambane (Rio Tinto's Mutamba deposit), near Xai Xai (Rio Tinto's Chilubane deposit) and in Nampula Province (Kenmare's Moma deposit). Buried strandlines are likely in areas where palaeoshorelines can be defined along

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>coastal zones.</td></tr>
<tr><td>Drill hole Information</td><td>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
easting and northing of the drill hole collar
elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
dip and azimuth of the hole
down hole length and interception depth
hole length.
If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</td><td>Summary drill hole information is presented within Table 1 and selected detailed drill information in Table 2 of the main body of text of this announcement.</td></tr>
<tr><td>Data aggregation methods</td><td>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.
Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.
The assumptions used for any reporting of metal equivalent values should be clearly stated.</td><td>No cut-offs were used in the downhole averaging of results.
An example of the data averaging is shown below.
<table>
<tr><th>HOLE_ID</th><th>FROM</th><th>TO</th><th>PCT VIS THM</th><th>Average visTHM</th><th>Average visTHM</th></tr>
<tr><td>19CCAC104</td><td>0.0</td><td>3.0</td><td>6.0</td><td rowspan="13">37.5m @ 4.9%</td><td rowspan="9">27m @ 6.3%</td></tr>
<tr><td>19CCAC104</td><td>3.0</td><td>6.0</td><td>6.0</td></tr>
<tr><td>19CCAC104</td><td>6.0</td><td>9.0</td><td>6.0</td></tr>
<tr><td>19CCAC104</td><td>9.0</td><td>12.0</td><td>8.0</td></tr>
<tr><td>19CCAC104</td><td>12.0</td><td>15.0</td><td>6.2</td></tr>
<tr><td>19CCAC104</td><td>15.0</td><td>18.0</td><td>6.6</td></tr>
<tr><td>19CCAC104</td><td>18.0</td><td>21.0</td><td>5.5</td></tr>
<tr><td>19CCAC104</td><td>21.0</td><td>24.0</td><td>8.0</td></tr>
<tr><td>19CCAC104</td><td>24.0</td><td>27.0</td><td>4.0</td></tr>
<tr><td>19CCAC104</td><td>27.0</td><td>30.0</td><td>2.5</td></tr>
<tr><td>19CCAC104</td><td>30.0</td><td>33.0</td><td>2.0</td></tr>
<tr><td>19CCAC104</td><td>33.0</td><td>36.0</td><td>1.7</td></tr>
<tr><td>19CCAC104</td><td>36.0</td><td>37.5</td><td>1.5</td></tr>
</table></td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>These relationships are particularly important in the reporting of Exploration Results.
If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.
If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</td><td>Vertical aircore holes are interpreted to represent close to true thicknesses of the mineralisation.
Downhole widths are reported.</td></tr>
<tr><td>Diagrams</td><td>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of</td><td>Figures are displayed in the main text.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	drill hole collar locations and appropriate sectional views.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• A summary of the laboratory data is presented in Table 1 of the main part of the announcement, comprising downhole averages, together with maximum and minimum estimated THM values in each hole. Slime and oversize statistics are also presented.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other material exploration information has been gathered by the Company.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work will include additional aircore and auger drilling and sampling, infill drilling and sampling and heavy liquid separation analysis. • High quality targets generated from reconnaissance work are planned to be drilled with aircore techniques. • Additional mineral assemblage and ilmenite mineral chemistry analyses will also be undertaken on suitable composite HM samples to determine valuable heavy mineral components. • As the project advances, TiO2 and contaminant test work analyses will also be undertaken.