**AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT& MEDIA RELEASE**

15 May 2020

# NEW AUGER ASSAY RESULTS INDICATE EXTENSION OF HIGH GRADE HEAVY MINERAL SAND MINERALISATION AT KOKO MASSAVA, CORRIDOR CENTRAL PROJECT, MOZAMBIQUE

## Key Highlights

- **NEW HAND AUGER ASSAY RESULTS SHOW EXTENSION OF HIGH GRADE MINERALISATION ON THE SOUTHEAST AND EAST SIDE OF KOKO MASSAVA DEPOSIT.**
- **HIGH GRADE EXTENSION IS ADJACENT TO ELEVATED ZONES OF VALUABLE HEAVY MINERAL ASSEMBLAGE WITHIN THE KOKO MASSAVA MINERAL RESOURCE.**
- **17 OF 31 AUGER HOLES DRILLED ENDED WITH FINAL SAMPLE INTERVAL >4% THM.**
- **SIGNIFICANT RESULTS IN THE NEW KOKO MASSAVA AUGER ASSAY DATA INCLUDE:**
  - **12M @ 7.68% THM (HOLE 20CCHA219) FROM SURFACE & ENDED IN 7.69% THM**
  - **12M @ 5.58% THM (HOLE 20CCHA213) FROM SURFACE & ENDED IN 5.86% THM**
  - **12M @ 5.12% THM (HOLE 20CCHA221) FROM SURFACE & ENDED IN 5.48% THM**

## Background

MRG Metals (ASX Code:MRQ) is pleased to provide more highly significant laboratory assay results from extension auger drilling on the Koko Massava deposit within the Corridor Central tenement (6620L). This new auger data set for Koko Massava confirms the extension of the mineralised footprint to the east and southeast directions and further underpins the significant potential for extension to heavy mineral sand (HMS) resource of 1,423 Mt @ 5.2% total heavy mineral (THM) recently announced (refer announcement 22 April 2020).

The laboratory results are for a batch of 296 samples, including QAQC samples, from a total of 38 auger holes. The hole numbers include 20CCHA186 to 20CCHA223 (Figure 1).

Overall, the laboratory results show 31 of the 38 holes attained an uncut average downhole grade >3% THM, with 5 of the 31 holes having an uncut average downhole grade of >5% THM. There are 17 holes that end in ≥4% THM and 8 of the holes were collared at surface with grade ≥4% THM. These results highlight the robust nature of the HMS mineralisation in the Koko Massava deposit area that still now remains open in all directions.

**MRG Chairman, Mr Andrew Van Der Zwan, said "The follow up exploration program at Koko Massava, along with the ongoing analysis of the Mineral Resource itself, continues to increase our confidence of not only increasing the resource size at Koko Massava but also of identifying discrete zones of high grade THM material within and extensional to it. Such zones, if located at surface, combined with higher VHM components such as Zircon (2%) and Rutile (1%), have the potential to enhance early mine life economics."**

## Auger Sample Laboratory Results

The auger drilling was part of a program of broad-spaced holes at 500m stations on traverses 1000m apart and designed to test for extensions of the footprint of the Koko Massava mineral resource that was reported in April 2020 (refer announcement 22 April 2020).

The best hole returned within this new laboratory batch is 20CCHA219, which was located within the boundary of Guemulene village, collared at surface in 6.64% THM (0-1.5m) and ended in 7.69% THM (10.5m-12.0m) with a maximum of 10.12% THM from 9.0-10.5m (Table 1; Figure 1). Overall, hole 20CCHA219 comprises an uncut downhole average of 7.68% THM over 12.0m from surface. Slime values related to hole 19CSHA074 are moderate, with a range of 10.25%-21.32% and an average of 16.66%.

Also significant in the new data is 20CCHA213 which comprises an uncut downhole average of 5.58% THM over 12.0m from surface (Table 1; Figure 1). Hole 20CCHA213 was collared at surface (0-1.5m) in a grade of 5.23% THM, it had a peak grade of 6.01% THM in the 1.5-3.0m interval and ended at 10.5-12.0m with 5.86% THM.

The Oversize fraction characteristics of the auger sample batch reported here have a range from 0.18% to 7.30%, with an average of 0.78%.

The Company's new laboratory results reported here for auger drilling on the periphery of the Koko Massava deposit show the potential for discovery of additional HMS mineralisation, particularly in the areas adjacent to the east and southeast sides of the deposit where valuable heavy mineral assemblage is elevated (Figures 2 and 3; refer MRG Metals website: www.mrgmetals.com.au/mineral-resource-estimate-mre ).

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. A Standard Reference Material (SRM) sample was inserted into the field sample batch at a frequency of 1 per 50 primary samples. At the laboratory, additional duplicates are routinely prepared at a frequency of 1 per 10 primary samples.

*Table 1: Summary laboratory sample data returned to the end of April 2020 for auger drilling in the Koko Massava deposit area. 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% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 20CCHA186 | 565577 | 7261352 | 2.0 | 15 | -90 | 360 | 0.6 | 0.66 | 0.96 | 0.37 | 46.61 | 4.27 |
| 20CCHA187 | 565910 | 7262546 | 10.5 | 33 | -90 | 360 | 3.5 | 4.31 | 4.64 | 3.83 | 10.27 | 1.27 |
| 20CCHA188 | 566213 | 7262153 | 1.7 | 21 | -90 | 360 | 2.0 | 1.85 | 1.91 | 1.80 | 35.88 | 2.50 |
| 20CCHA189 | 566513 | 7261753 | 3.0 | 26 | -90 | 360 | 2.9 | 3.18 | 3.32 | 3.05 | 5.61 | 0.60 |
| 20CCHA190 | 568977 | 7260177 | 10.5 | 76 | -90 | 360 | 3.6 | 4.16 | 4.90 | 3.49 | 15.83 | 0.56 |
| 20CCHA191 | 569285 | 7259779 | 12.0 | 71 | -90 | 360 | 3.5 | 3.87 | 4.22 | 3.14 | 15.33 | 0.85 |
| 20CCHA192 | 569595 | 7259377 | 10.5 | 74 | -90 | 360 | 3.0 | 3.85 | 4.09 | 3.49 | 15.08 | 0.85 |
| 20CCHA193 | 569892 | 7258983 | 12.0 | 63 | -90 | 360 | 2.7 | 3.11 | 3.35 | 2.75 | 15.63 | 0.85 |
| 20CCHA194 | 570192 | 7258580 | 12.0 | 62 | -90 | 360 | 3.0 | 3.21 | 3.44 | 2.95 | 17.52 | 0.67 |
| 20CCHA195 | 570956 | 7257595 | 13.0 | 64 | -90 | 360 | 4.2 | 4.24 | 4.89 | 3.72 | 11.96 | 0.79 |
| 20CCHA196 | 571548 | 7256797 | 12.0 | 69 | -90 | 360 | 2.9 | 3.07 | 3.37 | 2.68 | 11.11 | 0.49 |
| 20CCHA197 | 570150 | 7256982 | 13.0 | 58 | -90 | 360 | 4.2 | 4.29 | 4.64 | 3.76 | 16.06 | 0.69 |
| 20CCHA198 | 570454 | 7256582 | 12.0 | 62 | -90 | 360 | 3.2 | 3.10 | 3.39 | 2.89 | 17.66 | 0.64 |

| 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% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 20CCHA199 | 569847 | 7257379 | 13.0 | 67 | -90 | 360 | 3.9 | 3.85 | 4.17 | 3.14 | 16.39 | 0.78 |
| 20CCHA200 | 569549 | 7257773 | 13.0 | 77 | -90 | 360 | 3.1 | 3.11 | 3.36 | 2.77 | 16.51 | 0.87 |
| 20CCHA201 | 568937 | 7258580 | 12.0 | 80 | -90 | 360 | 3.4 | 3.82 | 4.13 | 3.22 | 14.03 | 0.80 |
| 20CCHA202 | 569241 | 7258180 | 12.0 | 75 | -90 | 360 | 2.8 | 2.84 | 3.08 | 2.53 | 14.73 | 0.72 |
| 20CCHA203 | 568635 | 7258967 | 12.0 | 83 | -90 | 360 | 3.4 | 3.77 | 4.18 | 3.27 | 14.15 | 1.09 |
| 20CCHA204 | 569359 | 7256376 | 13.0 | 63 | -90 | 360 | 3.1 | 2.96 | 3.21 | 2.74 | 19.22 | 0.67 |
| 20CCHA205 | 568570 | 7255768 | 12.0 | 66 | -90 | 360 | 3.5 | 3.68 | 4.01 | 3.42 | 14.32 | 0.82 |
| 20CCHA206 | 569961 | 7255580 | 12.0 | 53 | -90 | 360 | 3.3 | 2.96 | 3.16 | 2.79 | 18.06 | 1.12 |
| 20CCHA207 | 568866 | 7255379 | 12.0 | 69 | -90 | 360 | 3.5 | 3.85 | 4.18 | 3.34 | 16.17 | 0.38 |
| 20CCHA208 | 569166 | 7254974 | 12.0 | 58 | -90 | 360 | 2.8 | 3.37 | 4.03 | 2.99 | 18.81 | 0.48 |
| 20CCHA211 | 567577 | 7253764 | 12.0 | 33 | -90 | 360 | 2.2 | 2.75 | 3.76 | 1.75 | 22.90 | 0.80 |
| 20CCHA212 | 566936 | 7252957 | 12.0 | 55 | -90 | 360 | 4.0 | 4.56 | 4.88 | 4.12 | 19.31 | 0.95 |
| **20CCHA213** | **567232** | **7252558** | **12.0** | **34** | **-90** | **360** | **4.2** | **5.58** | **6.01** | **4.95** | **25.35** | **0.95** |
| 20CCHA217 | 566973 | 7254558 | 12.0 | 64 | -90 | 360 | 3.8 | 4.13 | 4.37 | 3.77 | 22.45 | 0.76 |
| **20CCHA218** | **566654** | **7254955** | **12.0** | **57** | **-90** | **360** | **4.0** | **4.83** | **5.19** | **4.28** | **20.75** | **0.96** |
| **20CCHA219** | **567272** | **7254161** | **12.0** | **44** | **-90** | **360** | **5.6** | **7.68** | **10.12** | **6.64** | **16.66** | **0.57** |
| **20CCHA220** | **566611** | **7253379** | **12.0** | **60** | **-90** | **360** | **4.1** | **4.86** | **5.55** | **4.51** | **29.64** | **0.46** |
| **20CCHA221** | **566330** | **7253757** | **12.0** | **60** | **-90** | **360** | **4.3** | **5.12** | **5.57** | **4.52** | **17.68** | **0.56** |
| **20CCHA222** | **566026** | **7254157** | **10.5** | **42** | **-90** | **360** | **4.7** | **5.10** | **5.51** | **4.57** | **20.62** | **0.74** |
| **20CSHA209** | **569620** | **7254377** | **10.5** | **23** | **-90** | **360** | **3.6** | **5.00** | **7.48** | **3.45** | **13.23** | **0.82** |
| 20CSHA210 | 569918 | 7253975 | 12.0 | 53 | -90 | 360 | 2.2 | 2.22 | 2.37 | 2.12 | 17.73 | 0.87 |
| 20CSHA214 | 570228 | 7253581 | 12.0 | 57 | -90 | 360 | 2.3 | 3.08 | 3.44 | 2.52 | 17.03 | 0.63 |
| 20CSHA215 | 568980 | 7253568 | 12.0 | 62 | -90 | 360 | 3.9 | 4.38 | 6.37 | 3.72 | 19.06 | 0.32 |
| 20CSHA216 | 570567 | 7254784 | 12.0 | 52 | -90 | 360 | 4.0 | 3.54 | 4.29 | 3.20 | 21.32 | 0.69 |
| 20CSHA223 | 568535 | 7254168 | 10.5 | 44 | -90 | 360 | 3.3 | 4.31 | 4.60 | 3.92 | 14.04 | 0.67 |

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

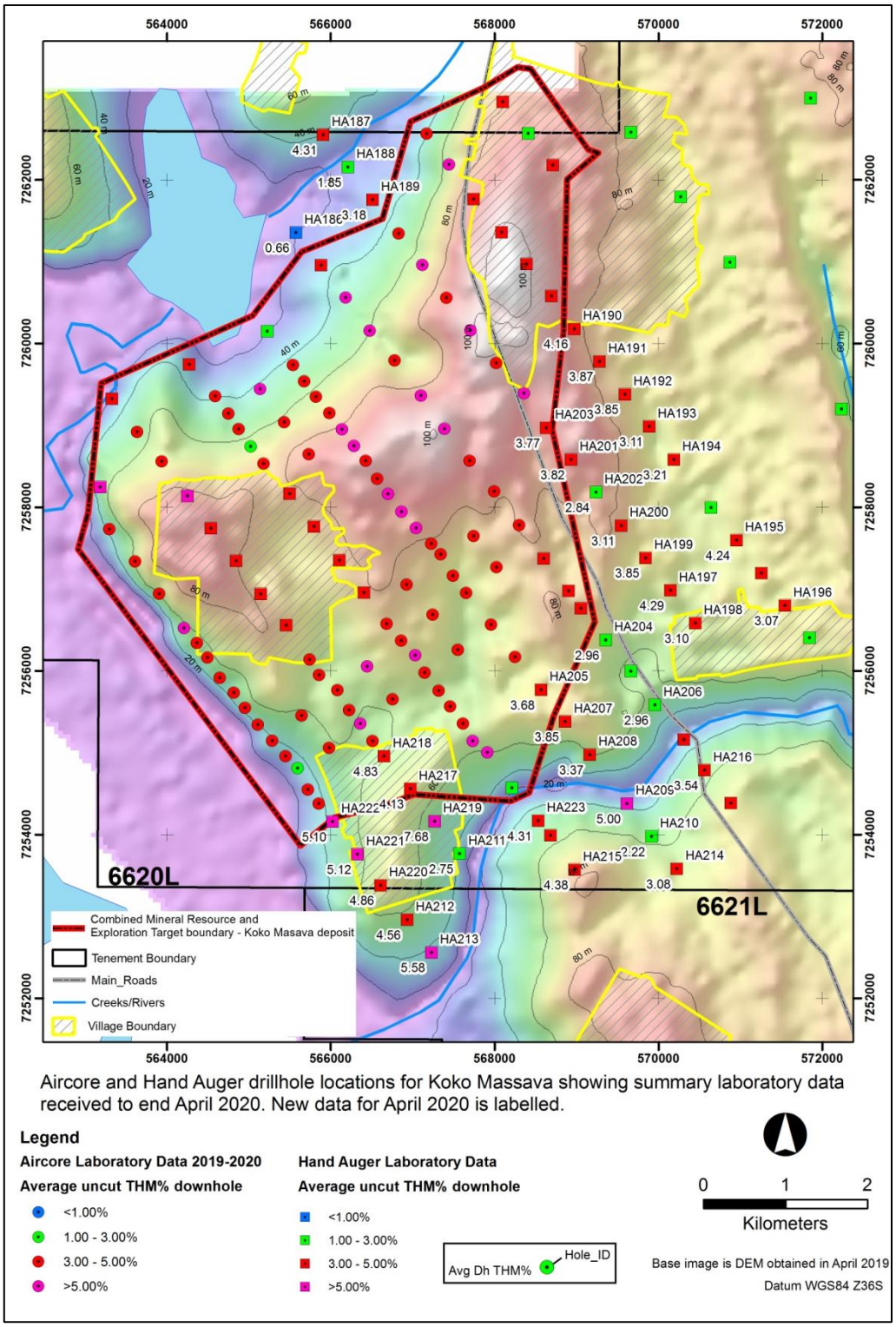


*Figure 1: Location map of new hand auger holes in the Koko Massava deposit area showing summary laboratory data for THM grades. Hole names have been shortened for presentation but are prefixed by '20CC'.*

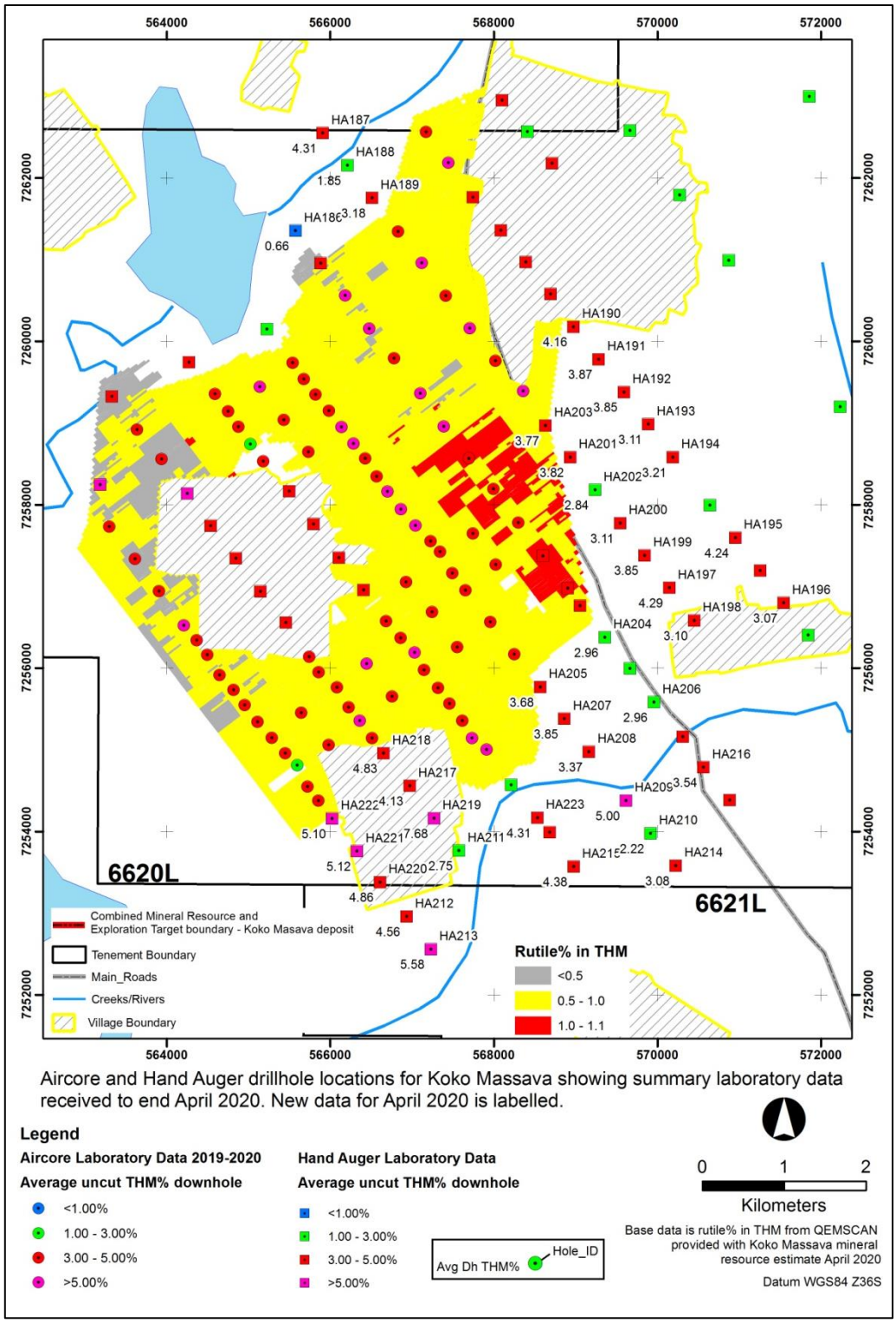


*Figure 2: Location map of new hand auger holes in the Koko Massava deposit area showing summary laboratory data for THM grades relative to the known rutile in THM distribution for the deposit. Hole names have been shortened for presentation but are prefixed by '20CC'.*

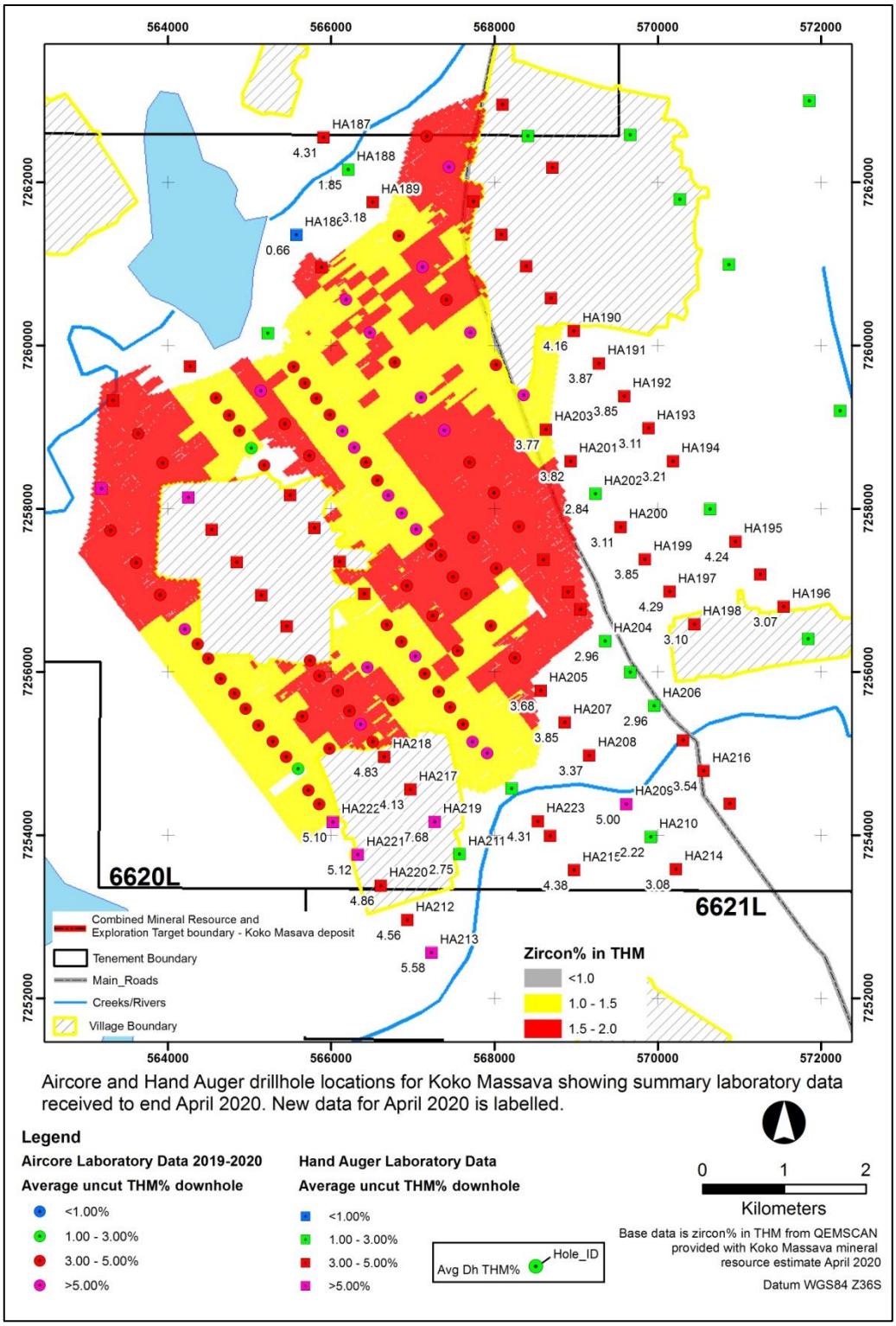


*Figure 3: Location map of new hand auger holes in the Koko Massava deposit area showing summary laboratory data for THM grades relative to the known zircon in THM distribution for the deposit. Hole names have been shortened for presentation but are prefixed by '20CC'.*

**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-

Authorised by:
Mr Andrew Van Der Zwan
Chairman
MRG Metals Ltd

# Appendix 1

# JORC Code, 2012 Edition – Table 1

## Section 1 Sampling Techniques and Data

| 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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *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.<br>• The same sample mass is used for every pan sample visual estimation.<br>• The consistent sized pan sample is to ensure visual calibration is maintained for consistency in percentage visual estimation of total heavy mineral (THM).<br>• Geotagged photographs are taken of each panned sample with the corresponding sample bag to enable easy reference at a later date<br>• The larger 1.5m interval auger drill samples were homogenized prior to being grab sampled for panning.<br>• The large 1.5m drill samples have an average of about 4kg and were split down in Mozambique to approximately 300-600g by riffle splitter for export to the Primary processing laboratory.<br>• 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).* | • Hand Auger drilling is a manual hand operated system produced by Dormer Engineering in Australia.<br>• Drill rods and drill bits are 1m long.<br>• The auger is a 62mm open hole drilling technique.<br>• All holes have been drilled vertically.<br>• The drilling onsite is governed by a Hand Auger Drilling Guideline to ensure consistency in application of the method.<br>• A wooden surface collar is placed on the ground at the beginning of each hole to prevent widening of the collar and material falling into the hole. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure* | • Auger drilling is considered to be an early stage relatively unsophisticated technique of drilling.<br>• The auger drill used is an open hole method and recovery of sample |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *representative nature of the samples.*<br>• *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.* | extracted from the holes is measured by spring balance at the drill site.<br>• Samples are consistently collected at 1.5m intervals.<br>• No significant losses of auger sample were observed due to the shallow depths of drilling (<12m).<br>• The initial 0 – 1.5m interval in each auger hole is drilled with care to maximize sample recovery.<br>• There is potential for contamination in open hole drilling techniques but sample bias is not likely due to the shallow drill hole depths. |
| *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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • The 1.5m auger drill intervals were logged onto paper field log sheets prior to transcribing into a Microsoft Excel spreadsheet.<br>• The auger samples were logged for lithology, colour, grainsize, rounding, sorting, estimated %THM, estimated %slimes and any relevant comments, such as slope and vegetation.<br>• Geological logging is governed by a Hand Auger Drilling Guideline with predefined log codes and guidance of what to include in log fields to ensure consistency between individuals logging data.<br>• Data is backed-up each day at the field base to a cloud storage site.<br>• 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.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • The 1.5m drill sample composites were homogenized at the drill site and then cone-and-quarter split onsite and inserted into clean calico sample bags with metal sample tag according to the Hand Auger Drilling Guideline.<br>• At the field base, the samples were homogenized within the calico bag by rotating it and then fed through a single tier riffle splitter that is placed on a hard surface and leveled, to reduce samples to 300-600g sub-samples for export to the Primary processing laboratory.<br>• The 300-600g sub-sample is deposited into a new labeled calico sample bag with metal sample tag and prepared to be sent to the Primary laboratory for analysis.<br>• Where samples were wet when sampled, they were dried in clean plastic basins prior to riffle splitting.<br>• All of the samples collected have been sand or silty-sand and the preparation techniques are considered appropriate for this sample type.<br>• The sample sizes were deemed suitable based on industry experience of the geologists involved and consultation with laboratory |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | staff.<br>• Field duplicates of the samples were completed at a rate of 5%, or at a frequency of approximately 1 per 25 primary samples.<br>• Standard Reference Material (SRM) samples are inserted into the sample stream in the field at a frequency of 1 per 50 samples.<br>• Employees undertaking the primary sampling and splitting are closely monitored by a geologist to ensure sampling quality is maintained. |
| *Quality of assay data and laboratory tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *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.*<br>• *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.* | • 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.<br>• 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.<br>**Laboratory Analysis Methodology**<br>• The individual 300-600g auger sub-samples were sent to Western GeoLabs in Perth, Western Australia, which is considered the Primary laboratory.<br>• The 300-600g auger 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.<br>• The +45um-1mm sample fraction was then analysed for THM% content by heavy liquid separation (HLS).<br>• The laboratory used TBE as the heavy liquid medium for HLS – with density 2.95 g/ml, measured daily.<br>• This is an industry standard technique for HLS to determine THM in HMS exploration.<br>• Field duplicates of the auger samples were collected at a frequency of 1 per 25 primary samples and submitted ‘blind’ to the Primary laboratory with the field sample batch.<br>• Western GeoLabs completed its own internal QA/QC checks that included laboratory repeats every 10th sample prior to the results being released.<br>• Analysis of the Company and laboratory QA/QC samples show the laboratory data to be of acceptable accuracy and precision.<br>• The adopted QA/QC protocols are acceptable for this stage test work. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Selected visual estimated THM field data are checked by the Chief Geologist.<br>• 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.<br>• The Chief Geologist makes regular visits to the field drill sites to check on process and procedure.<br>• No twinned holes have been completed due to the early nature of the auger drilling technique.<br>• The field data has been manually transcribed into a master Microsoft Excel spreadsheet which is appropriate for this early stage in the exploration program. Data is then imported into a Microsoft Access database where it is subjected to various validation queries.<br>• 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.<br>• A process of laboratory data validation using mass balance is undertaken to identify entry errors or questionable data.<br>• Field and laboratory duplicate data 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.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Downhole surveys for shallow auger holes are not required due to the very shallow nature.<br>• A handheld 16 channel Garmin GPS was used to record the positions of the auger holes in the field.<br>• The handheld Garmin GPS has an accuracy of +/- 5m.<br>• The datum used for coordinates is WGS84 zone 36S.<br>• The accuracy of the drillhole locations is sufficient for this early stage exploration. |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • Auger holes were typically drilled at 1000m between hole stations and 500m between station lines for reconnaissance drilling.<br>• The reconnaissance auger hole spacing was systematic and hole locations were designed to test for extensions to known heavy mineral sand mineralisation.<br>• The data has not been used for resource estimation. |
| *Orientation of data in relation to* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* | • The auger drilling was placed as perpendicular as possible on lines cutting the geophysical anomalies obtained from an airborne survey undertaken by the Company during April 2019. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *geological structure* | • *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.* | |
| *Sample security* | • *The measures taken to ensure sample security.* | • Auger samples remain in the custody of Company representatives until they are transported to Maputo for final packaging and securing.<br>• The Company uses a commercial shipping company, Deugro or DHL, to ship samples from Mozambique to Perth.<br>• The Company dispatched these hand auger samples to Western GeoLabs in Perth for heavy liquid separation analysis.<br>• Western GeoLabs is a dedicated and specialist heavy 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.<br>• 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.*<br>• *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.<br>• All granted tenements have initial 5 year terms, renewable for 3 years.<br>• Traditional landowners and village Chiefs within the areas of influence were consulted prior to the auger programme and were supportive of the programme.<br>• 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.<br>• An Environmental License has been obtained by the Company.<br>• Representatives from the Provincial Directorate of Mineral Resources and Directorate of Lands, Environment and Rural Development, and District Planning and Infrastructure Departments are also part of the consent and consultation process. |
| *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.<br>• The Company has obtained digital data in relation to this historic information.<br>• The historic data comprises limited Aircore/Reverse Circulation drilling.<br>• 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:<br>1. Thin but high grade strandlines which may be related to marine or fluvial influences, and<br>2. Large but lower grade deposits related to windblown sands. |

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>• 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 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:<br>○ easting and northing of the drill hole collar<br>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar<br>○ dip and azimuth of the hole<br>○ down hole length and interception depth<br>○ hole length.<br>• 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 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.<br>• 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.<br>• 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.<br>• The visual estimated THM% averaging is grade-weighted.<br>• An example of the data averaging is shown below.<br>
<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="14">37.5m @ 4.9%</td><td rowspan="12">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><td></td></tr>
</table></td></tr>
<tr><td>Relationship between mineralisation widths and</td><td>• These relationships are particularly important in the reporting of Exploration Results.<br>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</td><td>• Auger holes are thought to represent close to true thicknesses of the mineralisation.<br>• Downhole widths are reported.</td></tr>
</table>

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *intercept lengths* | • *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').* | |
| *Diagrams* | • *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 drill hole collar locations and appropriate sectional views.* | • Figures are displayed in the main text. |
| *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).*<br>• *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 auger drilling and sampling, infill auger sampling and heavy liquid separation analysis.<br>• High quality targets generated from reconnaissance work are planned to be drilled with aircore techniques.<br>• Additional mineral assemblage and ilmenite mineral chemistry analyses will also be undertaken on suitable composite HM samples to determine valuable heavy mineral components.<br>• Metallurgical test work is underway on a bulk sample from the Koko Massava deposit. This work will determine product suite, product quality and product yields. |