

## QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2020

### OPERATING HIGHLIGHTS

- Maiden Mineral Resource Estimate at Koko Massava.
- Aircore drilling success at Poiombo.
- Metallurgy testing at Koko Massava.
- Auger program across remaining targets in Corridor South to identify Aircore drill targets.

#### Underway and Upcoming:

- Discussions commenced with Government agencies regarding strategic Infrastructure, with internal review of facility location underway.
- Mineralogy testing commenced across multiple targets (results of first 16 samples due after validation of specific samples).
- Upcoming drill program to incorporate analysis of Auger program and associated Mineralogy (To be announced next week).
- Drill target objectives continue to focus on high THM targets supported by greater understanding of the Valuable Heavy Mineral (VHM) potential of targets, to achieve enhanced \$/Ton in ground value.

### MOZAMBIQUE HEAVY MINERAL SAND PROJECTS

#### CORRIDOR CENTRAL TENEMENT (6620L)

##### MAIDEN MINERAL RESOURCE ESTIMATE DELIVERED AT KOKO MASSAVA:

1,423 Mt @ 5.2% THM at 4% cut-off grade, comprising:

Indicated Mineral Resource of 289 Mt @ 4.9% THM; Inferred Mineral Resource of 1,133 Mt @ 5.3% THM.

#### METALLURGICAL STUDY COMMENCED AT KOKO MASSAVA

##### AUGER ACTIVITY EXTENDED KOKO MASSAVA MINERALISATION TO THE SOUTHEAST AND EAST.

Significant results included:

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

#### CORRIDOR SOUTH TENEMENT (6621L)

##### AIRCORE DRILLING ASSAYS AT POIOMBO

Significant laboratory assay results from initial aircore drilling at Poiombo confirmed the discovery of a very high grade HMS strandline deposit:

36M @ 7.09% THM (Hole 20CSAC355) FROM SURFACE TO 36M, INCLUDING 6M @ 16.59% THM (24-30M)

AND 6M @ 8.21% THM (30-36M)

36M @ 5.93% THM (Hole 20CSAC349) FROM SURFACE TO 36M, INCLUDING 18M @ 7.08% THM (0-18M).

51M @ 5.40% THM (Hole 20CSAC356) FROM SURFACE TO 51M, INCLUDING 9.0M @ 10.70% THM (30-

39M).

36M @ 5.12% THM (Hole 20CSAC352) FROM SURFACE TO 36M, INCLUDING 12.0M @ 7.10% THM (9-21M)

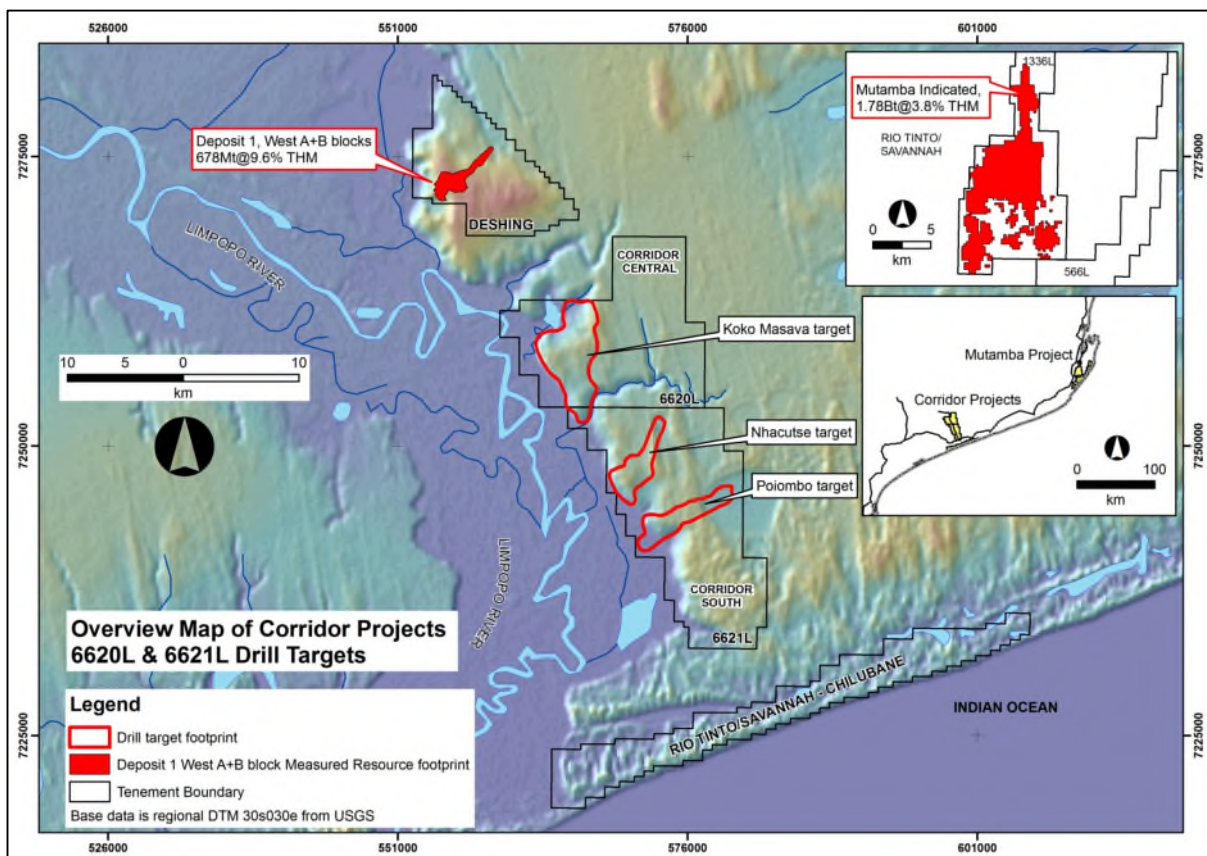
##### AUGER ACTIVITY AT NHACUTSE, ZULENE, SIAIA AND VIAIA

A broad high grade HMS mineralised zone measuring 6km x 2km was established by auger drilling at Nhacutse.

### EXPLORATION STRATEGY FOR HIGH GRADE/HIGH VALUE PER TON ADDITIONAL HMS RESOURCES

**Mozambique continues to operate in a COVID-19 Pandemic restricted environment. However, MRG has been able to maintain in-country operations and will continue to do so safely, until instructed otherwise.**

MRG is exploring for economic deposits of Heavy Mineral Sands in the southern part of Mozambique. Activities during the Quarter ending 30 June 2020 were focussed within the Corridor Central (6620L) and Corridor South (6621L) tenements (Figure 1).



**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.**

## Corridor Central Project (6620L)

### KOKO MASSAVA MINERAL RESOURCE ESTIMATION (MRE)

In November 2019 MRG Metals Limited ('MRG') engaged IHC Robbins Pty Ltd ('IHC Robbins') to assist with the preparation of a Mineral Resources estimate for Koko Massava mineral sand deposit located in the Gaza Province of southern Mozambique. The work undertaken included drill sample analysis, assisting with defining composite samples for mineral assemblage, mineralogical characterisation, geological modelling, resource estimation and JORC technical reporting on the Koko Massava heavy mineral sand project. The Mineral Resource Estimation (MRE) was completed and reported to the market on 22 April 2020. The following link is provided to the Executive Summary, which is also on

the MRG website: <http://mrgmetals.com.au/mineral-resource-estimate-mre>

There has been industry standard QA/QC data supporting the assaying process, the use of a specialised and reputable mineral sands laboratory and the drilling, sampling and assaying procedures overall have fully supported the development of a Mineral Resource estimate. The use of commercially prepared standards has supported the QA/QC for the laboratory assaying and ongoing duplicates in both the field and laboratory.

The sample support and distribution of mineral assemblage composites is to an adequate level of density for the JORC Classification. Consideration of the operational mining rate and production of THM has been undertaken in order to assess whether the mineral assemblage composites are providing enough detailed coverage of potential variability in the mineral assemblage along the length of the deposit.

The selection of the THM cut-off grade used for reporting was based on the experience of the Competent Person and by considering the continuity of mineralisation at that cut-off-grade as well as the inflection points on the grade tonnage curves. This cut-off grade is in line with other mineral sands operations in Africa and the overall high ratio of VHM to trash. presented below in Table 1 (THM assemblage).

The Koko Massava deposit comprises Mineral Resource reported above a cut-off grade of 4% THM of 1,423 Mt @ 5.2% THM and 17% SLIMES containing 74 Mt of THM with an assemblage of 42% ilmenite, 7% low Ti ilmenite/titanomagnetite, 2% zircon, 1% rutile, 1% leucoxene and 0.2% monazite. The JORC categories are specifically stated as:

- an Indicated Mineral Resource of 289 Mt @ 4.9% THM and 20% SLIMES containing 14 Mt of THM with an assemblage of 41% ilmenite, 8% low Ti ilmenite/titanomagnetite, 1% zircon, 1% rutile, 1% leucoxene and 0.2% monazite.
- an Inferred Mineral Resource of 1,133 Mt @ 5.3% THM and 16% SLIMES containing 60 Mt of THM with an assemblage of 42% ilmenite, 7% low Ti ilmenite/titanomagnetite, 2% zircon, 1% rutile, 1% leucoxene and 0.2% monazite.

**Table 1: Mineral Resource estimate for the Koko Massava deposit: THM Assemblage**

| Summary of Mine Area | Mineral Resource s <sup>(1)</sup> |               |                  |             |            |            |          | 1 M Assemblage <sup>(2)</sup> |           |           |            |          |          |          |           |           |            |           |          |           |
|----------------------|-----------------------------------|---------------|------------------|-------------|------------|------------|----------|-------------------------------|-----------|-----------|------------|----------|----------|----------|-----------|-----------|------------|-----------|----------|-----------|
|                      | Mineral Resource                  | Material (Mt) | In Situ THM (Mt) | BD (gcm3)   | THM (%)    | SLIMES (%) | OS (%)   | ILMA (%)                      | ILM (%)   | LTILM (%) | LTILMT (%) | MTM (%)  | RUT (%)  | LX (%)   | ZIR (%)   | TIMAG (%) | KYASIL (%) | CHRM (%)  | MOTH (%) | NMOTH (%) |
| Koko Massava         | Indicated                         | 289           | 14               | 1.74        | 4.9        | 20         | 1        | 11                            | 27        | 3         | 8          | 1        | 1        | 1        | 27        | 3         | 4          | 11        | 4        |           |
| Koko Massava         | Inferred                          | 1,133         | 60               | 1.75        | 5.3        | 16         | 1        | 11                            | 28        | 3         | 7          | 1        | 1        | 2        | 27        | 3         | 4          | 11        | 3        |           |
|                      | <b>Total</b>                      | <b>1,423</b>  | <b>74</b>        | <b>1.74</b> | <b>5.2</b> | <b>17</b>  | <b>1</b> | <b>11</b>                     | <b>28</b> | <b>3</b>  | <b>7</b>   | <b>1</b> | <b>1</b> | <b>2</b> | <b>27</b> | <b>3</b>  | <b>4</b>   | <b>11</b> | <b>3</b> |           |

**Notes:**

(1) Mineral resources reported at a cut-off grade of 4% THM

(2) Mineral assemblage is reported as a percentage of in situ THM content.

There has been no Mineral Resource JORC classification assigned to the areas below the Koko Massava, Guemulene and Malehice villages and some parts on the periphery of the deposit. There areas on the periphery of the deposit have been sampled by auger drilling but are yet to be confirmed by aircore drilling. At this stage, all the deep areas which are yet to be drilled by the aircore method have been classified as Exploration Targets. The areas below the Koko Massava, Guemulene and Malehice villages have been inaccessible to aircore drilling and have also been classified as Exploration Targets. More work is required to conclude the geological interpretation, as well as the development of variography and the selection of mineralogical composites to characterise these parts of the deposit in order to assign a JORC classification.

The low Ti ilmenite/titanomagnetite fraction within the assemblage is a transitional particle phase with 20-30% TiO<sub>2</sub>, resolved by QEMSCAN analysis to typically be an ilmenite/titanomagnetite intergrowth. This material may report to either an ilmenite or titanomagnetite product, and detailed testwork is required to determine the outcome.

The resource estimation exercise for the Koko Massava deposit also identified an Exploration Target in the range of 234 - 967 Mt @ 4.5 – 5.9% THM at cut-off grades of 3% and 5% THM (refer Table 2; Figure 2). It should be noted that the potential quantity and grade is conceptual in nature and that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target has been defined based on the results of aircore and auger drill hole assay results. It has been estimated using the same methodology as that used for the Mineral Resource estimate. However, the depth, spacing and extent of drilling and sampling is not considered to be at a level that supports classification into JORC Mineral Resource categories.

The Exploration Target estimates have been prepared by reporting the block model at a range of cut-off grades that are consistent with grade ranges used for assessing the Mineral Resource estimate for the Koko Massava prospect. This grade range has been made on the basis of a 4% cut-off grade (as used for the Mineral Resource estimate) +/- 1%, so a lower range of 3% THM and an upper range of 5% THM.

**Table 2: Exploration Target for the Koko Massava deposit: THM**

| Summary of Exploration Target <sup>(1)</sup> |                           | THM Assemblage <sup>(2)</sup> |                |                        |                  |           |            |           |                |          |           |             |          |          |           |              |            |           |          |           |
|--|---------------------------|-------------------------------|----------------|------------------------|------------------|-----------|------------|-----------|----------------|----------|-----------|-------------|----------|----------|-----------|--------------|------------|-----------|----------|-----------|
| Area   | Category                  | Material (Mt)                 | In Situ        |                        |                  | THM (%)   | SLIMES (%) | OS (%)    | ILMA (%)       | ILM (%)  | LTILM (%) | LTILMTM (%) | RUT (%)  | LX (%)   | ZIR (%)   | TIMAG (%)    | KYASIL (%) | CHRM (%)  | MOTH (%) | NMOTH (%) |
|  |                           |                               | THM (Mt)       | BD (gcm <sup>3</sup> ) | 1.74             |           |            |           |                |          |           |             |          |          |           |              |            |           |          |           |
| Koko Massava                                 | Exploration Target        | 234 - 967                     | 14 - 44        | 1.74                   | 4.5 - 5.9        | 14        | 1          | 11        | 27 - 28        | 3        | 7         | 1           | 1        | 2        | 27        | 2 - 3        | 4          | 11        | 4        |           |
| <b>Total</b>                                 | <b>Exploration Target</b> | <b>234 - 967</b>              | <b>14 - 44</b> | <b>1.74</b>            | <b>4.5 - 5.9</b> | <b>14</b> | <b>1</b>   | <b>11</b> | <b>27 - 28</b> | <b>3</b> | <b>7</b>  | <b>1</b>    | <b>1</b> | <b>2</b> | <b>27</b> | <b>2 - 3</b> | <b>4</b>   | <b>11</b> | <b>4</b> |           |

**Notes:**

- (1) Exploration Target reported at a cut-off grades of 3% - 5% THM  
(2) Mineral assemblage is reported as a percentage of in situ THM content.

This is a maiden Mineral Resource estimation for Koko Massava and there has been no preceding JORC Technical Report for the project.



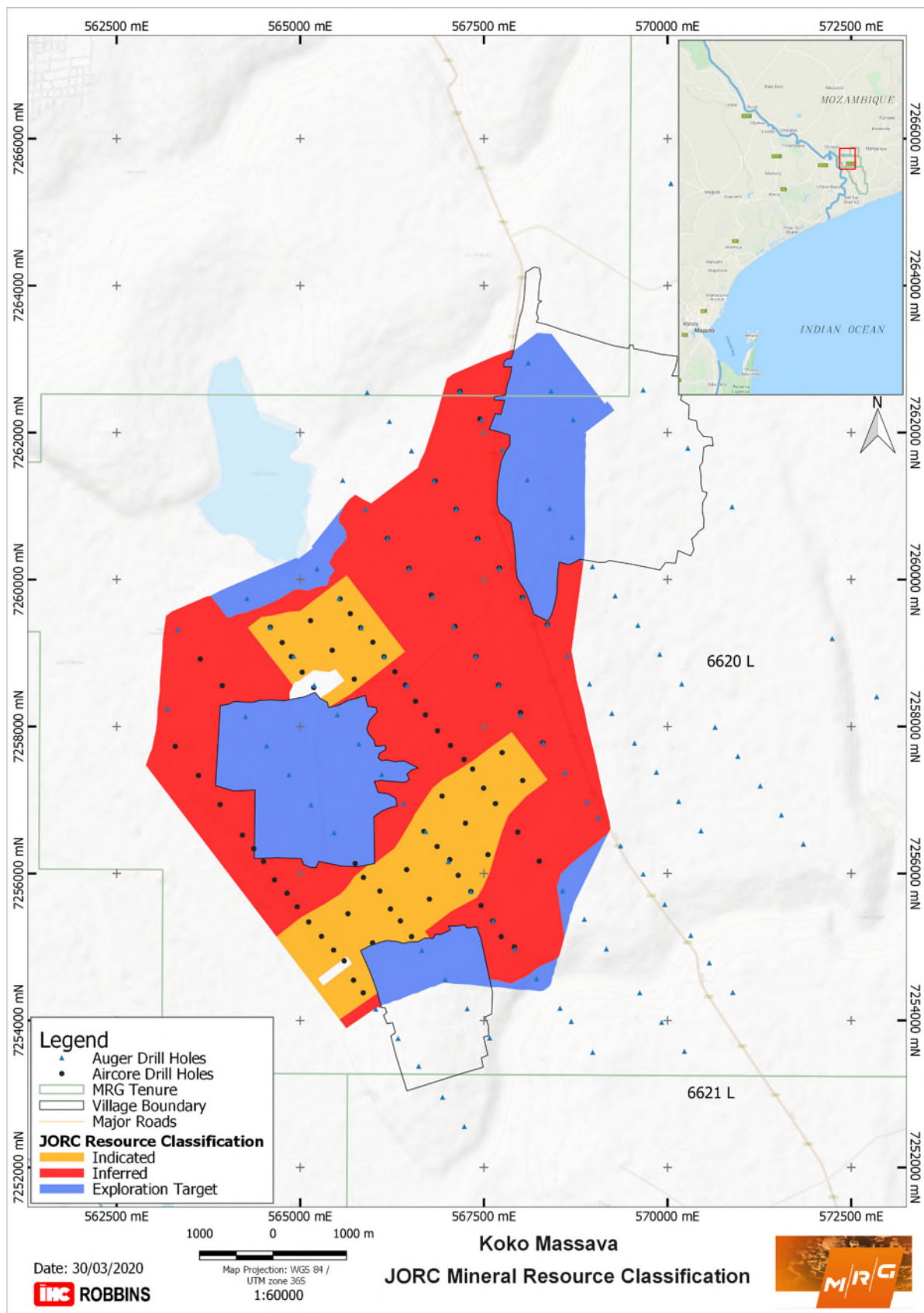


Figure 2: JORC Mineral Resources classification for Koko Massava (>4% THM)

### **KOKO MASSAVA METALLURGICAL STUDY**

IHC Robbins in Brisbane has been commissioned to undertake metallurgical test work, which will provide results for product (ilmenite, rutile, zircon, leucoxene and monazite) recovery and quality.

A representative geometallurgical sample of approximately 100kg was composed from zones of representative high valuable mineral assemblage within the Koko Massava Mineral Resource. The sample was composed from stored (Perth, Western Australia) aircore samples.

In general, this metallurgical study has the following goals:

- (i) develop a conceptual process methodology for the Koko Massava material,
- (ii) ascertain how well the material processes, using typical process equipment and methodologies,
- (iii) produce potential typical mineral sands products (ilmenite, zircon, leucoxene and monazite and titano-magnetite),
- (iv) provide metallurgical recoveries for various potential products, and
- (v) identify any potential risks and/or critical flaws related to the mineralised material or potential products.

### **KOKO MASSAVA AUGER ACTIVITY**

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. It confirms the extension of the mineralised footprint to the east and southeast directions.

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 3).

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.

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 3; Figure 3). 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 4 and 5).

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.

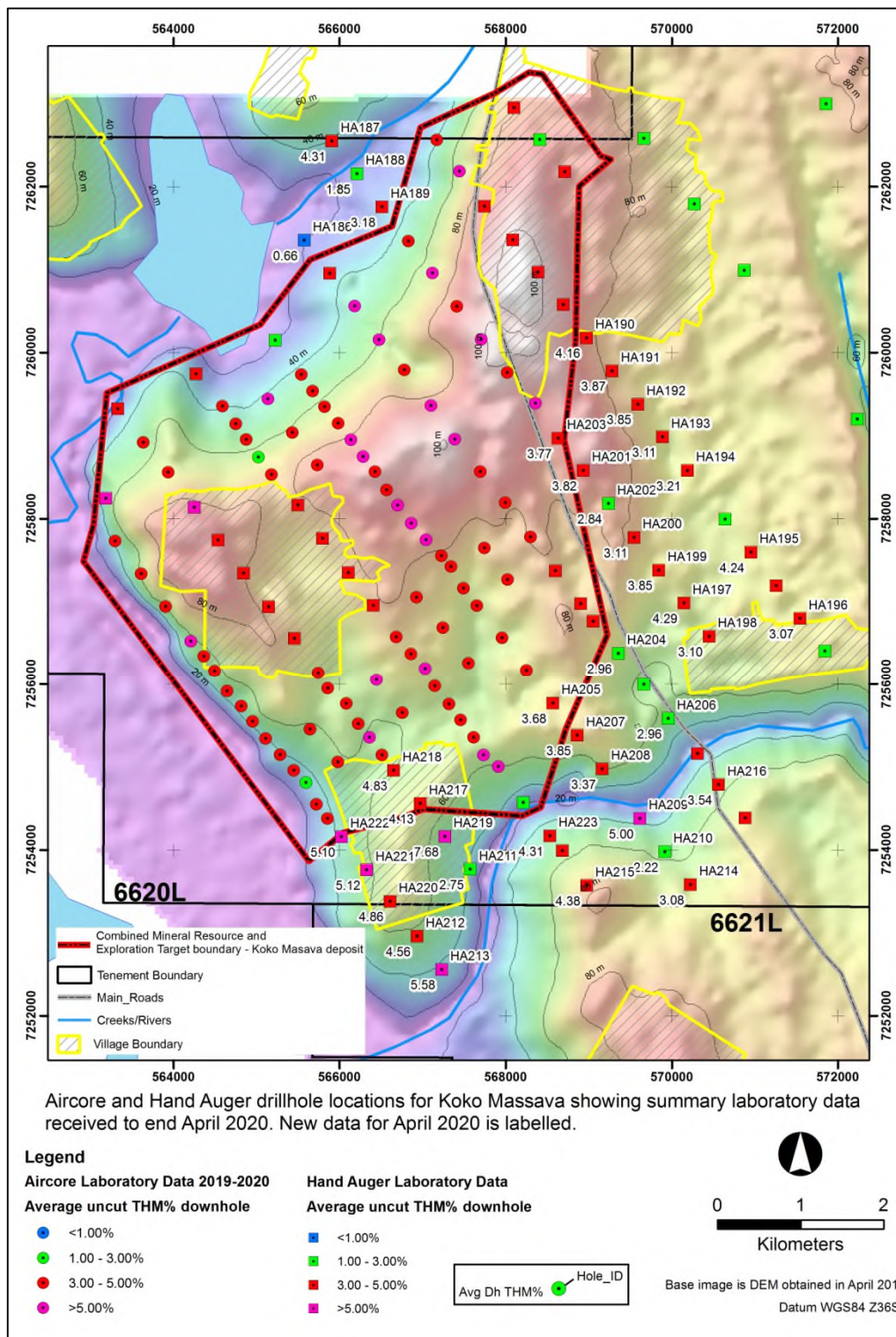
**Table 3: Summary laboratory sample data returned to the end of April 2020 for auger drilling in the Koko Massava deposit area. Visual field estimate data (VIS THM%) are included to demonstrate relative correlation with laboratory data.**

| 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          |
| 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          |

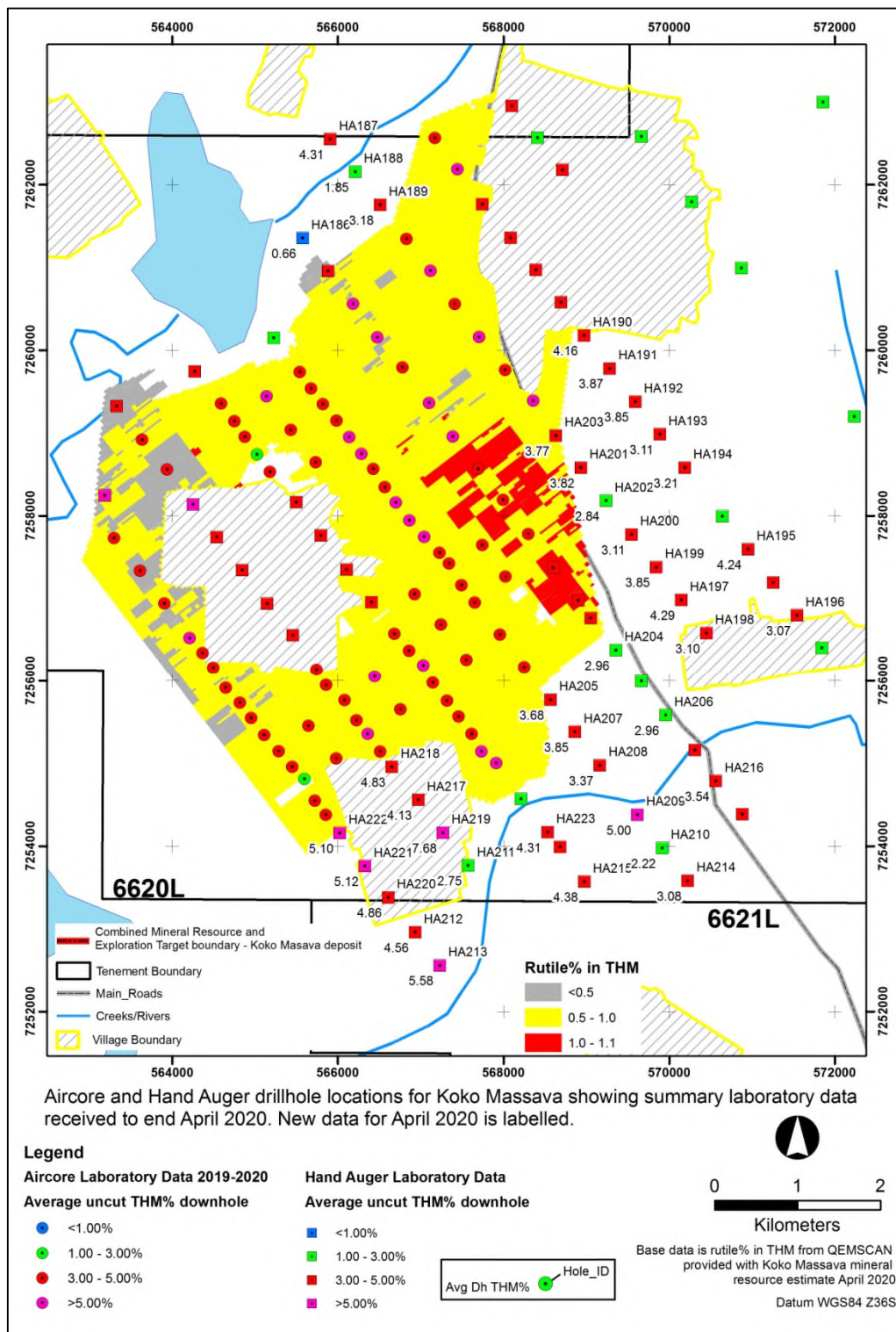
| HOLE ID   | UTM EAST WGS84 | UTM NORTH WGS84 | EOH (M) | ELEV'N (M) | DIP | AZI | AVG HOLE VIS THM% | AVG HOLE THM% | MAX HOLE THM% | MIN HOLE THM% | AVG HOLE SLIME% | AVG HOLE O/S% |
|-----------|----------------|-----------------|---------|------------|-----|-----|-------------------|---------------|---------------|---------------|-----------------|---------------|
| 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.



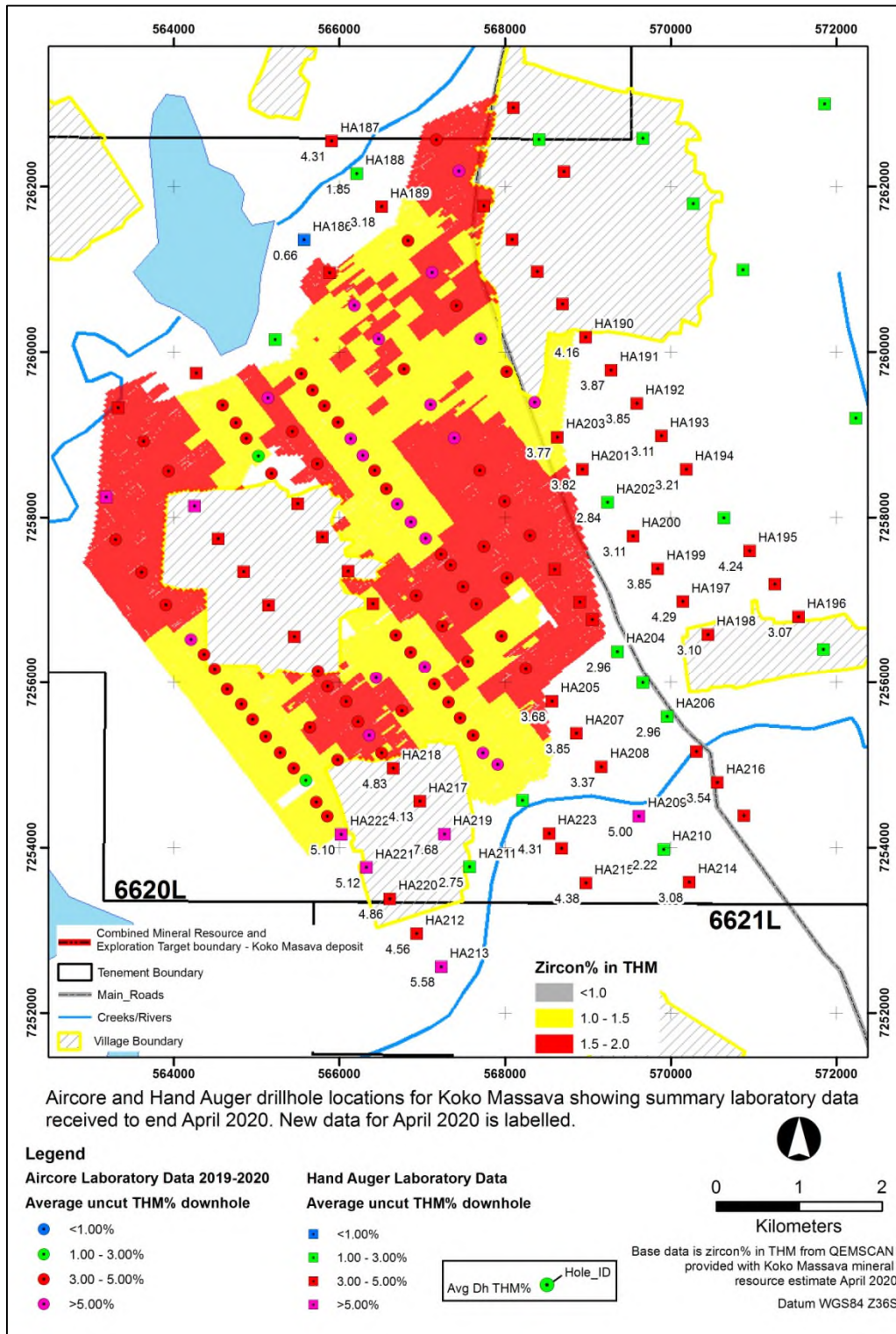


**Figure 3: Location map of new hand auger holes in the Koko Massava deposit area showing summary laboratory data for THM grades. Hole names have been shortened for presentation but are prefixed by '20CC'.**



**Figure 4: 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 5: 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'.**

## Corridor South Project (6621L)

### POIOMBO AIRCORE DRILLING

Laboratory assay results for 10 reconnaissance aircore drill holes completed in March 2020 at Poiombo, were received. These new laboratory assays of aircore samples delivered excellent high grade heavy mineral sand (HMS) intersections over significant lateral and vertical extents. This batch of results has also delivered the best overall aircore drill hole results for the entire Corridor Central and Corridor South project areas with hole 20CSAC355 assaying an uncut 36m @ 7.09% THM from surface to end of hole, with two consecutive 3m sample intervals yielding >16% THM.

The laboratory results are for a batch of 146 samples, including QAQC samples, from a total of 10 aircore drill holes comprising 420m. The hole numbers for samples returned in this batch include 20CSAC348–357 (Figure 6).

Overall, the available laboratory data set shows the aircore holes noted above attained an uncut average downhole grade range of 1.79%–7.09% THM, from hole depths of that range from 36–51m. The majority of holes (60%) attained uncut downhole averages >4% THM, with 70% of holes being collared in grades >3% THM. These laboratory results highlight a strong continuity of high grade HMS mineralisation across strike and laterally in the Poiombo target area and show that mineralisation begins near surface and continues to the end of hole in numerous cases.

The aircore drilling reported here was part of a reconnaissance program of broad-spaced holes at 250m to 500m stations on selected drill traverses 1500m to 3000m apart and designed to test the Poiombo magnetic geophysical anomaly.

The best aircore hole returned within this batch of laboratory assays is 20CSAC355, with a maximum of 16.80% THM in the interval 27-30m (Table 4). Overall, hole 20CSAC355 comprises an uncut downhole average of 7.09% THM over 36m from 0–36m, including 6m @ 16.59% THM from 24-30m, and 6m @ 8.21% THM from 30-36m. This hole ended with 6.23% THM from the interval 33-36m. The slime content of this hole ranges 14.04–31.64%, with an average of 20.08%, with an average oversize component of 1.88%.

The second most significant hole is 20CSAC349, which returned an uncut 36m @ 5.93% THM (Table 1), with a maximum grade sample interval of 8.93% THM (15-18m). This hole included 18m @ 7.08% THM (0-18m) and ended with 4.13% THM from the interval 33-36m. Slime values in hole 20CSAC349 average 16.65% and oversize has an average of 0.36%.

A further significant hole is 20CSAC356, with an average uncut result of 51m @ 5.40% THM, with a maximum grade of 14.82% THM in the interval 33-36m. This hole contained a best intersection of 9m @ 8.42% THM from 30-39m, and ended in 7.21% THM at 48-51m.

Importantly, 70% of holes were collared (0-3m) in sand with grades >3.0% THM. Based on the auger drill laboratory data (refer ASX announcement 11 June 2020) and aircore drill laboratory data set, the



surface footprint of the main zone of high grade HMS mineralisation >3% THM is up to 5km in strike and 2.7km in width (Figure 7). There are at least three high grade zones >5% THM defined by the laboratory data in the southwest, centre and southeast of the broader mineralised area.

Mineralisation remains open to the northwest and southeast, but is limited to the southwest by the Limpopo River valley and the northeast by a basinal area where there appears to be significant cover onlapping the mineralisation which does exist in the northeast and can be seen in hole 20CSAC354 from 45-51m.

In terms of overall slime content from the 10 aircore holes (140 samples) the average value is moderate, at 17.95%, with a range of 3.75%–37.07%. Oversize is low, with an average of 1.00% and range 0.0%–5.97%.

The Company's initial aircore laboratory results reported herein, for drilling within the Poiombo target continue to validate the potential for definition of another significant high grade HMS mineral resource.

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'.

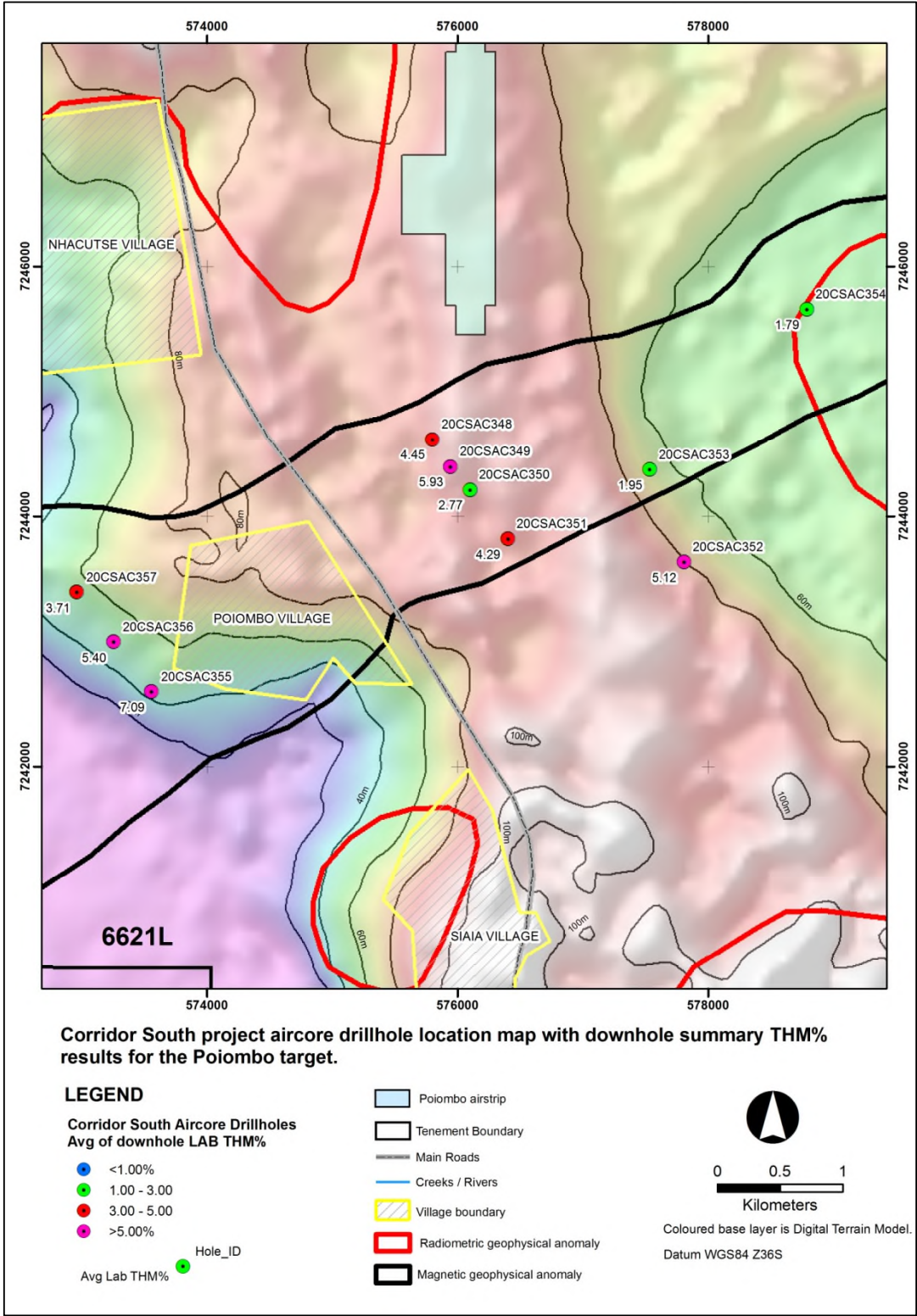
In terms of QAQC, field duplicate samples and standard reference material (SRM) samples are inserted at a frequency of 1 per 25 primary samples (alternating between duplicate and standard) and submitted 'blind' to the laboratory. At the laboratory, additional duplicates are routinely prepared at a frequency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

**Table 4: Summary laboratory sample data for reconnaissance aircore drilling at Poiombo target in March 2020. 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   |
|-----------|----------------|-----------------|---------|------------|-------------------|---------------|---------------|---------------|-----------------|---------------|--|
| 20CSAC348 | 575799         | 7244625         | 36      | 87         | 4.2               | 4.45          | 9.00          | 2.60          | 16.35           | 0.72          | 21m @ 4.21% THM (0-21m)<br>6m @ 7.56% THM (27-33m)<br>3m @ 9.00% THM (27-30m)                                  |
| 20CSAC349 | 575945         | 7244405         | 36      | 87         | 5.4               | 5.93          | 8.93          | 3.80          | 16.65           | 0.36          | 18m @ 7.08% THM (0-18m)<br>12m @ 5.00% THM (18-30m)  |
| 20CSAC350 | 576099         | 7244219         | 51      | 83         | 3.6               | 2.77          | 3.88          | 1.97          | 20.35           | 0.83          | 9m @ 3.29% THM (12-21m)<br>9m @ 3.56% THM (27-36m)   |
| 20CSAC351 | 576399         | 7243825         | 36      | 85         | 4.0               | 4.29          | 7.49          | 2.01          | 18.03           | 1.03          | 15m @ 3.53% THM (0-15m)<br>6m @ 6.36% THM (15-21m)<br>15m @ 4.23% THM (21-36m)<br>Ended in 5.90% THM at 33-36m |
| 20CSAC352 | 577804         | 7243640         | 36      | 82         | 5.5               | 5.12          | 9.47          | 2.99          | 15.60           | 0.82          | 21m @ 6.06% THM (0-21m)<br>12m @ 7.10% THM (9-21m)   |

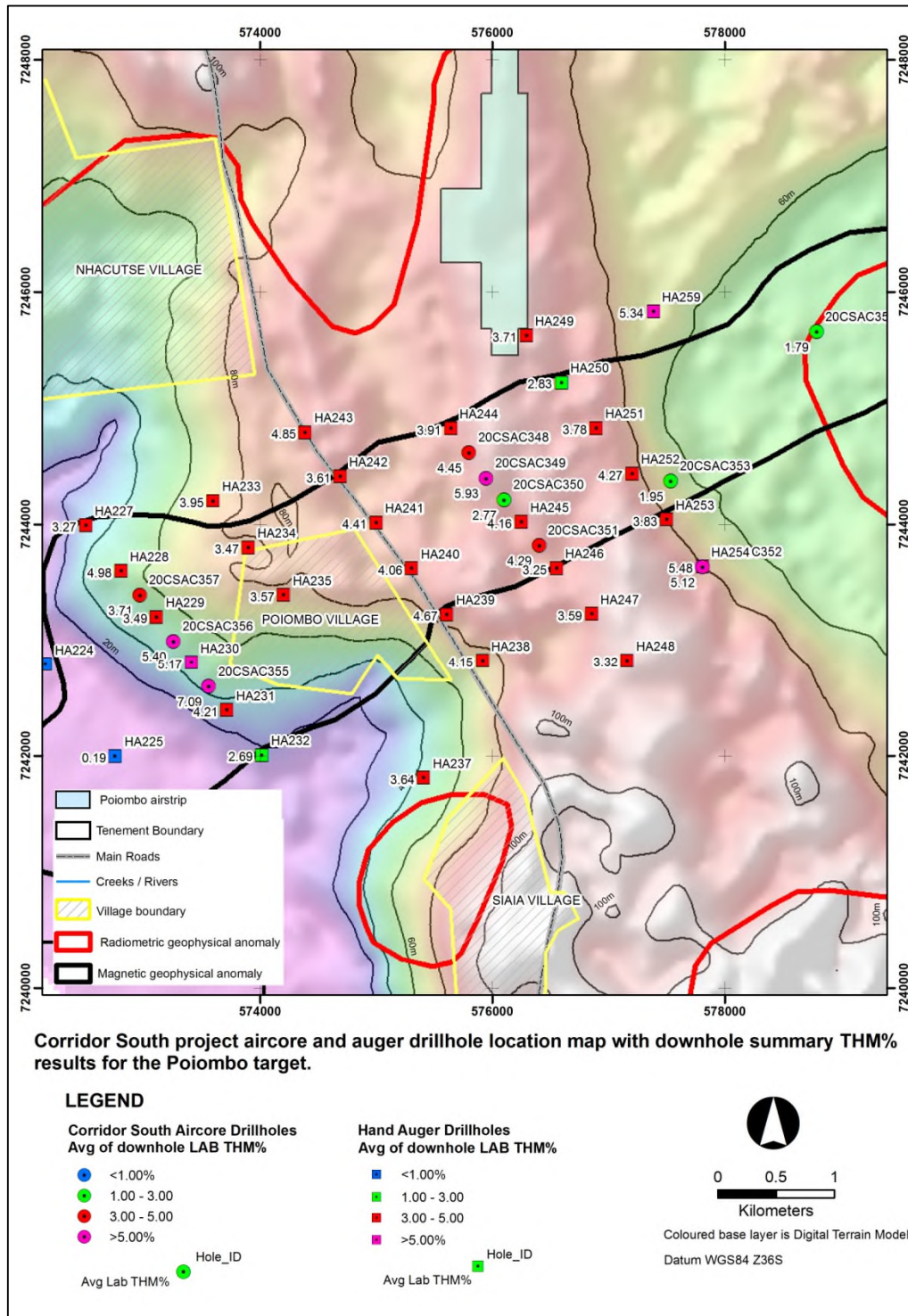
| HOLE ID   | UTM EAST WGS84 | UTM NORTH WGS84 | EOH (M) | ELEV'N (M) | AVG HOLE VIS THM% | AVG HOLE THM% | MAX HOLE THM% | MIN HOLE THM% | AVG HOLE SLIME% | AVG HOLE O/S% | INCLUDES   |
|-----------|----------------|-----------------|---------|------------|-------------------|---------------|---------------|---------------|-----------------|---------------|--|
|           |                |                 |         |            |                   |               |               |               |                 |               | 3m @ 9.47% THM (18-21m)<br>Ended in 5.02% THM at 33-36m  |
| 20CSAC353 | 577533         | 7244379         | 51      | 65         | 2.1               | 1.95          | 3.17          | 0.50          | 15.39           | 1.33          | 3m @ 3.17% THM (3-6m)  |
| 20CSAC354 | 578785         | 7245664         | 51      | 56         | 2.3               | 1.79          | 5.84          | 0.60          | 21.40           | 1.03          | 6m @ 5.02% THM (45-51m)  |
| 20CSAC355 | 573562         | 7242604         | 36      | 41         | 4.8               | 7.09          | 16.80         | 2.96          | 20.08           | 1.88          | 24m @ 4.43% THM (0-24m)<br>6m @ 16.59% THM (24-30m)<br>6m @ 8.21% THM (30-36m)<br>Ended in 6.23% THM at (33-36m) |
| 20CSAC356 | 573256         | 7243000         | 51      | 38         | 6.1               | 5.40          | 14.82         | 2.22          | 16.83           | 1.05          | 30m @ 3.81% THM (0-30m)<br>9m @ 8.42% THM (30-39m)<br>12 @ 5.39% THM (39-51m)<br>Ended in 7.21% THM at 48-51m    |
| 20CSAC357 | 572966         | 7243398         | 36      | 55         | 3.3               | 3.71          | 5.75          | 1.94          | 17.91           | 0.81          | 21m @ 4.06% THM (0-21m)<br>15m @ 3.22% THM (21-36m)<br>Ended in 5.75% THM at 33-36m                              |

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.



**Figure 6: Location map of Poiombo target reconnaissance aircore drillholes included in this update showing summary laboratory data for THM% grades.**





**Figure 7: Location map of Poiombo aircore and hand auger drillholes with summary laboratory THM% data, showing the scale of the surface footprint of high grade HMS mineralisation now defined.**



### Further Detail - 20CSAC355 and 20CSAC356

Shareholder feedback to the MRG announcement on 18 June 2020 was such that on 19 June 2020 a further announcement was released to clarify the excellent results reported the day before. The Company provided the full suite of assays for aircore holes 20CSAC355 and 20CSAC356 (Table 5) to assist the clarification. These aircore holes are 500m apart on a drill line at the southwest end of the Poiombo target, which was defined from a magnetic anomaly. Each hole contains thick intervals of excellent high grade heavy mineral sand mineralisation.

Hole 20CSAC355 comprises an uncut downhole average of 7.09% total heavy mineral (THM) over 36m from 0–36m and hole 20CSAC356 has an average uncut result of 51m @ 5.40% THM.

Hole 20CSAC355 was drilled to 36m depth, comprising 12 primary samples (2035501-2035509; 2035511-2035513) and 1 field duplicate sample (2035510). Each drill sample interval was 3m in length. Field visual estimates of THM% were logged from an approximately 20g grab-sample taken from the larger 20-25kg primary sample, by wet panning and concentrating the heavy mineral. Field estimates of THM% are moderate to high (2.0%–6.7% visTHM) between 0-24m and this correlates with laboratory data of 2.96%–6.57% THM (Table 1). Between the interval 24-33m downhole, higher estimated grades (7.3%–7.8% visTHM) are logged and correlate with laboratory results of 10.18%–16.80% THM. The final sample interval 33-36m, then shows a lower estimated THM% of 5.2% which correlates with a laboratory result of 6.23% THM.

While the field estimated grades in the higher grade zone (24-33m) of hole 20CSHA355 were underestimated, the correlation pattern of moderate and high between the estimated grades and laboratory grades exists. Importantly, the field duplicate sample 2035510, submitted 'blind' to the laboratory, returned a grade of 16.42% THM which compares very well to the paired primary sample 2035509 with a grade of 16.38% THM (Table 5).

Hole 20CSAC356 was drilled to 51m depth, comprising 17 primary samples (2035601-2035617). Each drill sample interval was 3m in length and field visual estimates of grade were logged at the drill site for each sample in a similar fashion to that described above. In this hole, field estimates of THM% between 0-30m depth are moderate to high (1.8%–7.2%), which correlates well with laboratory results of 2.22%–5.41% THM (Table 1). Between the interval 30-39m higher estimated grades are logged (8.0%–19.5% visTHM) which correlates with higher laboratory assay results of 8.42%–14.82% THM in the same zone. From 39-45m downhole, the field estimated grades reduce to 1.4%–5.7% visTHM which correlates with the laboratory results of 2.87%–5.79% THM. The final two sample intervals that are between 45-51m both have field estimates of 8.0% THM, which correlate with laboratory results of 5.68% and 7.21% THM.

In this hole, 20CSAC356, the higher grade zone was over estimated in field logs. However, the zones of moderate, high and higher grades within the field estimates still correlate well with the same pattern in the laboratory results (Table 1).

On the basis of the very high grades returned from laboratory assays, it is clear that Strandline-style heavy mineral sand mineralisation occurs in hole 20CSAC355 between 24-30m depth and also 500m northwest in hole 20CSAC356 between 33-36m depth. The difference in depth down hole of the high

grade strandline zone may be in part related to differences in elevation of the collars. The strandline mineralisation is connected to surface with high to moderate THM grades. The strike of the mineralisation is likely northeast-southwest, sub-parallel to the Poiombo magnetic anomaly, but additional drilling will be required to determine the validity of this interpretation and if the mineralisation continues at very high grade between the two holes and along strike.

Significant effort is made to provide the best field estimated THM% grades, including using images of panned samples with related assay grades. A consistent grab sample mass used for each panned sample and retrospective comparisons of laboratory data with field estimates. However, it should be noted that field estimation and consistency of estimation between individual loggers, becomes difficult between 5-10% THM and very difficult >10% THM.

The Company's database contains validation queries for both field data (separated into 'Collar', 'Lithology' and 'Sample') and laboratory data to identify miss-matched data and any data out of sequence.

**Table 5: Detailed laboratory sample data for reconnaissance aircore drill holes 20CSAC355 and 20CSAC356 at Poiombo target. Visual field estimate data (VIS THM%) are included to demonstrate relative correlation with laboratory data.**

| HOLE_ID   | SAMPLE NUMBER | FROM (M) | TO (M) | VIS THM% | THM%  | SLIME% | O/S% | SAMPLE TYPE | SAMPLE CATEGORY      |
|-----------|---------------|----------|--------|----------|-------|--------|------|-------------|----------------------|
| 20CSAC355 | 2035501       | 0        | 3      | 2.6      | 4.48  | 14.04  | 2.62 | AIRCORE     | PRIMARY              |
| 20CSAC355 | 2035502       | 3        | 6      | 2.0      | 2.96  | 16.53  | 3.18 | AIRCORE     | PRIMARY              |
| 20CSAC355 | 2035503       | 6        | 9      | 2.8      | 2.96  | 15.52  | 2.86 | AIRCORE     | PRIMARY              |
| 20CSAC355 | 2035504       | 9        | 12     | 3.4      | 3.75  | 19.13  | 2.10 | AIRCORE     | PRIMARY              |
| 20CSAC355 | 2035505       | 12       | 15     | 4.6      | 5.45  | 31.64  | 1.34 | AIRCORE     | PRIMARY              |
| 20CSAC355 | 2035506       | 15       | 18     | 3.5      | 4.70  | 25.69  | 3.26 | AIRCORE     | PRIMARY              |
| 20CSAC355 | 2035507       | 18       | 21     | 3.6      | 4.60  | 25.32  | 5.97 | AIRCORE     | PRIMARY              |
| 20CSAC355 | 2035508       | 21       | 24     | 6.7      | 6.57  | 18.84  | 0.94 | AIRCORE     | PRIMARY              |
| 20CSAC355 | 2035509       | 24       | 27     | 7.8      | 16.38 | 21.36  | 0.00 | AIRCORE     | PRIMARY              |
| 20CSAC355 | 2035510       | 24       | 27     | -        | 16.42 | 21.35  | 0.00 | AIRCORE     | DUPLICATE OF 2035509 |
| 20CSAC355 | 2035511       | 27       | 30     | 7.6      | 16.80 | 21.12  | 0.00 | AIRCORE     | PRIMARY              |
| 20CSAC355 | 2035512       | 30       | 33     | 7.3      | 10.18 | 16.15  | 0.00 | AIRCORE     | PRIMARY              |
| 20CSAC355 | 2035513       | 33       | 36     | 5.2      | 6.23  | 15.62  | 0.26 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035601       | 0        | 3      | 3.0      | 3.40  | 13.54  | 1.00 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035602       | 3        | 6      | 3.3      | 3.65  | 16.54  | 0.79 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035603       | 6        | 9      | 2.5      | 4.02  | 19.82  | 0.66 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035604       | 9        | 12     | 6.0      | 5.13  | 19.22  | 0.71 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035605       | 12       | 15     | 5.2      | 5.41  | 27.08  | 0.44 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035606       | 15       | 18     | 4.7      | 3.76  | 20.82  | 0.64 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035607       | 18       | 21     | 1.8      | 2.22  | 17.17  | 0.90 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035608       | 21       | 24     | 4.8      | 2.23  | 15.63  | 0.90 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035609       | 24       | 27     | 4.3      | 3.04  | 12.89  | 0.86 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035610       | 27       | 30     | 7.2      | 5.26  | 14.70  | 0.61 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035611       | 30       | 33     | 10.0     | 8.42  | 18.47  | 0.60 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035612       | 33       | 36     | 19.5     | 14.82 | 15.90  | 1.07 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035613       | 36       | 39     | 8.0      | 8.87  | 14.44  | 2.38 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035614       | 39       | 42     | 5.7      | 5.79  | 11.31  | 2.36 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035615       | 42       | 45     | 1.4      | 2.87  | 13.24  | 1.65 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035616       | 45       | 48     | 8.0      | 5.68  | 19.01  | 0.55 | AIRCORE     | PRIMARY              |
| 20CSAC356 | 2035617       | 48       | 51     | 8.0      | 7.21  | 16.32  | 1.79 | AIRCORE     | PRIMARY              |

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

## **POIOMBO AUGER DRILLING**

Laboratory assay results from auger drilling on the Poiombo target indicated a mineralized target measuring 5km by 2km in surface area. This new auger data set for Poiombo confirmed the auger visual estimate data (refer ASX announcement 4 March 2020) and aircore visual estimate data (refer ASX announcement 25 March 2020) and further underpins the significant potential for definition of a new high grade heavy mineral sand (HMS) resource at Poiombo.

The laboratory results are for a series of 201 primary samples from a total of 31 auger holes, comprising 301.5m of drilling. The hole numbers include 20CSHA224-235 and 20CSHA237-254 and 20CSHA259.

Overall, the laboratory results show 12 of the holes attained an uncut average downhole grade >4% THM, with 3 of the 12 holes having an uncut average downhole grade of >5% THM. There are 6 holes that end in  $\geq 5\%$  THM and there are 5 holes that were collared at surface with grade  $\geq 5\%$  THM. Also, from previous auger drilling, there is 9.0M @ 6.63% THM (HOLE 19CSHA056) from surface which ended in 7.13% THM (refer ASX announcement 9 October 2019).

These laboratory results confirm there is a new high grade HMS target emerging at Poiombo that remains open to the northwest and southeast. The visual estimated THM% grades reported previously (refer ASX announcement 4 March 2020) noted the footprint of the HMS mineralisation is about 4km x 3km in the central portion east of the main road. However, the new laboratory results confirms the mineralised footprint extends to the west side of the main road and is up to 5km east-west (at  $\geq 3.5\%$  THM).

The auger drilling reported here was part of a program of broad-spaced holes at 500m stations on traverses 1000m apart and designed to test magnetic geophysical anomalies.

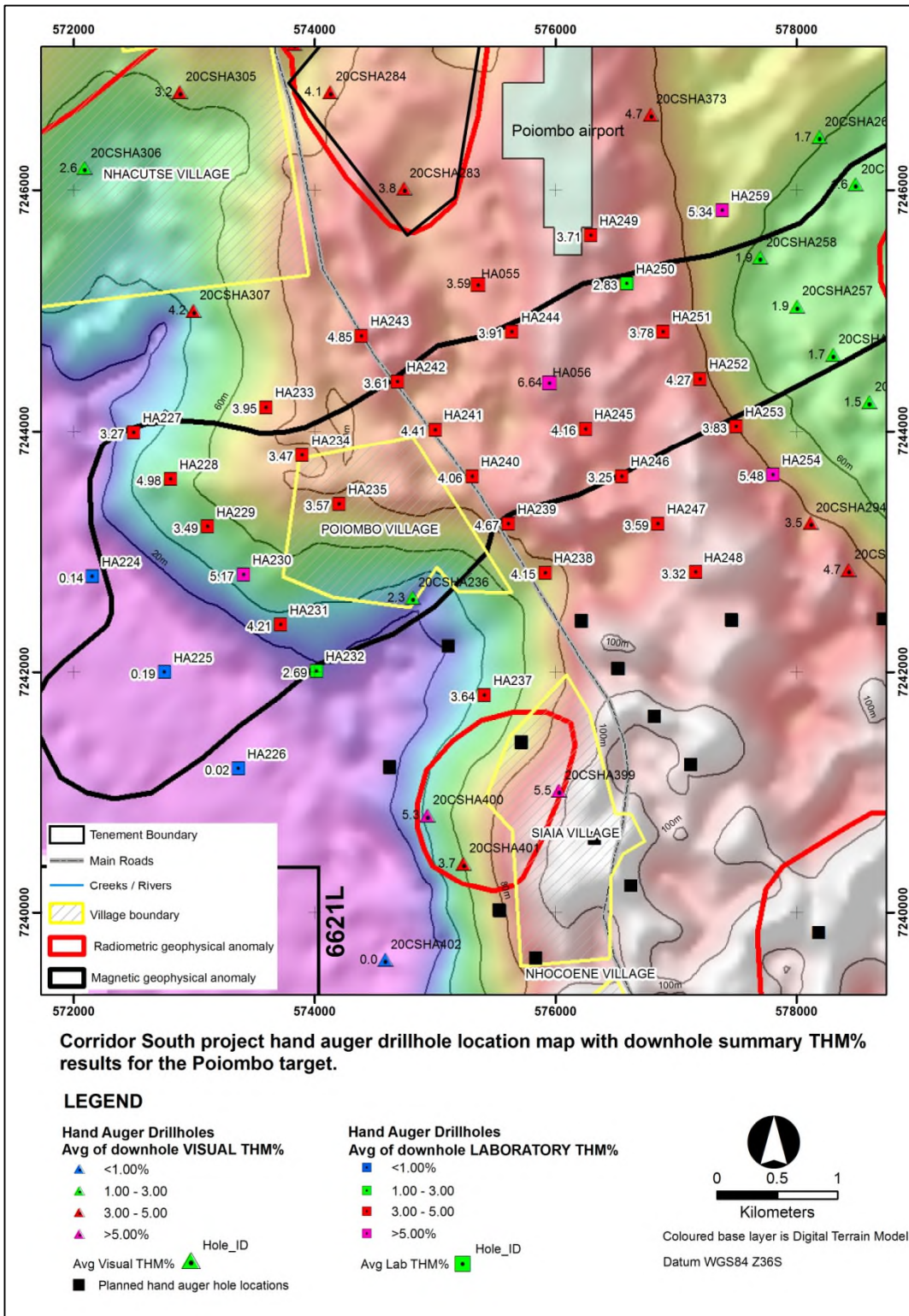
The best hole returned within this new laboratory batch is 20CSHA254, which was located south-central part of the target, outside of the interpreted magnetic anomaly, and returned 12m @ 5.48% THM (from surface). This hole ended in 5.82% THM (10.5m-12.0m) and contained a maximum individual grade of 5.91% THM from 9.0-10.5m (Table 6; Figure 8). Slime values related to hole 20CSHA254 are moderate, with a range of 6.85%-14.96% and a reasonably low average of 12.44%.

Also, significant in the new data is hole 20CSHA259, which comprises an uncut downhole average of 5.34% THM, from 0.0-12.0m. Hole 20CSHA259 is located on the northeast side of the magnetic anomaly and has a peak grade of 6.26% THM in the sample interval 9.0-10.5m. This hole ended in 5.09% THM in the interval 10.5-12.0m.

The Oversize fraction characteristics of the auger sample series reported here show a range from 0.12% to 5.00%, with an average of 0.83%.

Auger holes were selected for laboratory analysis by filtering average downhole visual estimated THM%, with only samples from those holes attaining  $\geq 3\%$  average visual THM being selected for laboratory analysis.





**Figure 8: Location map of hand auger holes in the Poiombo target area showing new summary laboratory data (white halo) for THM grades. Certain hole numbers are shortened (e.g. HA237) for presentation but are prefixed by '20CS' in Table 6.**



**Table 6: Summary laboratory sample data reported here for auger drilling in the Poiombo target 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% |
|------------------|----------------|-----------------|--------------|------------|------------|------------|-------------------|---------------|---------------|---------------|-----------------|---------------|
| 20CSHA224*       | 572159         | 7242795         | 1.50         | -1         | -90        | 360        | 0.0               | 0.14          | 0.14          | 0.14          | 94.65           | 0.12          |
| 20CSHA225*       | 572756         | 7242000         | 1.50         | 1          | -90        | 360        | 0.0               | 0.19          | 0.19          | 0.19          | 81.91           | 0.64          |
| 20CSHA226*       | 573368         | 7241204         | 1.50         | 3          | -90        | 360        | 0.0               | 0.02          | 0.02          | 0.02          | 95.04           | 0.17          |
| 20CSHA227        | 572500         | 7243995         | 10.50        | 28         | -90        | 360        | 2.3               | 3.27          | 3.52          | 2.95          | 14.59           | 0.93          |
| <b>20CSHA228</b> | <b>572803</b>  | <b>7243600</b>  | <b>12.00</b> | <b>30</b>  | <b>-90</b> | <b>360</b> | <b>3.7</b>        | <b>4.98</b>   | <b>5.23</b>   | <b>4.60</b>   | <b>21.17</b>    | <b>0.54</b>   |
| 20CSHA229        | 573110         | 7243206         | 10.50        | 32         | -90        | 360        | 2.6               | 3.49          | 3.92          | 3.08          | 14.64           | 1.02          |
| <b>20CSHA230</b> | <b>573410</b>  | <b>7242810</b>  | <b>10.50</b> | <b>42</b>  | <b>-90</b> | <b>360</b> | <b>4.0</b>        | <b>5.17</b>   | <b>5.47</b>   | <b>4.78</b>   | <b>17.41</b>    | <b>0.95</b>   |
| 20CSHA231        | 573718         | 7242396         | 10.50        | 29         | -90        | 360        | 4.3               | 4.21          | 4.63          | 3.84          | 17.22           | 0.96          |
| 20CSHA232        | 574017         | 7242011         | 7.50         | 15         | -90        | 360        | 2.8               | 2.69          | 3.14          | 2.04          | 13.37           | 0.96          |
| 20CSHA233        | 573597         | 7244205         | 10.50        | 67         | -90        | 360        | 3.2               | 3.95          | 4.36          | 3.51          | 18.24           | 0.78          |
| 20CSHA234        | 573900         | 7243804         | 10.50        | 75         | -90        | 360        | 3.1               | 3.47          | 3.84          | 3.11          | 15.68           | 1.16          |
| 20CSHA235        | 574204         | 7243393         | 10.50        | 66         | -90        | 360        | 3.5               | 3.57          | 3.87          | 3.19          | 15.79           | 1.00          |
| 20CSHA237        | 575409         | 7241812         | 10.50        | 44         | -90        | 360        | 3.9               | 3.64          | 3.92          | 3.25          | 12.95           | 0.97          |
| 20CSHA238        | 575912         | 7242826         | 10.50        | 70         | -90        | 360        | 4.1               | 4.15          | 4.56          | 3.60          | 13.57           | 0.76          |
| 20CSHA239        | 575608         | 7243229         | 10.50        | 80         | -90        | 360        | 4.4               | 4.67          | 5.34          | 3.73          | 15.48           | 0.73          |
| 20CSHA240        | 575305         | 7243623         | 10.50        | 80         | -90        | 360        | 4.1               | 4.06          | 4.49          | 3.36          | 13.62           | 0.81          |
| 20CSHA241        | 574999         | 7244019         | 10.50        | 78         | -90        | 360        | 4.1               | 4.41          | 4.93          | 3.78          | 11.79           | 0.99          |
| 20CSHA242        | 574688         | 7244415         | 10.50        | 79         | -90        | 360        | 4.0               | 3.61          | 3.97          | 3.22          | 11.00           | 0.87          |
| <b>20CSHA243</b> | <b>574390</b>  | <b>7244796</b>  | <b>12.00</b> | <b>80</b>  | <b>-90</b> | <b>360</b> | <b>4.6</b>        | <b>4.85</b>   | <b>5.28</b>   | <b>4.15</b>   | <b>12.88</b>    | <b>0.66</b>   |
| 20CSHA244        | 575639         | 7244828         | 10.50        | 81         | -90        | 360        | 4.2               | 3.91          | 4.22          | 3.51          | 12.60           | 0.88          |
| 20CSHA245        | 576246         | 7244023         | 10.50        | 84         | -90        | 360        | 3.5               | 4.16          | 4.55          | 3.68          | 12.29           | 0.97          |
| 20CSHA246        | 576548         | 7243626         | 10.50        | 82         | -90        | 360        | 3.8               | 3.25          | 3.78          | 2.59          | 12.81           | 1.08          |
| 20CSHA247        | 576851         | 7243231         | 10.50        | 82         | -90        | 360        | 4.0               | 3.59          | 4.09          | 3.07          | 12.55           | 0.81          |
| 20CSHA248        | 577158         | 7242829         | 10.50        | 88         | -90        | 360        | 3.4               | 3.32          | 3.50          | 3.13          | 12.84           | 0.90          |
| 20CSHA249        | 576289         | 7245627         | 10.50        | 88         | -90        | 360        | 3.8               | 3.71          | 3.87          | 3.27          | 12.24           | 0.59          |
| 20CSHA250        | 576592         | 7245226         | 10.50        | 81         | -90        | 360        | 2.8               | 2.83          | 3.02          | 2.53          | 11.85           | 1.21          |
| 20CSHA251        | 576893         | 7244831         | 10.50        | 84         | -90        | 360        | 3.9               | 3.78          | 4.08          | 3.45          | 10.66           | 1.10          |
| 20CSHA252        | 577200         | 7244439         | 10.50        | 84         | -90        | 360        | 4.5               | 4.27          | 4.81          | 3.88          | 12.48           | 1.04          |
| 20CSHA253        | 577498         | 7244042         | 10.50        | 78         | -90        | 360        | 3.9               | 3.83          | 4.20          | 3.48          | 13.29           | 0.72          |
| <b>20CSHA254</b> | <b>577803</b>  | <b>7243639</b>  | <b>12.00</b> | <b>79</b>  | <b>-90</b> | <b>360</b> | <b>5.8</b>        | <b>5.48</b>   | <b>5.91</b>   | <b>5.04</b>   | <b>12.44</b>    | <b>0.63</b>   |
| <b>20CSHA259</b> | <b>577381</b>  | <b>7245834</b>  | <b>12.00</b> | <b>66</b>  | <b>-90</b> | <b>360</b> | <b>4.9</b>        | <b>5.34</b>   | <b>6.26</b>   | <b>4.03</b>   | <b>5.62</b>     | <b>5.00</b>   |

Note: VIS = visual estimated; O/S = Oversize (+1mm); All data averages are grade weighted and uncut and from surface. (\*) Holes 20CSHA224-226 were drilled in the Limpopo River valley and did not penetrate the thick alluvial clay at surface and holes were abandoned at the end of the first sample interval.

## NHACUTSE / BUNGANE AUGER DRILLING

Auger drilling at Nhacutse and Bungane targets delivered some significant results:

- 20CSHA347 – 12M @ 5.1% VIS EST THM - NHACUTSE
- 20CSHA363 – 12M @ 6.8% VIS EST THM - NHACUTSE
- 20CSHA364 – 12M @ 6.0% VIS EST THM - NHACUTSE
- 20CSHA312 – 12M @ 7.2% VIS EST THM - BUNGANE

The auger drill results expanded the known high grade HMS zones of >5% visual THM at Nhacutse and also at Bungane target, located adjacent, to the northwest of Nhacutse. Relatively wide-spaced reconnaissance hand auger drilling at the Nhacutse and Bungane targets was designed to further explore the magnetic and radiometric anomalies and follow-up previously defined high grade mineralisation.

The Nhacutse target contains a zone of HMS mineralisation, at >4% estimated visual THM, with an established footprint of approximately 3km X 1.9km, still open to the northwest, southeast and east. The zone of mineralisation correlates well with coincident discrete high intensity thorium anomalism, that is part of the broader radiometric anomaly 6, as well as magnetic anomalism in total magnetic intensity (TMI) anomalies 7 and 8 (refer Announcements on 4 June 2019 and 13 June 2019).

At Nhacutse the best result of 5.1% average visual THM is from hole 20CSHA347 (Figure 9), drilled to 12m depth (Table 7). Hole 20CSHA347 had a maximum of 5.9% visual THM in the sample interval 9.0-10.5m and ended in 4.5% visual THM in the 10.5-12m interval. Hole 20CSHA347 is immediately adjacent (500m southwest) to hole 20CSHA296, reported previously (refer Announcement on 11 March 2020), which has an average visual grade of 5.2% THM from surface to 12m and ended with 4.7% visual THM at the 10.5-12m interval.

A further significant hole at the Nhacutse target is 20CSHA344 with an average downhole grade of 4.9% visual THM over 10.5m (Table 7) and a maximum grade of 5.6% visual THM in the 7.5-9.0m interval. The final two sample intervals in hole 20CSHA344, 9.0-10.5m and 10.5-12.0m, comprised grades of 5.6% and 5.2% visual THM, respectively.

A newly defined zone of HMS mineralisation of >4% visual THM with a mineralized footprint of approximately 3km X 2km, is located directly east of Nhacutse high grade zone. This new zone correlates with geophysical anomalism and was originally interpreted as a separate anomaly. However, auger holes with >3.5% average visual THM between the anomalies show there is continuity of grade between the two high grade zones of mineralisation (Figure 9). The aggregate of the two higher grade zones is approximately 6km X 2km.

The most significant results in the new zone east of Nhacutse were returned from hole 20CSHA363 which comprises 12m @ 6.8% visual THM (Figure 9 and Table 7). Hole 20CSHA363 has a maximum of 7.3% visual THM in the sample intervals 7.5-9.0m and ended in 6.2% visual

THM in the 10.5- 12m interval. Hole 20CSHA363 is immediately adjacent (500m northwest) to another very significant hole, 20CSHA364, on the same drill line (Figure 9). Hole 20CSHA364 has an average visual grade of 6.0% THM from surface to 12m and ended with 6.1% visual THM at the 10.5-12m interval.

The Bungane target contains the highest grade auger hole drilled since exploration commenced in April 2019 on the Corridor projects. Hole 20CSHA312 comprises 12m @ 7.2% visual THM (Table 7) and correlates directly with discrete high intensity thorium anomalism 1.3km X 0.5km (Figure 10). This hole was collared at surface in 7.2% visual THM, had a peak visual grade of 7.8% in the interval 9.0-10.5m and ended in 6.8% visual THM from 10.5-12m.

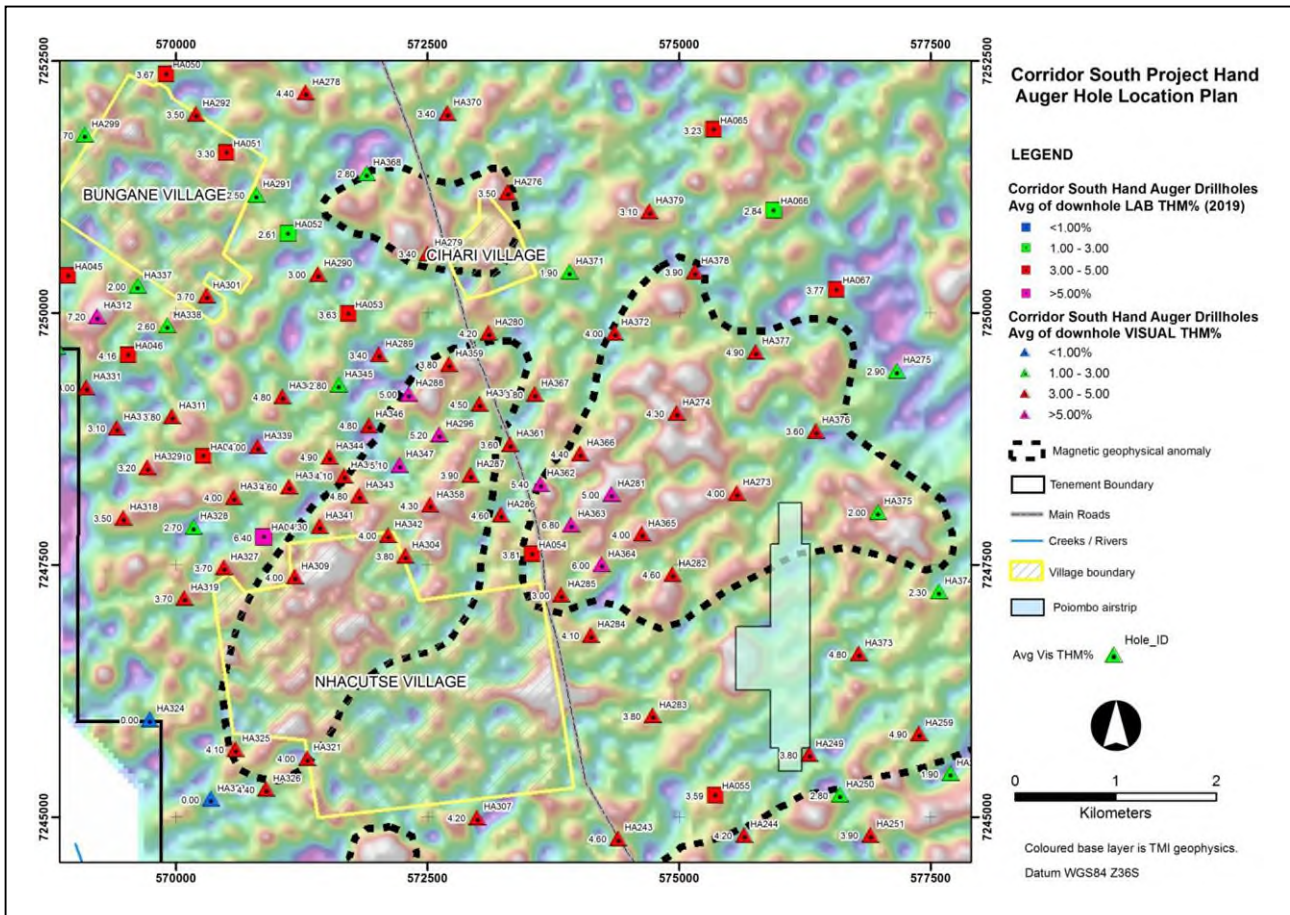
Hole 19CSHA046 drilled in 2019 has a laboratory result of 10.5 @ 4.16% THM and is located 500m southeast of hole 20CSHA312 on the same drill line (Figure 10).

The remainder of the significant holes at Bungane are located at the north end of the target and include 19CSHA044 with a laboratory result of 10.5m @ 4.16% THM and 20CSHA298 with 10.5m @ 4.3% visual THM (Figure 10).

At a 4% visual THM threshold, there is less continuity of HMS mineralisation at Bungane, relative to the Nhacutse target. However, this interpretation is still only based on wide-spaced drilling. The broader thorium anomaly of the Bungane target is approximately 4.5km X 1.7km and additional closer-spaced drilling will provide a better understanding of the continuity in near surface high grades.

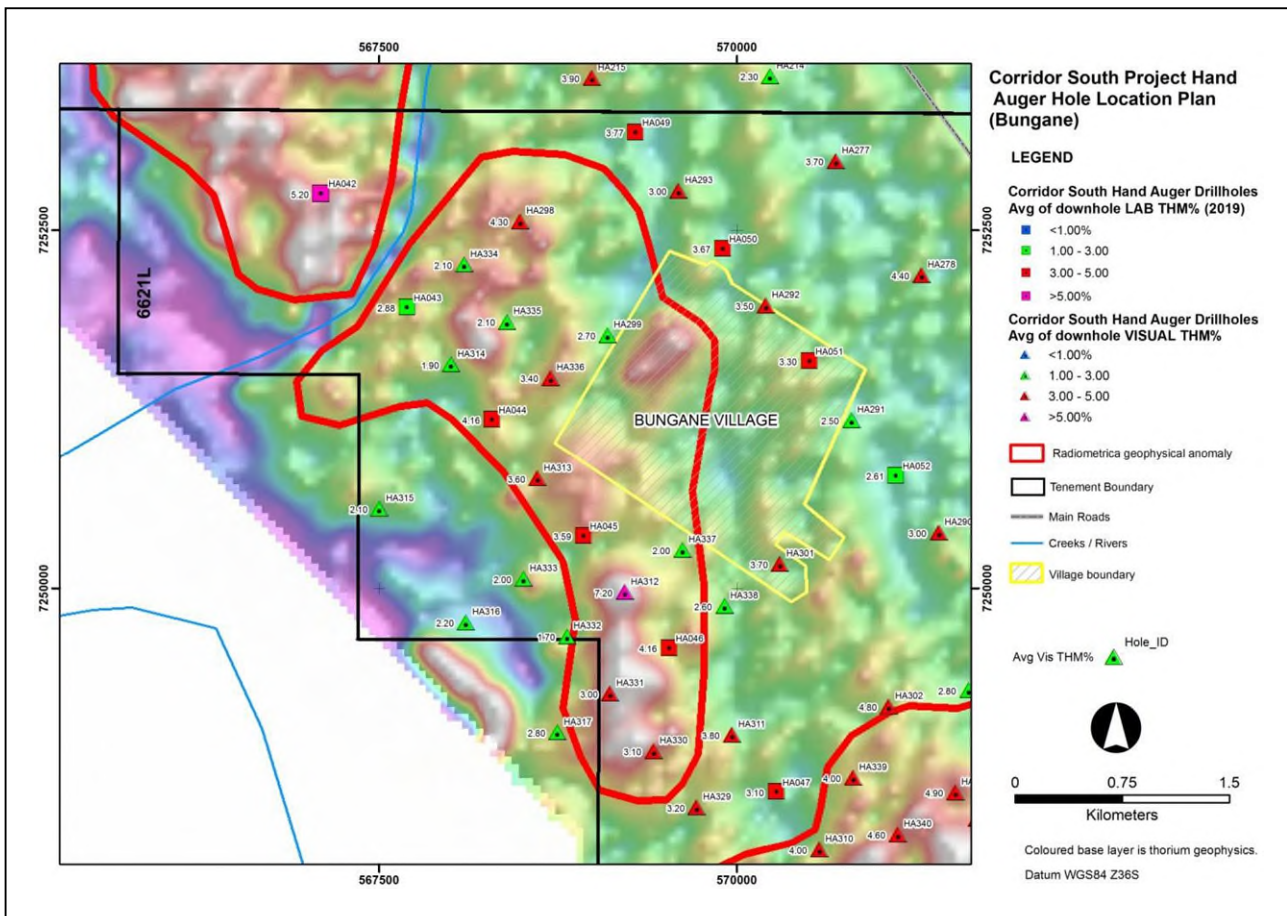
Auger drillholes were spaced at either 250m, 500m or 1000m stations along drill lines 500m and 1000m apart. Auger samples were collected at 1.5m intervals downhole, with each sample interval panned to estimate a visual percent THM grade. Drill samples are split for export from Mozambique to a dedicated Perth HMS analysis laboratory for heavy liquid separation and quantitative percent THM determination.

Hole depths range from 1.0m–12m deep, with an average depth of 9.5m (Table 7). A total of 393 samples, including QAQC samples, have been collected in the 58 holes.



**Figure 9: Location map of the Nhacutse target (Corridor South project 6621L) hand auger drillholes in this update and reported previously, showing summary laboratory and visual estimated data for THM grades. Hole names have been shortened for illustration and are prefixed by 19CS' (for 2019) and 20CS' (for 2020)**





**Figure 10: Location map of the Bungane target (Corridor South project 6621L) hand auger drillholes in this update and reported previously, showing summary laboratory and visual estimated data for THM grades. Hole names have been shortened for illustration and are prefixed by 19CS' (for 2019) and 20CS' (for 2020).**

**Table 7: Summary collar and estimated visual % THM data for the hand auger drill programme (to 03 April, 2020) at the Nhacutse and Bungane targets on the Corridor South project (6621L).**

| HOLE ID   | UTM EAST WGS84 | UTM NORTH WGS84 | EOH (M) | ELEV'N (M) | DRILL TYPE | DOWNHOLE AVG % VIS EST THM | MIN OF % VIS EST THM | MAX OF % VIS EST THM |
|-----------|----------------|-----------------|---------|------------|------------|----------------------------|----------------------|----------------------|
| 20CSHA311 | 569960         | 7248982         | 10.5    | 76         | AUGER      | 3.8                        | 3.5                  | 4.0                  |
| 20CSHA312 | 569211         | 7249976         | 12.0    | 39         | AUGER      | 7.2                        | 6.7                  | 7.8                  |
| 20CSHA313 | 568602         | 7250772         | 10.5    | 37         | AUGER      | 3.6                        | 2.5                  | 4.0                  |
| 20CSHA314 | 567998         | 7251567         | 9.0     | 20         | AUGER      | 1.9                        | 1.5                  | 2.4                  |
| 20CSHA315 | 567498         | 7250560         | 3.0     | 12         | AUGER      | 2.1                        | 2.0                  | 2.2                  |
| 20CSHA316 | 568102         | 7249767         | 10.5    | 13         | AUGER      | 2.2                        | 1.6                  | 2.6                  |
| 20CSHA317 | 568741         | 7248998         | 1.5     | 9.0        | AUGER      | 2.8                        | 2.8                  | 2.8                  |
| 20CSHA318 | 569471         | 7247976         | 10.5    | 57         | AUGER      | 3.5                        | 2.8                  | 4.0                  |
| 20CSHA319 | 570077         | 7247178         | 10.5    | 67         | AUGER      | 3.7                        | 3.3                  | 4.0                  |
| 20CSHA321 | 571297         | 7245590         | 12.0    | 49         | AUGER      | 4.0                        | 3.5                  | 4.5                  |
| 20CSHA322 | 570950         | 7244386         | 1.5     | 3          | AUGER      | 0.0                        | 0.0                  | 0.0                  |

| HOLE ID   | UTM EAST WGS84 | UTM NORTH WGS84 | EOH (M) | ELEV'N (M) | DRILL TYPE | DOWNHOLE AVG % VIS EST THM | MIN OF % VIS EST THM | MAX OF % VIS EST THM |
|-----------|----------------|-----------------|---------|------------|------------|----------------------------|----------------------|----------------------|
| 20CSHA323 | 570344         | 7245185         | 1.5     | 6          | AUGER      | 0.0                        | 0.0                  | 0.0                  |
| 20CSHA324 | 569738         | 7245976         | 1.0     | 2          | AUGER      | 0.0                        | 0.0                  | 0.0                  |
| 20CSHA325 | 570589         | 7245680         | 10.5    | 25         | AUGER      | 4.1                        | 3.9                  | 4.5                  |
| 20CSHA326 | 570894         | 7245282         | 10.0    | 11         | AUGER      | 4.4                        | 4.0                  | 5.2                  |
| 20CSHA327 | 570475         | 7247481         | 10.5    | 94         | AUGER      | 3.7                        | 3.2                  | 4.3                  |
| 20CSHA328 | 570170         | 7247885         | 10.5    | 82         | AUGER      | 2.7                        | 2.2                  | 3.4                  |
| 20CSHA329 | 569715         | 7248475         | 10.5    | 69         | AUGER      | 3.2                        | 2.8                  | 3.6                  |
| 20CSHA330 | 569412         | 7248869         | 10.5    | 51         | AUGER      | 3.1                        | 2.2                  | 3.6                  |
| 20CSHA331 | 569109         | 7249270         | 10.5    | 28         | AUGER      | 3.0                        | 2.8                  | 3.2                  |
| 20CSHA332 | 568808         | 7249670         | 5.8     | 13         | AUGER      | 1.7                        | 1.2                  | 2.3                  |
| 20CSHA333 | 568504         | 7250070         | 1.0     | 8          | AUGER      | 2.0                        | 2.0                  | 2.0                  |
| 20CSHA334 | 568089         | 7252264         | 10.5    | 33         | AUGER      | 2.1                        | 1.4                  | 2.3                  |
| 20CSHA335 | 568390         | 7251866         | 10.5    | 48         | AUGER      | 2.1                        | 1.8                  | 2.5                  |
| 20CSHA336 | 568692         | 7251474         | 10.5    | 49         | AUGER      | 3.4                        | 2.3                  | 4.2                  |
| 20CSHA337 | 569614         | 7250273         | 10.5    | 50         | AUGER      | 2.0                        | 1.8                  | 2.2                  |
| 20CSHA338 | 569906         | 7249881         | 10.5    | 74         | AUGER      | 2.6                        | 1.7                  | 3.3                  |
| 20CSHA339 | 570807         | 7248682         | 10.5    | 67         | AUGER      | 4.0                        | 3.2                  | 4.3                  |
| 20CSHA340 | 571118         | 7248287         | 12.0    | 77         | AUGER      | 4.6                        | 4.1                  | 5.5                  |
| 20CSHA341 | 571419         | 7247891         | 12.0    | 74         | AUGER      | 4.3                        | 3.8                  | 4.8                  |
| 20CSHA342 | 572104         | 7247803         | 10.5    | 73         | AUGER      | 4.0                        | 3.7                  | 4.4                  |
| 20CSHA343 | 571818         | 7248194         | 12.0    | 73         | AUGER      | 4.8                        | 3.5                  | 6.5                  |
| 20CSHA344 | 571520         | 7248581         | 10.5    | 75         | AUGER      | 4.9                        | 4.3                  | 5.6                  |
| 20CSHA345 | 571611         | 7249292         | 10.5    | 68         | AUGER      | 2.8                        | 2.2                  | 3.2                  |
| 20CSHA346 | 571913         | 7248896         | 12.0    | 68         | AUGER      | 4.8                        | 4.0                  | 5.5                  |
| 20CSHA347 | 572216         | 7248500         | 12.0    | 59         | AUGER      | 5.1                        | 4.4                  | 5.9                  |
| 20CSHA358 | 572521         | 7248100         | 10.5    | 81         | AUGER      | 4.3                        | 3.4                  | 5.3                  |
| 20CSHA359 | 572708         | 7249499         | 10.5    | 78         | AUGER      | 3.8                        | 3.3                  | 4.3                  |
| 20CSHA360 | 573012         | 7249105         | 10.5    | 96         | AUGER      | 4.5                        | 3.9                  | 5.4                  |
| 20CSHA361 | 573315         | 7248706         | 10.5    | 96         | AUGER      | 3.6                        | 3.4                  | 3.7                  |
| 20CSHA362 | 573618         | 7248311         | 12.0    | 96         | AUGER      | 5.4                        | 4.0                  | 6.5                  |
| 20CSHA363 | 573925         | 7247909         | 12.0    | 95         | AUGER      | 6.8                        | 6.2                  | 7.3                  |
| 20CSHA364 | 574225         | 7247510         | 12.0    | 79         | AUGER      | 6.0                        | 5.1                  | 7.2                  |
| 20CSHA365 | 574624         | 7247813         | 10.5    | 77         | AUGER      | 4.0                        | 2.6                  | 4.7                  |
| 20CSHA366 | 574014         | 7248613         | 10.5    | 76         | AUGER      | 4.4                        | 3.6                  | 5.2                  |
| 20CSHA367 | 573560         | 7249203         | 10.5    | 83         | AUGER      | 3.8                        | 3.2                  | 4.3                  |
| 20CSHA368 | 571893         | 7251393         | 10.5    | 68         | AUGER      | 2.8                        | 1.6                  | 3.5                  |
| 20CSHA369 | 572087         | 7252797         | 10.5    | 66         | AUGER      | 2.8                        | 2.2                  | 3.6                  |
| 20CSHA370 | 572690         | 7251988         | 10.5    | 75         | AUGER      | 3.4                        | 3.1                  | 3.6                  |
| 20CSHA371 | 573904         | 7250413         | 10.5    | 67         | AUGER      | 1.9                        | 1.5                  | 2.6                  |
| 20CSHA372 | 574355         | 7249810         | 10.5    | 71         | AUGER      | 4.0                        | 3.0                  | 5.2                  |
| 20CSHA373 | 576780         | 7246627         | 10.5    | 83         | AUGER      | 4.8                        | 3.8                  | 5.2                  |
| 20CSHA374 | 577575         | 7247240         | 10.5    | 63         | AUGER      | 2.3                        | 2.1                  | 3.1                  |
| 20CSHA375 | 576969         | 7248033         | 6.0     | 73         | AUGER      | 2.0                        | 1.9                  | 2.1                  |
| 20CSHA376 | 576353         | 7248839         | 6.0     | 83         | AUGER      | 3.6                        | 2.8                  | 4.0                  |
| 20CSHA377 | 575758         | 7249624         | 10.5    | 86         | AUGER      | 4.9                        | 4.4                  | 5.0                  |
| 20CSHA378 | 575150         | 7250417         | 10.5    | 84         | AUGER      | 3.9                        | 3.1                  | 4.5                  |
| 20CSHA379 | 574700         | 7251016         | 10.5    | 85         | AUGER      | 3.1                        | 2.3                  | 4.4                  |

Note: VIS EST= visual estimated; All data averages are grade weighted and uncut from surface. Dip for all holes if -90° and azimuth is 360°. Auger holes 20CSHA322, '323 and '324 were drilled in the Limpopo River valley and did not penetrate the surficial silt layer.

## ZULENE AUGER DRILLING

Reconnaissance auger drilling at Zulene target generated another high grade HMS mineralized zone measuring approximately 5km x 1km at surface, of visually estimated >5% visual THM.

Significant visually estimated auger results included:

- 20CSHA413 – 12M @ 8.7% VIS EST THM (HIGHEST TO DATE WITHIN MRG'S CORRIDOR DISTRICT);
- 20CSHA417 – 10.5M @ 6.7% VIS EST THM;
- 20CSHA408 – 8.5M @ 6.6% VIS EST THM; AND
- 20CSHA418 – 10.5M @ 5.3% VIS EST THM.

This relatively wide-spaced reconnaissance hand auger drilling at the Zulene anomaly was designed to further explore the revised and prioritized magnetic and radiometric anomalies within the Corridor HMS district (refer announcement 12 May 2020).

The drilling at Zulene and adjacent areas included 18 shallow auger holes comprising 179.5m with the collection of 120 primary samples at 1.5m intervals. Over 50% (10 of 18) of auger holes have uncut, average downhole visual estimated grades >3.5% THM and 38% (7 of 18) of the holes end in sample intervals with estimated visual THM grades of >5%. The new visual results of the wide-spaced drilling (holes 20CSHA402-419) have provided more very encouraging high grade HMS mineralisation.

The Zulene anomaly comprises a zone of HMS mineralisation, at >4.0% estimated visual THM, with a current footprint of approximately 5.0km X 1.0km. The mineralisation is still open in all directions. However, the Limpopo River valley constrains the mineralisation on the west and south sides.

At Zulene, the best drill hole result of 8.7% average visual THM is from hole 20CSHA413 (Figure 11), drilled to 12m depth (Table 8). Hole 20CSHA413 was collared at surface (0.0-1.5m) in 6.2% visual THM and had a maximum of 10.5% visual THM in the sample intervals 7.5-9.0m. There were four consecutive sample intervals beginning at 6.0-7.5m up to the end of hole that attained an estimated THM% grade >10% (Figure 12). Hole 20CSHA413 is located near the southwest boundary of Nhocoene village. However, this excellent result provides a vector to other potential significant high grade mineralisation near surface.

The second most significant hole at the Zulene anomaly is 20CSHA417 with an average downhole grade of 6.7% visual THM over 10.5m (Table 8) and was collared at surface in 6.5% visual THM. The final two sample intervals in hole 20CSHA417, 7.0-9.5m and 9.5-10.0m, logged the highest grades in the hole with estimated 7.2% visual THM.

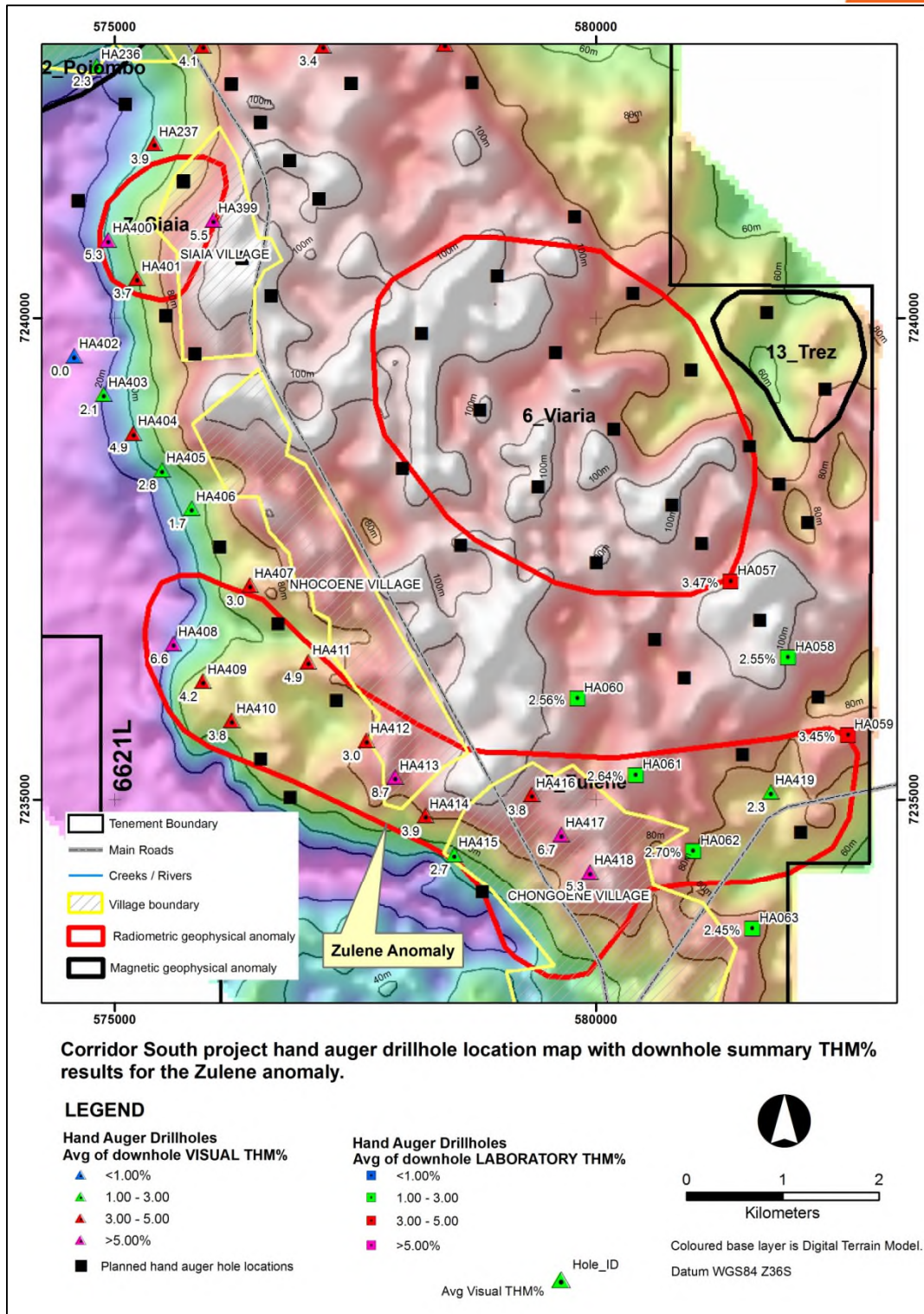
A further significant auger hole drilled at Zulene, 20CSHA408, comprised 8.5m @ 6.6% visual THM from surface. The maximum grade was 8.1% visual THM in the 6.0-7.5m sample interval and the hole ended with 7.4% visual THM in the 7.5-8.5m interval. The hole was stopped early due to water being intersected and a lack of sample return with the sand auger equipment.

This new zone of HMS mineralisation at Zulene is approximately 3.0km south of the new



Siaia target (see Figure 15) recently announced by the Company (refer announcement 27 May 2020).

Hole depths range from 1.5m–12m deep, with an average depth of 10.0m (Table 8). A total of 125 samples, including QAQC samples, have been collected from the 18 holes.



**Figure 11: Location map of the Zulene anomaly (Corridor South project 6621L) hand auger drillholes reported in this update and reported previously, showing summary visual estimated data for THM grades. Drillhole names are shortened (e.g., 'HA402') for presentation, but are prefixed by '20CS' in the database.**





**Figure 12: Field pan concentrate photos for auger hole 20CSHA413 showing the high grades intersected. Each sample shown is panned from the same volume of sand grab-sampled from the relevant 1.5m sample interval.**



**Table 8: Summary collar and estimated visual % THM data for the hand auger drilling at the Zulene anomaly on the Corridor South project (6621L).**

| HOLE ID          | UTM EAST WGS84 | UTM NORTH WGS84 | EOH (M)      | ELEV'N (M) | DRILL TYPE        | DOWNHOLE AVG % VIS EST THM | MIN OF % VIS EST THM | MAX OF % VIS EST THM |
|------------------|----------------|-----------------|--------------|------------|-------------------|----------------------------|----------------------|----------------------|
| 20CSHA402        | 574578         | 7239613         | 1.50         | 8          | HAND AUGER        | 0.0                        | 0.0                  | 0.0                  |
| 20CSHA403        | 574882         | 7239212         | 10.50        | 18         | HAND AUGER        | 2.1                        | 2.0                  | 2.2                  |
| <b>20CSHA404</b> | <b>575188</b>  | <b>7238812</b>  | <b>10.50</b> | <b>36</b>  | <b>HAND AUGER</b> | <b>4.9</b>                 | <b>4.1</b>           | <b>6.0</b>           |
| 20CSHA405        | 575485         | 7238421         | 10.50        | 40         | HAND AUGER        | 2.8                        | 2.4                  | 3.1                  |
| 20CSHA406        | 575795         | 7238021         | 10.50        | 48         | HAND AUGER        | 1.7                        | 1.2                  | 2.2                  |
| 20CSHA407        | 576400         | 7237224         | 10.50        | 72         | HAND AUGER        | 3.0                        | 2.1                  | 3.9                  |
| <b>20CSHA408</b> | <b>575609</b>  | <b>7236620</b>  | <b>8.50</b>  | <b>18</b>  | <b>HAND AUGER</b> | <b>6.6</b>                 | <b>5.5</b>           | <b>8.1</b>           |
| 20CSHA409        | 575913         | 7236229         | 10.50        | 70         | HAND AUGER        | 4.2                        | 3.6                  | 5.3                  |
| 20CSHA410        | 576213         | 7235826         | 10.50        | 74         | HAND AUGER        | 3.8                        | 3.3                  | 4.2                  |
| <b>20CSHA411</b> | <b>577002</b>  | <b>7236429</b>  | <b>10.50</b> | <b>75</b>  | <b>HAND AUGER</b> | <b>4.9</b>                 | <b>3.1</b>           | <b>6.0</b>           |
| 20CSHA412        | 577605         | 7235619         | 10.50        | 79         | HAND AUGER        | 3.0                        | 2.4                  | 3.8                  |
| <b>20CSHA413</b> | <b>577909</b>  | <b>7235235</b>  | <b>12.00</b> | <b>87</b>  | <b>HAND AUGER</b> | <b>8.7</b>                 | <b>6.2</b>           | <b>10.5</b>          |
| 20CSHA414        | 578220         | 7234836         | 10.50        | 80         | HAND AUGER        | 3.9                        | 2.8                  | 5.1                  |
| 20CSHA415        | 578520         | 7234438         | 10.50        | 44         | HAND AUGER        | 2.7                        | 1.2                  | 3.8                  |
| 20CSHA416        | 579325         | 7235053         | 10.50        | 91         | HAND AUGER        | 3.8                        | 2.3                  | 4.3                  |
| <b>20CSHA417</b> | <b>579633</b>  | <b>7234643</b>  | <b>10.50</b> | <b>88</b>  | <b>HAND AUGER</b> | <b>6.7</b>                 | <b>6.4</b>           | <b>7.2</b>           |
| <b>20CSHA418</b> | <b>579930</b>  | <b>7234256</b>  | <b>10.50</b> | <b>91</b>  | <b>HAND AUGER</b> | <b>5.3</b>                 | <b>4.0</b>           | <b>7.0</b>           |
| 20CSHA419        | 581811         | 7235084         | 10.50        | 72         | HAND AUGER        | 2.3                        | 1.9                  | 2.6                  |

Note: VIS EST= visual estimated; All data averages are grade weighted and uncut from surface. Dip for all holes if -90° and azimuth is 360°. Auger hole 20CSHA402 was drilled in the Limpopo River valley and the drill equipment was unable to penetrate the surficial alluvial black clays.

## SIAIA AUGER DRILLING

Reconnaissance hand auger drilling on the Corridor South project at Siaia anomaly identified a high grade HMS zone, >5% visual THM. This relatively wide-spaced reconnaissance hand auger drilling at the Siaia anomaly was designed to further explore the revised and prioritized magnetic and radiometric anomalies within the Corridor HMS district (refer announcement 12 May, 2020).

The drilling at Siaia included 3 shallow auger holes comprising 34.5m with the collection of 23 primary samples at 1.5m intervals. All three auger holes have uncut, average downhole visual estimated grades >3.5% THM and all of the holes end in sample intervals with estimated visual THM grades of >4. The new visual results of the wide-spaced drilling (holes 20CSHA399-401) have provided more very encouraging high grade HMS mineralisation.

Significant visually estimated auger results included:

- 20CSHA399 – 12M @ 5.5% VIS EST THM
- 20CSHA400 – 12M @ 5.3% VIS EST THM

The Siaia anomaly comprises a zone of HMS mineralisation, at >3.5% estimated visual THM, with a current footprint of approximately 1.4km X 1.1km. The mineralisation is still open in all directions, It is likely that the Limpopo River valley constrains the mineralisation on the west side.

At Siaia the best drill hole result of 5.5% average visual THM is from hole 20CSHA399 (Figure 13), drilled to 12m depth (Table 9). Hole 20CSHA399 was collared at surface (0.0-1.5m) in 4.0% visual THM and had a maximum of 6.2% visual THM in the sample intervals 3.0-4.5m and 10.5-12m (final sample).

A further significant hole at the Siaia anomaly is 20CSHA400 with an average downhole grade of 5.3% visual THM over 12.0m (Table 9) and a maximum grade of 6.0% visual THM in the 7.5-9.0m interval. The final two sample intervals in hole 20CSHA400, 9.0-10.5m and 10.5-12.0m, both comprised a grade of 5.1% visual THM.

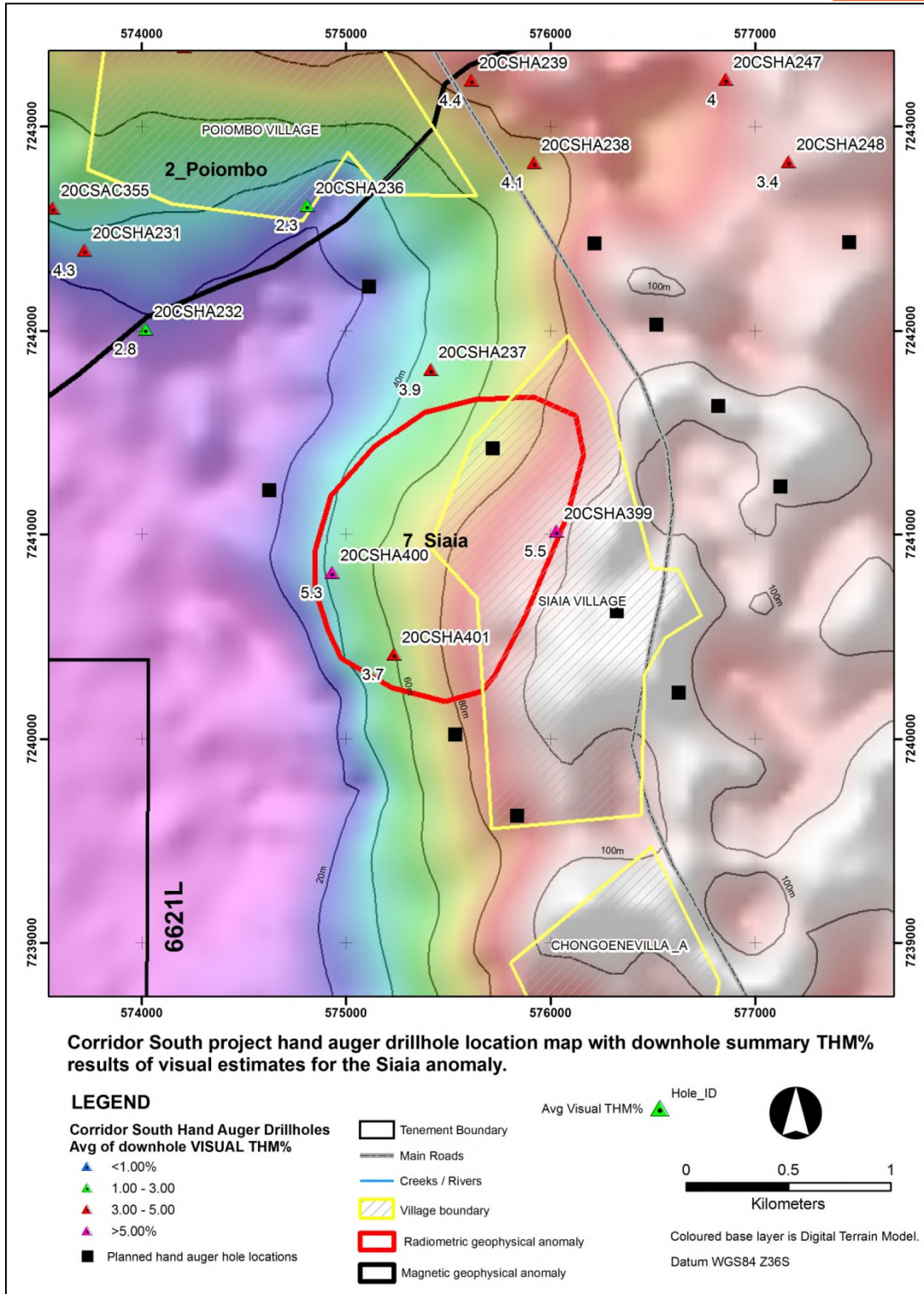
The final auger hole drilled at Siaia, 20CSHA401, comprised 10.5m @ 3.7% visual THM from surface. The hole ended with 4.7% visual THM in the 9.0-10.5m interval.

This new zone of HMS mineralisation at Siaia is approximately 1.0km south of the large Poiombo target (see Figure 15). Using a 3.5% visual THM cut-off for average downhole grade, the Siaia HMS mineralisation is contiguous with the Poiombo target mineralisation (see Figure 1; holes 20CSHA237 and 238; refer announcement 13 February, 2020).

Auger drillholes were spaced at either 500m or 1000m stations along drill lines 1000m apart. Auger samples were collected at 1.5m intervals downhole, with each sample interval panned to estimate a visual percent THM grade. Drill samples are split for export from Mozambique to a dedicated HMS analysis laboratory for heavy liquid separation and quantitative percent THM determination.

Duplicate samples are created and inserted in the field at a frequency of 1 per 25 primary samples, and standard reference material samples are inserted in the field at a frequency of 1 per 50 primary samples.

Hole depths range from 10.5m–12m deep, with an average depth of 11.5m (Table 1). A total of 24 samples, including QAQC samples, have been collected in the 3 holes.



**Figure 13: Location map of the Siaia anomaly (Corridor South project 6621L) hand auger drillholes reported in this update, and reported previously, showing summary visual estimated data for THM grades.**



**Table 9: Summary collar and estimated visual % THM data for the hand auger drilling at the Siaia anomaly on the Corridor South project (6621L).**

| HOLE ID   | UTM EAST WGS84 | UTM NORTH WGS84 | EOH (M) | ELEV'N (M) | DRILL TYPE | DOWNHOLE AVG % VIS EST THM | MIN OF % VIS EST THM | MAX OF % VIS EST THM |
|-----------|----------------|-----------------|---------|------------|------------|----------------------------|----------------------|----------------------|
| 20CSHA399 | 576022         | 7241019         | 12.00   | 94         | AUGER      | 5.5                        | 4.0                  | 6.2                  |
| 20CSHA400 | 574928         | 7240816         | 12.00   | 41         | AUGER      | 5.3                        | 4.9                  | 6.0                  |
| 20CSHA401 | 575229         | 7240416         | 10.50   | 57         | AUGER      | 3.7                        | 3.2                  | 4.7                  |

Note: VIS EST= visual estimated; All data averages are grade weighted and uncut from surface. Dip for all holes is -90° and azimuth is 360°.

### VIAIA AUGER DRILLING

Reconnaissance hand auger drilling at Viaria defined another high grade HMS zone >3% visually estimated THM, with up to 6.2% estimated average THM in hole 20CSHA425. This relatively wide-spaced reconnaissance hand auger drilling at the Viaria anomaly was designed to explore the revised and prioritized magnetic and radiometric anomalies within MRG's Corridor HMS district (refer ASX announcement 12 May 2020).

The drilling at Viaria and adjacent areas included 25 shallow auger holes comprising 267m, with the collection of 178 primary samples at 1.5m intervals. Over 40% (11 of 25) of auger holes have uncut, average downhole visual estimated grades >3.5% THM and 28% (7 of 25) of the holes end in sample intervals with estimated visual THM grades of >5%. The new visual results of the wide-spaced drilling (holes 20CSHA420-444) reported here have provided more very encouraging high grade HMS mineralisation for MRG's Corridor district.

The Viaria anomaly comprises a zone of HMS mineralisation, at >3.0% estimated visual THM, with a current footprint of approximately 4.5km X 3.0km. The HMS mineralisation is still open on the southwest side at >5% visual THM, on the northwest side at >4% visual THM, on the southeast side at >4% visual THM and on the north side at >4% visual THM.

Significant visually estimated THM grades included:

- 20CSHA425 – 12M @ 6.2% VIS EST THM (ENDED IN 5.2% VIS THM);
- 20CSHA444 – 12M @ 5.6% VIS EST THM (ENDED IN 6.0% VIS THM); and
- 20CSHA426 – 10.5M @ 4.8% VIS EST THM (ENDED IN 6.3% VIS THM).

The best drill hole result of 6.2% average visual THM is from hole 20CSHA425 (Figure 14), drilled to 12m depth (Table 10). Hole 20CSHA425 was collared at surface (0.0-1.5m) in 6.0% visual THM and had a maximum of 7.3% visual THM in the sample interval 3.0-4.5m. The hole ended with a grade of 5.2% visual THM in the 10.5-12m interval.

The second most significant hole at the Viaria anomaly is 20CSHA444 with an average downhole grade of 5.6% visual THM over 12m (Table 10) and was collared at surface in 3.8% visual THM. The maximum grade in the hole was 7.0% visual THM in the 4.5-6.0m interval, with the final sample interval at 10.5-12m logged as 6.0% visual THM.

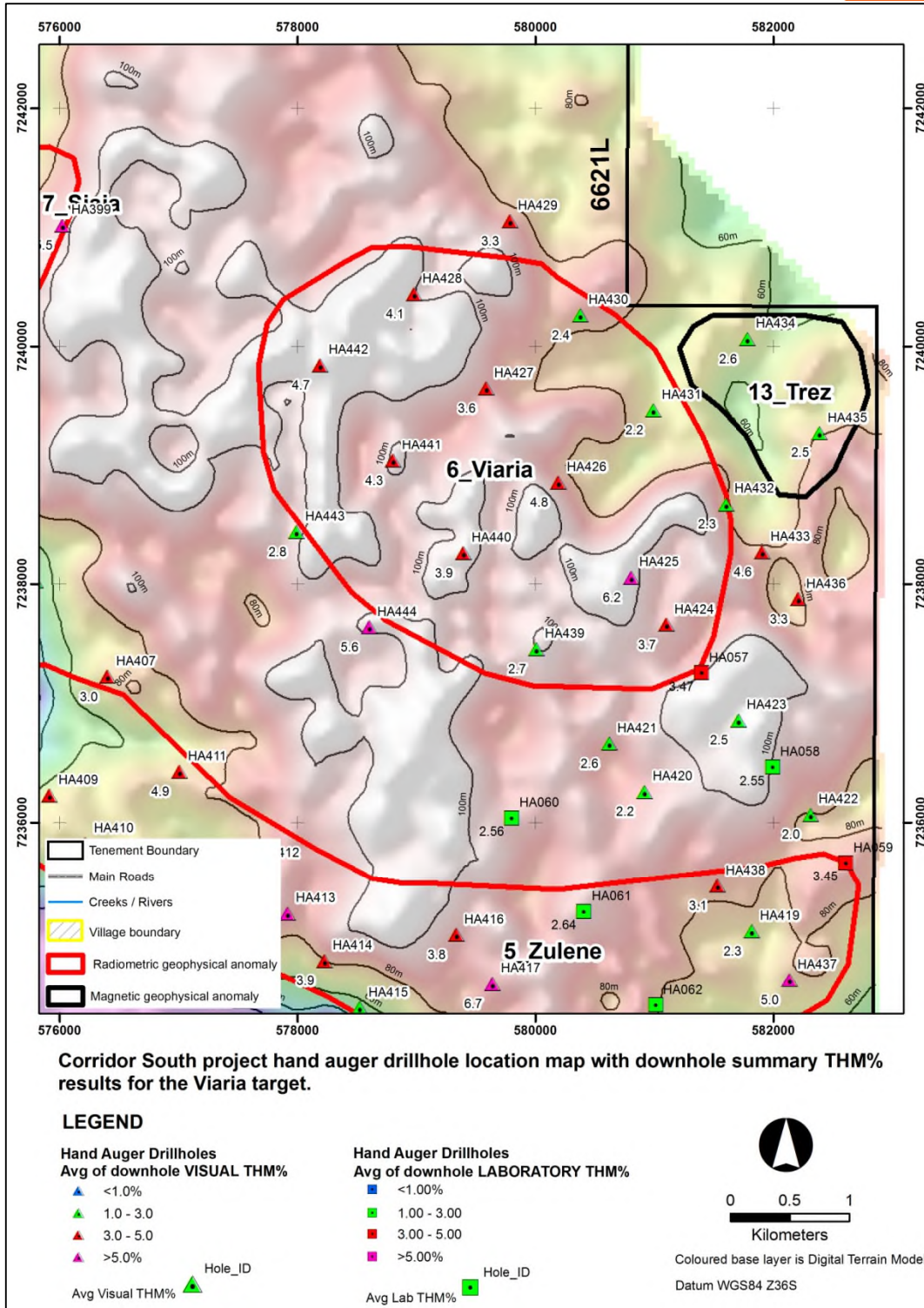
This new zone of HMS mineralisation at Viaria is approximately 4.0km north of the new Zulene target (see Figure 15) recently announced by the Company (refer ASX announcement 2 June 2020) and also 4.0km southeast of the Saia target (refer ASX announcement 27 May 2020).

Additional follow-up auger drilling is required at Viaria, Zulene and Siaia targets to further define the mineralisation outside the current boundaries. It is possible that all three targets may be part of a larger mineralised zone, which includes significant areas at >5% visual THM. The area comprising Viaria, Zulene and Siaia targets is approximately 10km X 8km.

Auger drillholes were spaced at either 500m or 1000m stations along drill lines 1000m apart. Auger samples were typically collected at 1.5m intervals downhole, unless drilling problems prevented this interval length, with each sample interval panned to estimate a visual percent THM grade. Drill samples with visual estimated THM% grades  $\geq 3\%$  are split for export from Mozambique to a dedicated HMS analysis laboratory for heavy liquid separation and quantitative percent THM determination.

Duplicate samples are created and inserted in the field at a frequency of 1 per 25 primary samples and standard reference material samples are inserted in the field at a frequency of 1 per 50 primary samples.

Hole depths range from 10.5m–12m deep, with an average depth of 10.7m (Table 10). A total of 185 samples, including QAQC samples, have been collected in the 25 holes.



**Figure 14: Location map of the Viaria anomaly (Corridor South project 6621L) hand auger drillholes reported in this update and reported previously, showing summary visual estimated data for THM grades. Drillhole names are shortened (e.g., 'HA420') for presentation, but are prefixed by '20CS' in the database.**



**Table 10: Summary collar and estimated visual % THM data for the hand auger drilling at the Viaria anomaly on the Corridor South project (6621L).**

| HOLE ID                | UTM EAST WGS84 | UTM NORTH WGS84 | EOH (M) | ELEV'N (M) | DRILL TYPE | DOWNHOLE AVG % VIS EST THM | MIN OF % VIS EST THM | MAX OF % VIS EST THM |
|------------------------|----------------|-----------------|---------|------------|------------|----------------------------|----------------------|----------------------|
| 20CSHA420              | 580908         | 7236262         | 10.50   | 90         | HAND AUGER | 2.2                        | 1.8                  | 2.8                  |
| 20CSHA421              | 580610         | 7236664         | 10.50   | 89         | HAND AUGER | 2.6                        | 2.0                  | 3.3                  |
| 20CSHA422              | 582303         | 7236070         | 10.50   | 72         | HAND AUGER | 2.0                        | 1.5                  | 2.4                  |
| 20CSHA423              | 581699         | 7236861         | 10.50   | 102        | HAND AUGER | 2.5                        | 1.7                  | 2.9                  |
| 20CSHA424              | 581092         | 7237659         | 10.50   | 92         | HAND AUGER | 3.7                        | 3.0                  | 4.2                  |
| 20CSHA425              | 580796         | 7238056         | 12.00   | 106        | HAND AUGER | 6.2                        | 5.2                  | 7.3                  |
| 20CSHA426              | 580187         | 7238853         | 10.50   | 84         | HAND AUGER | 4.8                        | 4.2                  | 6.3                  |
| 20CSHA427              | 579577         | 7239648         | 10.50   | 95         | HAND AUGER | 3.6                        | 3.1                  | 4.0                  |
| 20CSHA428              | 578974         | 7240441         | 10.50   | 102        | HAND AUGER | 4.1                        | 3.3                  | 5.0                  |
| 20CSHA429              | 579776         | 7241054         | 10.50   | 82         | HAND AUGER | 3.3                        | 3.1                  | 3.9                  |
| 20CSHA430              | 580369         | 7240263         | 10.50   | 75         | HAND AUGER | 2.4                        | 2.1                  | 3.0                  |
| 20CSHA431              | 580986         | 7239467         | 10.50   | 78         | HAND AUGER | 2.2                        | 2.0                  | 2.4                  |
| 20CSHA432              | 581597         | 7238672         | 10.50   | 76         | HAND AUGER | 2.3                        | 1.9                  | 2.7                  |
| 20CSHA433              | 581898         | 7238270         | 10.50   | 79         | HAND AUGER | 4.6                        | 3.9                  | 5.2                  |
| 20CSHA434              | 581776         | 7240064         | 10.50   | 64         | HAND AUGER | 2.6                        | 2.0                  | 3.3                  |
| 20CSHA435              | 582380         | 7239272         | 10.50   | 75         | HAND AUGER | 2.5                        | 2.1                  | 2.9                  |
| 20CSHA436              | 582200         | 7237873         | 10.50   | 77         | HAND AUGER | 3.3                        | 2.2                  | 4.0                  |
| 20CSHA437 <sup>1</sup> | 582125         | 7234673         | 12.00   | 74         | HAND AUGER | 5.0                        | 4.2                  | 5.7                  |
| 20CSHA438 <sup>1</sup> | 581521         | 7235468         | 10.50   | 83         | HAND AUGER | 3.1                        | 2.5                  | 3.5                  |
| 20CSHA439              | 580002         | 7237457         | 10.50   | 97         | HAND AUGER | 2.7                        | 2.1                  | 3.2                  |
| 20CSHA440              | 579386         | 7238261         | 10.50   | 108        | HAND AUGER | 3.9                        | 3.1                  | 5.1                  |
| 20CSHA441              | 578800         | 7239037         | 10.50   | 89         | HAND AUGER | 4.3                        | 3.5                  | 5.1                  |
| 20CSHA442              | 578185         | 7239844         | 10.50   | 102        | HAND AUGER | 4.7                        | 4.1                  | 5.1                  |
| 20CSHA443              | 577987         | 7238438         | 10.50   | 94         | HAND AUGER | 2.8                        | 2.2                  | 3.2                  |
| 20CSHA444              | 578594         | 7237639         | 12.00   | 95         | HAND AUGER | 5.6                        | 3.8                  | 7.0                  |

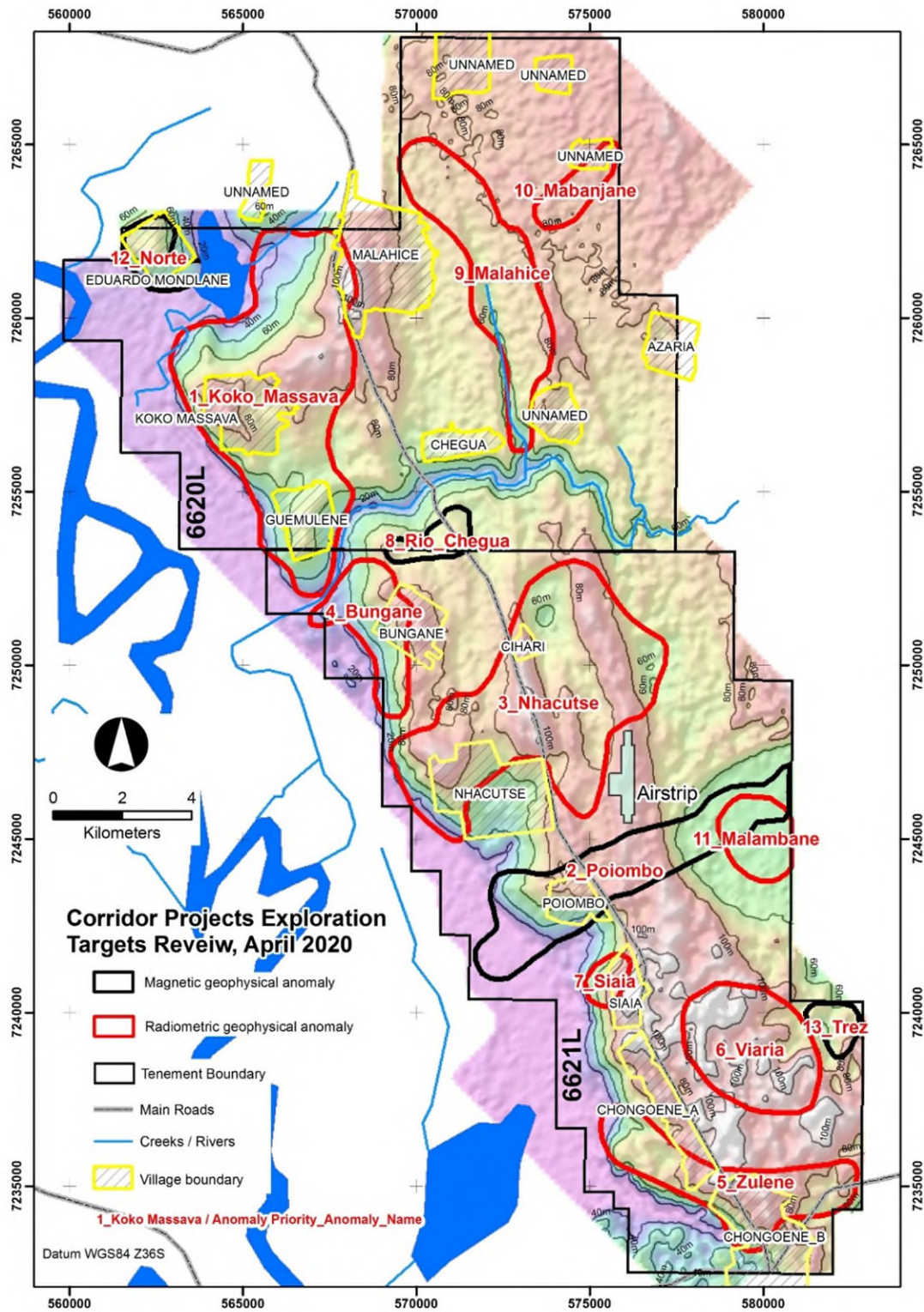
Note: VIS EST= visual estimated; All data averages are grade weighted and uncut from surface. Dip for all holes if -90° and azimuth is 360°.

1. Holes 20CSHA437 and 20CSHA438 are located at the Zulene anomaly and were completed with the hand auger drilling program at Viaria.

## EXPLORATION STRATEGY FOR HIGH GRADE/HIGH VALUE PER TON ADDITIONAL HMS RESOURCES

Following the Company's successful completion of the Koko Massava JORC compliant Mineral Resource estimate (refer ASX Announcement 22 April 2020), MRG announced its plans for ongoing district scale exploration in Corridor Central and Corridor South tenements.

A technical review of the 2019 Airborne Magnetic/Radiometric Survey was undertaken, utilizing the 12 months past of successful exploration and the creation of a substantial database from mapping, auger and aircore drilling (Figure 15; Table 11). This exploration portfolio is augmented with three further projects currently under application (Table 12).



**Figure 15: Technical Review (April 2020) – 13 Anomalies From Airborne Magnetics and Radiometrics Survey across Corridor Central and Corridor South tenements.**

**Table 11: Technical Review (April 2020) – Anomalies (area based on 2019 Airborne Magnetic and Radiometric Survey) and Targets (area based on Ground Exploration) on Corridor Central and Corridor South tenements.**

| ANOMALY or TARGET | MATURITY                    | ANOMALY SIZE (SQKM) | TARGET SURFACE FOOTPRINT (SQKM) | TONNAGE POTENTIAL (MT) | GRADE POTENTIAL (THM) | COMMENTS AND HIGHLIGHTS   |
|-------------------|-----------------------------|---------------------|---------------------------------|------------------------|-----------------------|---|
| KOKO MASSAVA      | JORC RESOURCE               | 33                  | 24                              | 1,423                  | 5.20%                 | Indicated + Inferred maiden Mineral Resource (MRE). Conceptual sub-set potential of 113-217MT @ 7.5-8.3% THM from the Grade Tonnage Curve |
|                   | JORC EXPLORATION TARGET     |                     | 13                              | 234-967                | 4.5-5.9%              | Identified from MRE - from auger drilling only - located under villages; also at NW and SE margins of the MRE, outside of villages        |
| POIOMBO           | PRELIMINARY AIRCORE DRILLED | 16                  | 12                              |                        | >6%                   | 10 aircore holes drilled to date. (assays pending). Best hole 20CSAC356 contains 51m @ 6.1% vis est THM.                                  |
| NHACUTSE          | AIRCORE DRILL READY         | 31                  | 17                              |                        | >7%                   | Best auger hole 20CSHA363 contains 12 @ 6.8% est THM  |
| BUNGANE           | AIRCORE DRILL READY         | 6.9                 |                                 |                        | >7%                   | Best auger hole 20CSHA312 contains 12m @ 7.2% est THM   |
| ZULENE            | FUTURE TARGET               | 11                  | TBD                             |                        | TBD                   |   |
| VIARA             | FUTURE TARGET               | 11                  | TBD                             |                        | TBD                   |   |
| SIAIA             | FUTURE TARGET               | 1.2                 | TBD                             |                        | TBD                   |   |
| RIO CHEGUA        | FUTURE TARGET               | 1.8                 | TBD                             |                        | TBD                   |   |
| MALAHICE          | FUTURE TARGET               | 14                  | TBD                             |                        | TBD                   |   |
| MABANJANE         | FUTURE TAR                  | 2.7                 | TBD                             |                        | TBD                   |   |



| ANOMALY or TARGET | MATURITY      | ANOMALY SIZE (SQKM) | TARGET SURFACE FOOTPRINT (SQKM) | TONNAGE POTENTIAL (MT) | GRADE POTENTIAL (THM) | COMMENTS AND HIGHLIGHTS |
|-------------------|---------------|---------------------|---------------------------------|------------------------|-----------------------|-------------------------|
| MALAMBANE         | FUTURE TARGET | 4                   | TBD                             |                        | TBD                   |                         |
| NORTE             | FUTURE TARGET | 3.2                 | TBD                             |                        | TBD                   |                         |
| TREZ              | FUTURE TARGET | 1.6                 | TBD                             |                        | TBD                   |                         |

**Footnotes:** “Anomaly”: identified from airborne geophysical interpretation; “Target”: generated from fieldwork; “TBD”: To Be Determined. Note: 1 square km of sand material extending down to 12 metres depth from surface represents approximately 20 million tons based on the formula 1,000m x 1,000m x 12m depth x specific gravity 1.7 (from the Koko Massava MRE).

**Table 12: MRG Tenement Applications for HMS in Mozambique.**

| □ TENEMENT<br>□ NAME | □ AREA<br>□ SQKM | □ COMMENTS   |
|----------------------|------------------|--|
| □ LINHUANE           | □ 113            | □ 36 historic auger holes drilled by Rio Tinto to depths of 10.5m with avg downhole 5-25% THM, best holes include LP1255 with 10.5m @ 15.8% THM and LP1272 with 10.5m @ 17.9% THM (refer ASX announcement 14 May 2018) |
| □ MARRUCA            | □ 185            | □ Untested   |
| □ MARAO              | □ 197            | □ Untested   |

#### Field QA/QC – Mozambique Heavy Mineral Sands Project

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.

Auger drillholes were spaced at either 500m or 1000m stations along drill lines 1000m apart. Auger samples were typically collected at 1.5m intervals downhole, unless drilling problems prevented this interval length, with each sample interval panned to estimate a visual percent THM grade. Drill samples with visual estimated THM% grades ≥3% are split for export from Mozambique to a dedicated HMS analysis laboratory for heavy liquid separation and quantitative percent THM determination.

### Laboratory Process

Aircore and 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'.

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'.

### **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 issued 160,000,000 fully paid ordinary shares upon the conversion of Class A Performance Rights. These are subject to voluntary escrow for 3 months.

During the Quarter the Company issued 16,000,000 fully paid ordinary shares upon the conversion of Class D Performance 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.

**Authorised by the Board of MRG Metals Ltd.**



## 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")

30 June 2020

| Consolidated statement of cash flows   | Current quarter<br>\$A'000 | Year to date<br>(12months)<br>\$A'000 |
|--|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>                                 |                            |                                       |
| 1.1 Receipts from customers  | 0                          | 25                                    |
| 1.2 Payments for   |                            |                                       |
| (a) exploration & evaluation (if expensed)<br>(Note – reclassified to 2.1 (d)) |                            |                                       |
| (b) development  |                            |                                       |
| (c) production   |                            |                                       |
| (d) staff costs  | (82)                       | (324)                                 |
| (e) administration and corporate costs   | (95)                       | (335)                                 |
| 1.3 Dividends received (see note 3)  |                            |                                       |
| 1.4 Interest received  | 1                          | 4                                     |
| 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)  |                            |                                       |
| <b>1.9 Net cash from / (used in) operating activities</b>                      | <b>(176)</b>               | <b>(630)</b>                          |
| <b>2. Cash flows from investing activities</b>                                 |                            |                                       |
| 2.1 Payments to acquire:   |                            |                                       |
| (a) entities   |                            |                                       |
| (b) tenements  |                            |                                       |
| (c) property, plant and equipment  |                            |                                       |
| (d) exploration & evaluation (if capitalised)                                  | (218)                      | (1,247)                               |
| (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<br>\$A'000 | Year to date<br>(12months)<br>\$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)                                  |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(218)</b>               | <b>(1,318)</b>                        |

|             |   |          |              |
|-------------|---|----------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |          |              |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | -        | 2,171        |
| 3.2         | Proceeds from issue of convertible debt securities                                      |          |              |
| 3.3         | Proceeds from exercise of options   | -        | 119          |
| 3.4         | Transaction costs related to issues of equity securities or convertible debt securities | -        | (28)         |
| 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)   |          |              |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>-</b> | <b>2,262</b> |

|           |  |       |         |
|-----------|--|-------|---------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |       |         |
| 4.1       | Cash and cash equivalents at beginning of period                             | 1,113 | 405     |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (176) | (630)   |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (218) | (1,318) |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | -     | 2,262   |

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

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(12months)<br/>\$A'000</b> |
|---|---|------------------------------------|--|
| 4.5   | Effect of movement in exchange rates on cash held |                                    |  |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b> | <b>719</b>                         | <b>719</b>                                     |

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|------------|---|------------------------------------|-------------------------------------|
| 5.1        | Bank balances   | 7                                  | 18                                  |
| 5.2        | Call deposits   | 712                                | 1,095                               |
| 5.3        | Bank overdrafts   |                                    |                                     |
| 5.4        | Other (provide details)   |                                    |                                     |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>719</b>                         | <b>1,113</b>                        |

**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

| <b>Current quarter<br/>\$A'000</b> |
|------------------------------------|
| 84                                 |
| 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

| <b>7. Financing facilities</b>  | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>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 <b>Total financing facilities</b>   | Nil   | Nil  |
| 7.5 <b>Unused financing facilities available at quarter end</b>   |   | 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. |   |  |
|   |   |  |

| <b>8. Estimated cash available for future operating activities</b>  | <b>\$A'000</b> |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9)   | 176            |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d))  | 218            |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2)  | 394            |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6)   | 719            |
| 8.5 Unused finance facilities available at quarter end (Item 7.5)   | 0              |
| 8.6 Total available funding (Item 8.4 + Item 8.5)   | 719            |
| 8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>   | 1.82           |
| 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?  |                |
| Reduced Exploration   |                |
| 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? |                |
| No  |                |
| 3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?  |                |
| Yes, expect Options to be exercised in December 2020  |                |

**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: 31 July 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.