ASX ANNOUNCEMENT

31 August 2022

SUCCESSFUL PRE-FEASIBILITY METALLURGICAL TEST WORK AT MRG's CORRIDOR SANDS PROJECT DELIVERS HIGHER VALUE PRODUCTS

Key Highlights

- **A 6.5 tonne bulk sample was subjected to Pre-Feasibility Metallurgical test work and successfully delivered the following products and grades (refer Table 1):**

Table 1: Summary of Products

Product	Grade
Ilmenite Product	48.4% TiO_2 0.15% Cr_2O_3
Titano-Magnetite Product	14.5% TiO_2 57.0% Fe 88.6% titano-magnetite mineral
Non-Magnetic Concentrate	16.7% TiO_2 29.5% ZrO_2

- **Significantly, the grade of Ilmenite product increased to 48.4% TiO_2 from 46.7% TiO_2 compared to previous, smaller metallurgical samples (refer ASX Announcement 26 August 2020).**
- **Further study by magnetic fractionation is planned to test this Ilmenite product to 50% TiO_2.**
- **Other key highlights include:**
  - **A heavy mineral content of 5.6% at +2.85 specific gravity;**
  - **Negligible Oversize (+2 mm) material;**
  - **Moderate fines material with 18% at -45µm grainsize.**
- **Further study by Scanning Electron Microscope (SEM) is planned to better understand the nature of the Chromium (0.15% Cr2O3).**
- **This metallurgical test work confirms that Koko Massava material processes readily through typical mineral sands process methodologies and equipment.**
- **On a further positive note, Koko Massava material is known to carry low radioactive contents a desirable attribute for blending (refer ASX Announcements 13 July 2020 and 26 August 2020).**
- **The products are now being market assessed with results expected in 3 weeks and a Preliminary Economic Assessment (PEA) shortly afterwards.**

IHC Mining completed Pre-Feasibility Metallurgical Process Development Test Work on a bulk material derived from the Koko Massava deposit, within MRG's Corridor Sands Project.

The 6.5 tonne PFS test work sample contained negligible +2.0mm oversize material, 18.0% -45µm fines material and 5.6% +2.85s.g. heavy mineral content. The heavy mineral assemblage was measured to contain 24.1% TiO_2 and 0.81% ZrO_2 by XRF, and 33.3% ilmenite, 42.6% titano-magnetite, 0.8% rutile and 7.5% zircon. The heavy mineral had a D_{80} particle size of 257µm, while the sand fraction as a whole had a D_{80} of 513µm.

MRG Metals Chairman, Mr Andrew Van Der Zwan said: *"Our latest Pre-Feasibility test work carried out on the 6.5 tonne bulk sample from Koko Massava has returned some excellent results, demonstrating the project can deliver higher value products, including a premium zircon product, with potential for additional secondary zircon product, a rutile concentrate, with potential to further refine to a rutile product specification, and a HiTi product. Importantly, the grade of Ilmenite product increased to 48.4% TiO_2 from 46.7% TiO_2 compared to previous, smaller metallurgical samples.*

This metallurgical test work has confirmed that the Koko Massava material processes readily through typical mineral sands process methodologies and equipment, which is another hugely important step as we look to progress our heavy mineral sands assets to development and subsequent production."

The metallurgical test work presented herein confirms the material to process readily through typical mineral sands process methodologies and equipment. The developed process included:

- a typical mineral sands Feed Preparation Plant, for the removal of oversize and fines from the run of mine material;
- a simple Wet Concentration Process, containing three stages of spiral separators to produce a heavy mineral concentrate and reject sand tailings material;
- co-disposal of fines and sand tailings to maximise process water recovery;
- a Concentrate Upgrade Process to isolate a titano-magnetite product and further upgrade the heavy mineral concentrate;
- a Mineral Separation Process to separate the upgraded heavy mineral concentrate into a magnetic concentrate and a non-magnetic concentrate;
- an Ilmenite Upgrade Process, inclusive of Ultra Low Temperature Roasting, to upgrade the magnetic concentrate into an ilmenite product.

The resulting product and concentrate yields, grades and recoveries are summarised in Table 1 (refer Highlights).

While the total TiO_2 unit recoveries to all products was acceptable at >80%, further optimisation of

the magnetic separation stages could improve the mineral distributions between these products, and ultimately improve product grades.

To demonstrate the expected downstream products readily achievable by third party processors/off-takers of the non-magnetic concentrate, further test work developed a conceptual circuit consisting of typical mineral sands separation equipment. The produced products included a premium zircon product, with potential for additional secondary zircon product, a rutile concentrate, with potential to further refine to a rutile product specification and a HiTi product.

Figure 1 summarises the processing as conducted by IHC Mining on the ore sample as derived from the Koko Massava deposit.

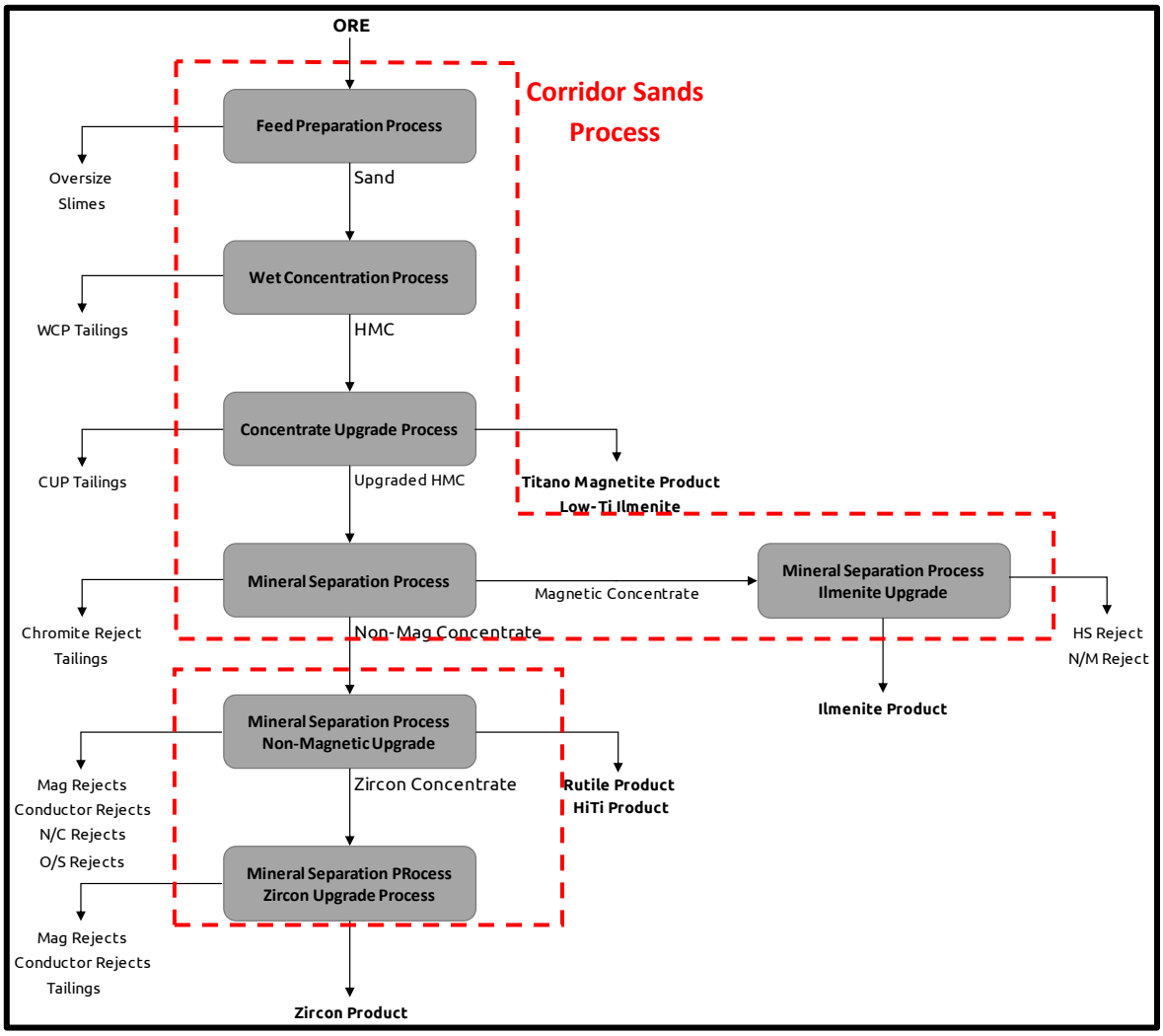

Figure 1 *Block Flow Diagram Summary*

Competent Persons' Statement

The information in this report, as it relates to Mozambique Exploration Results is based on information compiled and/or reviewed by Mr JN Badenhorst, who is a member of the South African Council for Natural Scientific Professions (SACNASP) and the Geological Society of South Africa (GSSA). Mr Badenhorst is a consultant 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". Mr Badenhorst consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

This release is authorized by the Board of MRG Metals Ltd.

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