

## ASX ANNOUNCEMENT

21 September 2023

### CORPORATE UPDATE

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MRG Metals Limited (“**MRG**” or “**the Company**”) (ASX Code: MRQ) is pleased to provide a general update on a number of items prior to the approaching timelines of significant material events.

#### **Due Diligence process relating to the MOU with LANQI (Ref ASX announcement 26 July 2023)**

- A period of 3 months Due Diligence commenced 27 July 2023.
- LANQI has sent a team to Mozambique to review administrative requirements with the Mozambique Government and to visit existing heavy mineral sand (HMS) operations within the country, including adjacent operations at Dinsheng’s Corridor One mine.
- MRG has sent 3 representative heavy mineral concentrate (HMC) samples to LANQI for review and analysis. The samples are up to 30kg in size. Analysis to date supports continuation of the Due Diligence process.
- After the coming Chinese Holiday period, the LANQI technical team will arrive in Mozambique for field inspection and further sampling (if required) of MRG’s Corridor Projects. MRG representatives will assist LANQI to achieve the following objectives:
  - o Confirm location alternatives for potential mine start up and processing;
  - o Meet with INAMI (Mozambique Mining Department);
  - o Commence preliminary design work to feed into Mining Permit application process to potentially expedite mine approval, with a view to seeking pilot plant approvals from INAMI; and
  - o Inspection of port options at nearby Chongoene.

#### **Background - Key Terms of the JV**

- The parties shall sign a JV Agreement upon or before completion of Due Diligence period, to set up a JV company in Mozambique owned 75 % by LANQI and 25 % by MRG, achieved upon first production.
- A commitment to purchase AUD\$500,000 shares at 0.4c upon successful completion of Due Diligence and entering the JV.
- LANQI shall invest USD 3 million dollars at commencement of the JV into the JV trust account) for the immediate next stages:
  - o To finish the JV company set up in Mozambique and company working capital, including
    - i) Working capital to cover JV company in-country costs estimated at \$40k USD for minimum of 12 months.

- ii) MRG Management involvement in JV at \$15k USD/month for minimum of 18 months.
- To complete the mine exploration and feasibility report to reach decision on the Initial Corridor Project (mine start-up)
- To design the engineering and construction plan of the Initial Corridor Project.
- To get the mining licence approval from the Government.

#### **Licence Applications Update**

##### **Linhuane (7423L) – Target: HMS**

- Following substantive work on the environmental approval process, MRG has received support from the relevant department, ANAC. The application is now back with INAMI for approval.

##### **Corridor North (10779L) – Target: HMS**

- Application still awaiting grant from INAMI.

##### **Adriano (11000L) – Target: REE**

- Boundary has been realigned to exclude Forestry concession areas to expedite approval process.

##### **Patricio (10779L) – Target: REE**

- Boundary has been realigned to exclude Forestry concession areas to expedite approval process.

##### **Fotinho (11002L) – Target: REE**

- Boundary has been realigned to exclude Forestry concession areas to expedite approval process.

##### **Olinga (11005L) – Target: Uranium**

- No change. Awaiting grant from INAMI.

**MRG Metals Chairman, Mr Andrew Van Der Zwan said:** *“The Due Diligence process with LANQI is progressing well and the arrival of their geological team in October should represent the final steps in their decision-making process. MRG looks forward to working with the JV partner on our Mozambique HMS projects and leveraging our expertise as a low-cost explorer further. We are continuing work with the Mozambique department of mining on a number of applications with a view to gaining exploration licences in the near term, while reviewing other opportunities.”*

### **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 authorised by the Board of MRG Metals Ltd.

### **For more Information please contact:**

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