

ASX ANNOUNCEMENT

20 September 2024

JOINT VENTURE UPDATE- MOZAMBIQUE HEAVY MINERAL SANDS

MRG Metals Limited (“MRG” or “the Company”) (ASX Code: MRQ) is pleased to provide an update on the progression of the Joint Venture (JV) with Sinowin Lithium (HK) Co., Ltd and SINOWIN Lithium Cobalt (ShenZhen) Ltd (“SLC”) to develop its Mozambique Corridor Sands projects (Corridor Central and Corridor South) and its other Mozambique Heavy Mineral Sands (“HMS”) projects.

Progress on Key Milestones and processes.

MRG and SLC signed the binding JVA on 12 June 2024 (refer ASX Announcement 13 June 2024). Since then, the JV has commenced strongly, supported by SLC site visits by technical and management teams.

- JV Expenditure

- SLC, has made 5 monthly payments (Initial 2 monthly payment at the commencement and further payments in August followed by a 2 month payment in September totalling USD \$200,000 for the:
 - i) Working capital to cover MRG’s in-country costs estimated at USD\$25,000 for 6 months will be funded until the JV puts in place the necessary personnel and corporate structure.
 - ii) MRG Management involvement in JV at USD\$15,000/month for minimum of 12 months.
- SLC has funded and completed its revised Feasibility Study (Not to ASX reporting standards).
- SLC has funded and completed the initial Engineering design, Work on the tailings dam is continuing. Review of alternative power sourcing and additional Metallurgy work is ongoing.
- SLC has commenced equipment procurement and is seeking the involvement of the Mozambique government to facilitate equipment importation and duty requirements.

- JV Corporate structure

- The Hong Kong joint venture company has been formed (Terraland Mining (HK) Alpha limited):
 - Board structure of Terraland is in place;
 - Board has met formally 3 times; and
 - MRG has 2 Board members, SLC has 2 Board Members.

- UAE JV company has not been formed:
 - Initial Dubai Free Zone chosen requires foreign company to have been in place for 12 months; and
 - JV is looking for alternative zone.
- Sofala transfer of companies into UAE entity:
 - Preliminary work completed;
 - Process understood by parties;
 - Work has been tendered to a number of in-country legal groups; and Work can't formally commence until UAE entity in place.
- The overall process of formalising the JV company structure will not be completed in the near term, but the JV continues to operate as though these structures are in place.

Mining Licence Application

- Sofala, on behalf of the JV has submitted revised mining licence applications with INAMI
 - Applications made for both Corridor Central and Corridor South Licenses
 - Engineering and financial information submitted using SLC revised Feasibility Study.
 - Revised Feasibility Study reflects a stage one target of 110,000 tonnes of concentrate production. (Approximately 1/6th the production output of MRG's 2022 Scoping Study)
 - Note stage 3 target of 440,000 tonnes of concentrate production is approximately 2/3 size of MRG 2022 Scoping Study).
 - Follow up meeting with INAMI planned in September
- The Mining Licence application is running in parallel with the Environmental Impact Assessment study (EIA) with the goal of getting into production as quickly as possible.

Environmental Impact Assessment (EIA)

- Detailed scoping has been completed including community engagement requirements.
- Tender process for contract assignment underway.
- Estimated timeframe of contract is 6-9 months
- Major contract item expected to be in excess of USD\$500,000.

MRG Chairman, Mr Andrew Van Der Zwan, said:

"The JV has been in operation for 3 months and SLC and MRG have progressed a significant amount of work. While the formal JVC structure is taking longer than planned both SLC and MRG are acting within the requirements of the JV Agreement.

JV Properties and Definitions

- Corridor Projects means Heavy Mineral Sands projects in Mozambique including Corridor Central (11142C), Corridor South (11137C), Corridor North (10779L), Linhuane (7423L) and Marao (6842L).
- “Initial Project” means the first of the Corridor Projects chosen by the JV for commencement of mining and production.

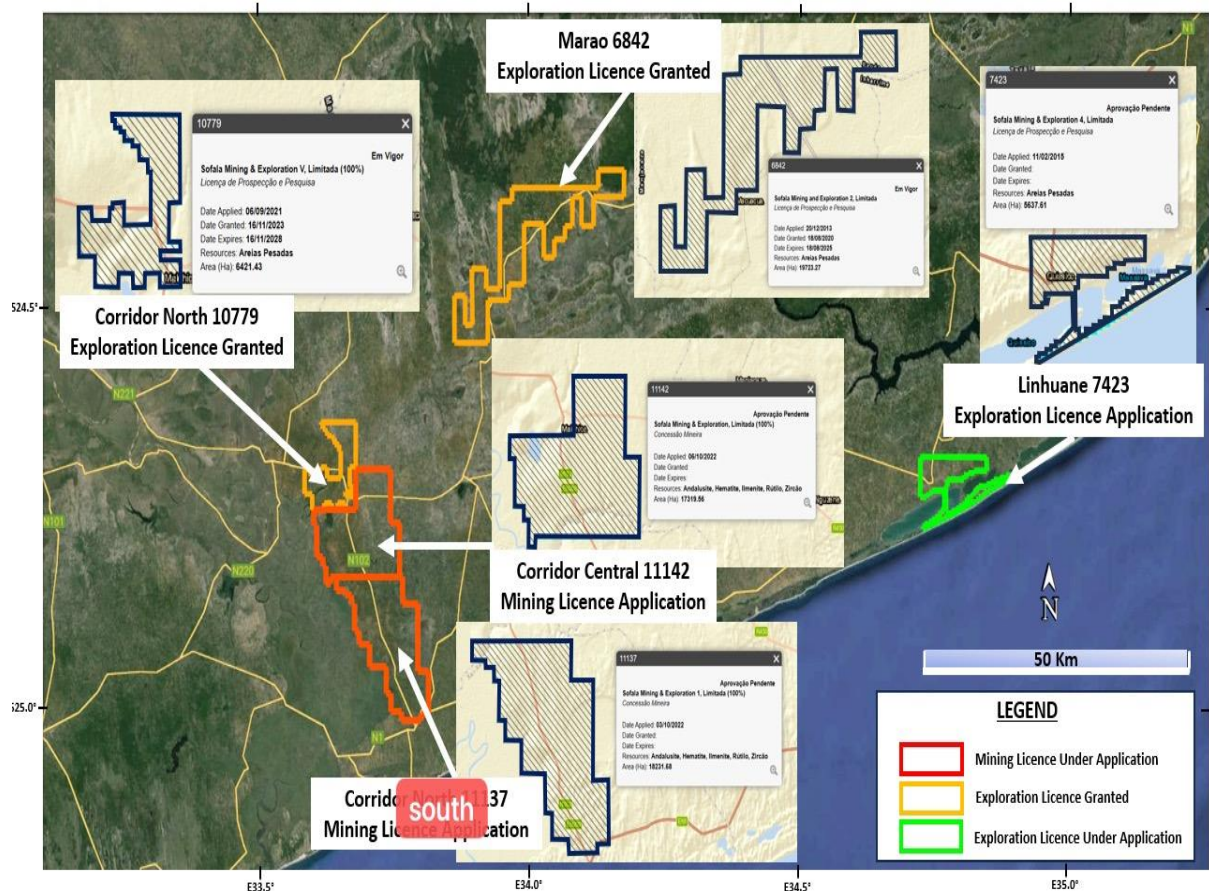


Figure 1: MRG's Heavy Mineral Sands Projects

Authorised by the Board of MRG Metals Ltd.

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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.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned exploration program and corporate activities. When used in this document, the words such as "could", "plan" "estimate", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results, events and outcomes achieved will be consistent with these forward looking statements.