

ASX ANNOUNCEMENT

21 October 2024

SEPTEMBER 2024 QUARTERLY ACTIVITY REPORT

KEY HIGHLIGHTS

MOZAMBIQUE

- JVA to develop Mozambique Corridor HMS projects has continued strongly, with site visits conducted by the SLC technical and management teams.
- REE exploration at Adriano 11002L continued with 46 stream sediment samples, inclusive of QC samples, delivered to ALS analytical laboratory in Johannesburg for multi-element analyses and results reported after quarter end.
- 5 panned Heavy Mineral Concentrates (HMC) from strategically located streams in the Adriano drainage system were delivered to Scientific Services laboratory in Cape Town, South Africa
 - HMC was cleaned via heavy liquid separation, magnetic separation specifically targeting monazite is taking place.
 - Mineralogical study of the HMC will follow.
 - Follow-up exploration will target areas with positive results from the initial stream sediment study.

ZIMBABWE

- Exploration continues on granted Mining Licences.
- Outcrop pulp samples and sieved soil samples, with a total of 550 samples inclusive of Quality Control (QC) samples, delivered to SGS analytical laboratory in Johannesburg, South Africa
- SGS to carry out multi element analyses, inclusive of phosphate and Rare Earth Elements (REEs) with results expected imminently.
- Positive analytical results confirming the previous high pXRF grades will result in trenching and drilling in the next exploration phase.

CORPORATE

- \$800,000 capital raising completed to provide working capital to fund Mozambique JVA to progress the HMS projects to decision to Mine and subsequent Mine Development, and to fund prioritised exploration across MRG's wider portfolio.

MRG Metals Limited (“**MRG**” or “**the Company**”) (ASX Code: MRQ) is pleased to provide its September 2024 Quarterly Activity Report.

During the quarter, the Company has continued implementing the Joint Venture Agreement (JVA) on its Mozambique Corridor HMS projects, whilst also progressing activities across its wider portfolio, as the Company seeks to advance its project pipeline and identify its next project success.

MOZAMBIQUE

JOINT VENTURE AGREEMENT SIGNED TO DEVELOP HMS PROJECTS

On 12 June 2024, MRG entered into a Binding Joint Venture Agreement (**JVA**) 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.

During the Quarter, MRG provided an update on the progression of the JVA which has continued strongly, with site visits conducted by the SLC 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 (Tailan Mining Limited) has now been formed (subsequent to Quarter end):

- Initial Dubai Free Zone chosen required foreign company to have been in place for 12 months;
 - JV has successfully found an alternative zone, and company formed; and
 - MRG has 1 Board member, SLC has 2 Board Members.
- Sofala transfer of companies into UAE entity:
 - Preliminary work completed;
 - Process understood by parties; and
 - Work has been tendered to a number of in-country legal groups; and work can't formally commence until UAE entity is 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's revised Feasibility Study;
 - Revised Feasibility Study reflects a stage 1 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; and
 - Follow up meetings with INAMI are taking place regularly.
- The Mining Licence applications are running in parallel with the Environmental Impact Assessment (EIA) study with the goal of getting into production as quickly as possible.

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.

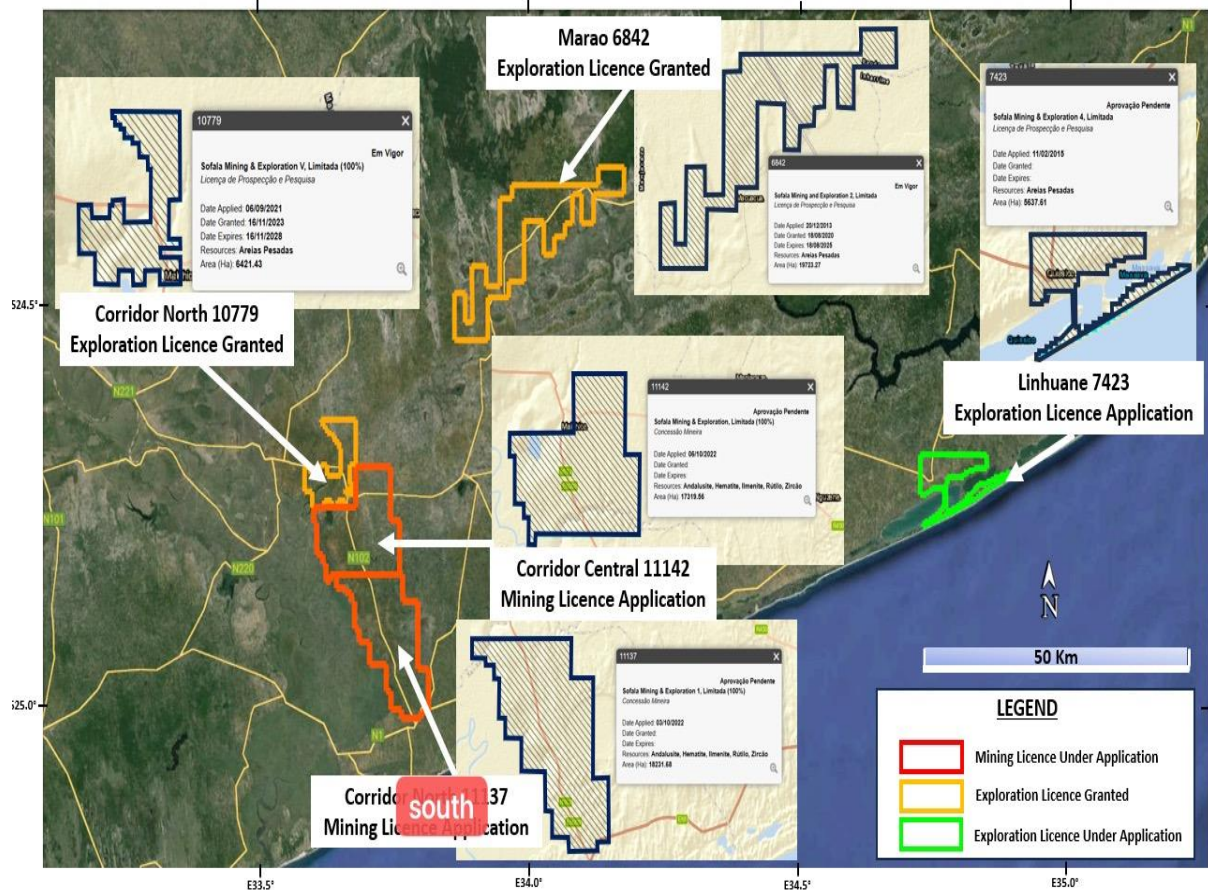


Figure 1: MRG's Heavy Mineral Sands Projects

ADRIANO REE EXPLORATION

During the quarter, MRG continued its exploration at the Company's Adriano 11002L, with 46 Stream sediment samples, inclusive of QC samples, being delivered to ALS analytical laboratory in Johannesburg for multi-element analyses.

Five panned Heavy Mineral Concentrates (**HMC**) taken from strategically located streams in the Adriano drainage system within the Adriano Exploration Licence were delivered to Scientific Services laboratory in Cape Town, South Africa.

The HMCs were cleaned via heavy liquid separation and magnetic separation specifically targeting monazite.. A mineralogical study of the HMC is underway.

MRG will carry out follow-up exploration targeting areas with positive results from the initial stream sediment study.

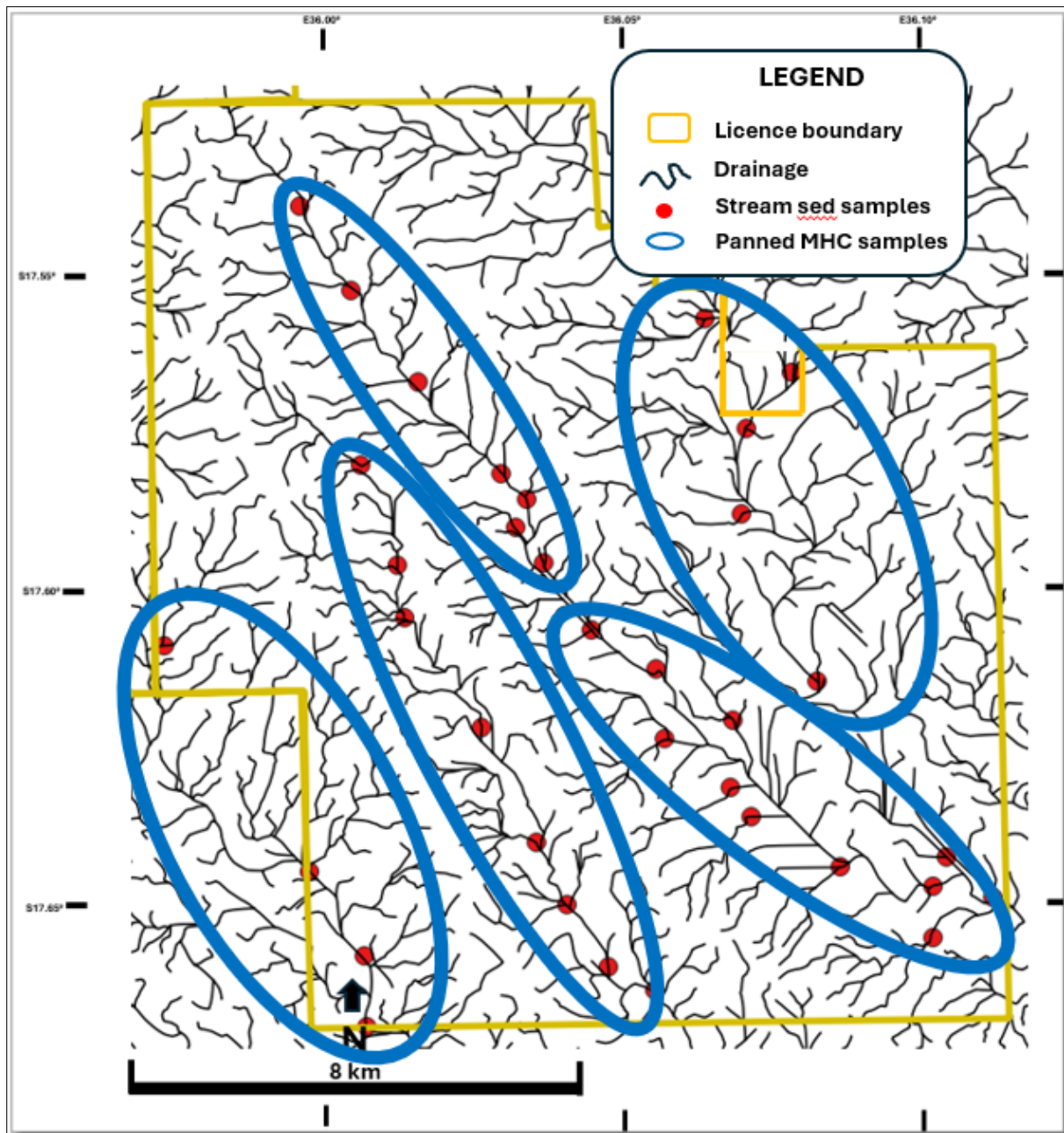


Figure 2: Map showing MRG's Adriano 11002L with the drainage pattern interpretation, the collected stream sedimentary samples, and the panned heavy mineral composite sample areas.

ZIMBABWE

SHAWA CARBONATITE COMPLEX

During the quarter and based on pXRF results (see ASX Announcement 25 June 2024) MRG delivered 179 outcrop pulp samples and 299 sieved soil samples, with a total of 550 samples inclusive of Quality Control (QC) samples, to SGS analytical laboratory in Johannesburg, South Africa.

SGS will carry out multi element analyses, inclusive of Rare Earth Elements (REEs) with results received post-quarter.

MRG has advised that positive analytical results confirming the high pXRF grades will lead to trenching and drilling in the next exploration phase.

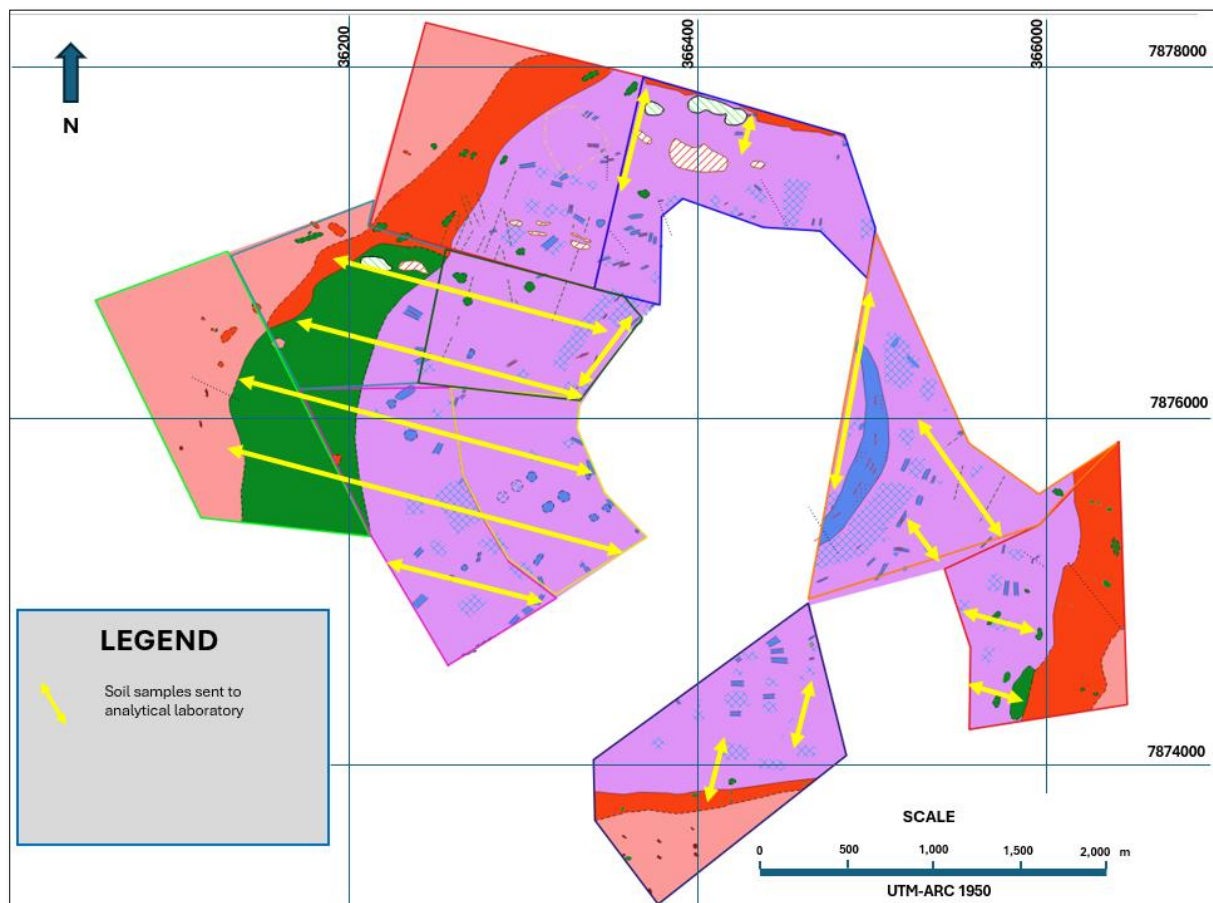


Figure 3: Map showing MRG's Wickbury mining claims at the Shawa carbonatite and the soil sampling lines sent to the analytical laboratory.

AUSTRALIA

No work was carried out at the Company's Australian Lithium assets this quarter.

CORPORATE

PLACEMENT OF \$800,000 TO ADVANCE BINDING HMS JV

MRG completed an \$800,000 capital raising, comprising a Placement of 177,777,776 fully paid ordinary shares at \$0.0045, with 1 for 1 free attaching MRQO options.

Funds raised through the Placement will be used for working capital to fund MRG working with its Joint Venture Partners to progress the HMS Projects to decision to Mine and subsequent Mine Development and selective and prioritised exploration across our Exploration portfolio.

Peak Asset Management was Lead Manager for the Placement, receiving a fee of 6% of monies raised and 10,000,000 MRQO Options.

ASX ADDITIONAL INFORMATION

The Company provides the following information pursuant to ASX Listing Rule requirements:

ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure spend during the quarter was \$197,240. Full details of exploration activity during the quarter are set out in this report.

ASX Listing Rule 5.3.2: The Company confirms that there was no mine production and development activities during the quarter.

ASX Listing Rule 5.3.5: Payment to related parties of the Company during the quarter was \$105,625 in cash. Payments to each Director for director and consulting fees and superannuation were \$27,875. Payment to Director Shane Turner for Accounting services was \$22,000.

TENEMENTS

The Tenements held by the Company at 30 September 2024 are as follows:

Project	Tenement	% Owned	Note
Norrliden	K nr 1	10	
Malanaset	nr 100	10	
Malanaset	nr 101	10	
Corridor Central	11142C	100	Mining Concession Application
Corridor South	11137C	100	Mining Concession Application
Corridor North	10779L	100	
Linhuane	7423L	100	Application
Marao	6842L	100	
Adriano	11002L	100	
Fotinho	11000L	100	Application
Olinga	11005L	100	
Lake Johnston	E63/2394	100	Application
Lake Johnston	E63/2446	100	Application
Forrestania	E77/3164	100	Application

Authorised by the Board of MRG Metals Ltd.

For more Information please contact:

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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.

Competent Persons' Statement

The information in this report, relating to Mozambique and Zimbabwe 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.

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 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(50)	(50)
	(b) development		
	(c) production		
	(d) staff costs	(58)	(58)
	(e) administration and corporate costs	(164)	(164)
1.3	Dividends received (see note 3)		
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (Management Fees)	66	66
1.8	Other (Reimbursement of Expenses)	31	31
1.9	Net cash from / (used in) operating activities	(173)	(173)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation	(147)	(147)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$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 (Reimbursement of Exploration)	80	80
2.6	Net cash from / (used in) investing activities	(67)	(67)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	801	801
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(15)	(15)
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 (Funds on Trust)		
3.10	Net cash from / (used in) financing activities	786	786

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	360	360
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(173)	(173)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(67)	(67)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	786	786

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	906	906

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	158	48
5.2	Call deposits	748	312
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	906	360

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	25
<i>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.</i>		

Director Fees, Secretarial Fees, Consulting Fees, & Accounting Fees.

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

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	NIL	NIL
7.5	Unused financing facilities available at quarter end		
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	173
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	147
8.3	Total relevant outgoings (item 8.1 + item 8.2)	320
8.4	Cash and cash equivalents at quarter end (item 4.6)	906
8.5	Unused finance facilities available at quarter end (item 7.5)	0
8.6	Total available funding (item 8.4 + item 8.5)	906
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.83
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	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?	
	N/A	
8.8.2	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?	
	N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

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: 21 OCTOBER 2024

Authorised by: THE BOARD OF MRG METALS LTD
(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.