



ASX ANNOUNCEMENT



MetalsGrove
MINING LIMITED

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52,710,000

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DRILLING COMMENCED AT EDWARDS CREEK COPPER-GOLD AND BOX HOLE ZINC-LEAD PROSPECT-NT

Highlights:

- RC drilling underway to test high priority targets at the Box Hole Zinc-Lead and Edwards Creek Copper-Gold Prospect within the Arunta Project.
- Drilling will focus on refined targets generated by Intrepid Geophysics.

Box Hole

- Historical drilling returned best intersection of 13m @ 2.7% Zn, 0.7% Pb from 17m incl: 5m @ 2.3% Zn, 1.4% Pb and 5m @ 4.3% Zn, 0.2% Pb from 25m incl: 1m @ 14.7% Zn, 0.3% Pb from 25m.
- Kings Working deposit historically mined 15t of galena with an average grade of 66% Pb, 58.50 g/t Ag and 0.43% Bi.
- 7km long strike known outcrop with mineralisation and open all direction.
- MetalsGrove's Zn-Pb Exploration Target at the Box Hole Prospect is between 50 to 80 million tonnes at a grade ranging between 3.0% Zn-Pb to 4.0% Zn-Pb*.

Edwards Creek

- Historical drilling returned high-grade mineralisation including: 4.5m @ 2.25% Cu, 0.11% Pb, 1.54% Zn, 0.14 g/t Au from 47m and 18.6m @ 0.22% Cu, 0.17% Pb, 0.49% Zn, 0.14 g/t Au from 44.3m.
- Recently discovered malachite-stained ironstone unit returned a maximum value of 0.81% Cu.

Critical metals exploration and development company **MetalsGrove Mining Limited** (ASX: **MGA**), ("**MetalsGrove**" "**MGA**" or the "**Company**"), is pleased to announce it has commenced its maiden drill programme at the Box Hole Zinc-Lead and Edwards Creek Copper-Gold Prospect in the Northern Territory.

The 2,400m RC programme will test several high priority targets including stratabound mineralisation. Intrepid Geophysics has processed and overlaid significant historical geochemistry, electromagnetic and radiometric data sets to assist with identifying and refining new priority drill targets for this campaign.

The maiden drilling programme at Box Hole and Edwards Creek is expected to take approximately three weeks to complete with first assays to be reported within 4-6 weeks of completion.

Commenting on the next phase of drilling at Arunta, Managing Director Sean Sivasamy said: "We are very pleased to have this next phase of drilling underway within our Arunta Project. Given the recent completion of RC drilling at our highly prospective Bruce REE Prospect, we have utilised the availability of the drill rig to carry out this next phase of work at Edwards Creek and Box Hole.

Our Arunta Project is a highly prospective asset located in a prime exploration jurisdiction and we are committed to unlocking its value through continued systematic exploration over the coming months.

Box Hole and Edwards Creek are excellent prospects, with significant discovery potential as demonstrated by historical exploration data and recent reconnaissance work completed by MGA."

* The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.



Figure 1: Maiden RC Drill Rig Underway at the Edwards Creek Prospect.

Box Hole Zinc-Lead Prospect

The Box Hole zinc-lead, REE prospect comprises a single granted mineral exploration licence (EL32419), located approximated 340 km northeast of Alice Springs, NT. The tenement covers an area of approximately 12,765 ha.

The Project lies within the Upper Cambrian Arrinthrunga Formation of the Georgina Basin. The Palaeozoic successions of the Georgina Basin are prospective for base metal deposits, including Mississippi Valley Type (MVT), stratiform sediment-hosted and sandstone-hosted. The potential for REE has yet to be assessed. MetalsGrove are currently exploring new targets for MVT mineralisation at Box Hole, as well as the potential for Box Hole to host REE mineralisation.

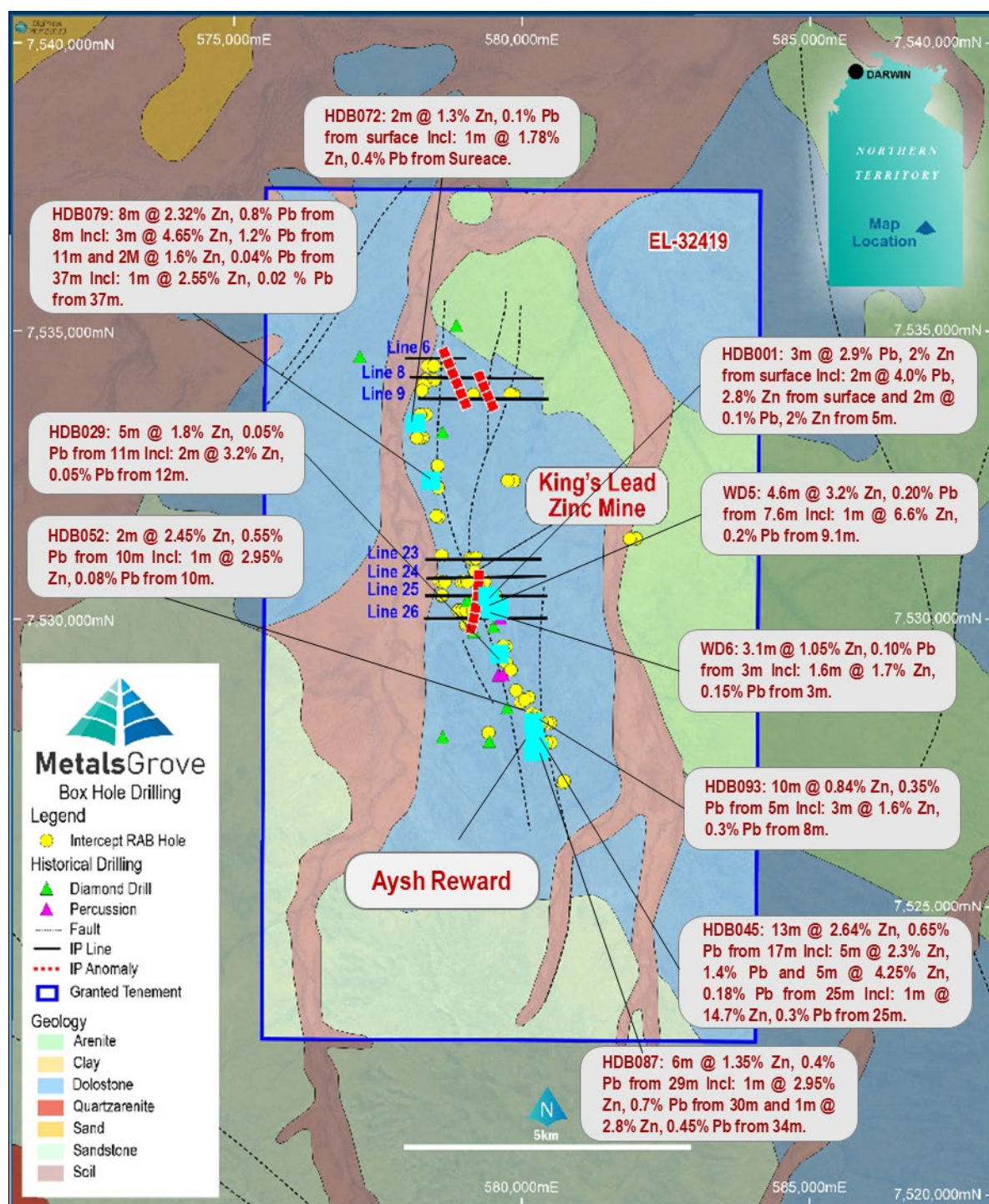


Figure 2: Box Hole Historical Drilling Best Assay Intercepts Location Plan.

Recent geophysical interpretations of VTEM data have identified several new areas of interest and MVT targets. The proposed drill program is designed to test a deep chargeability anomalies and gravity anomalies in the central and northeast areas of the tenement. The program will also evaluate the potential of the Project to host REE mineralisation. Historical biogeochemistry samples collected at the Project indicate anomalous REE levels, with REE values of up to 26.66 ppm TREO.

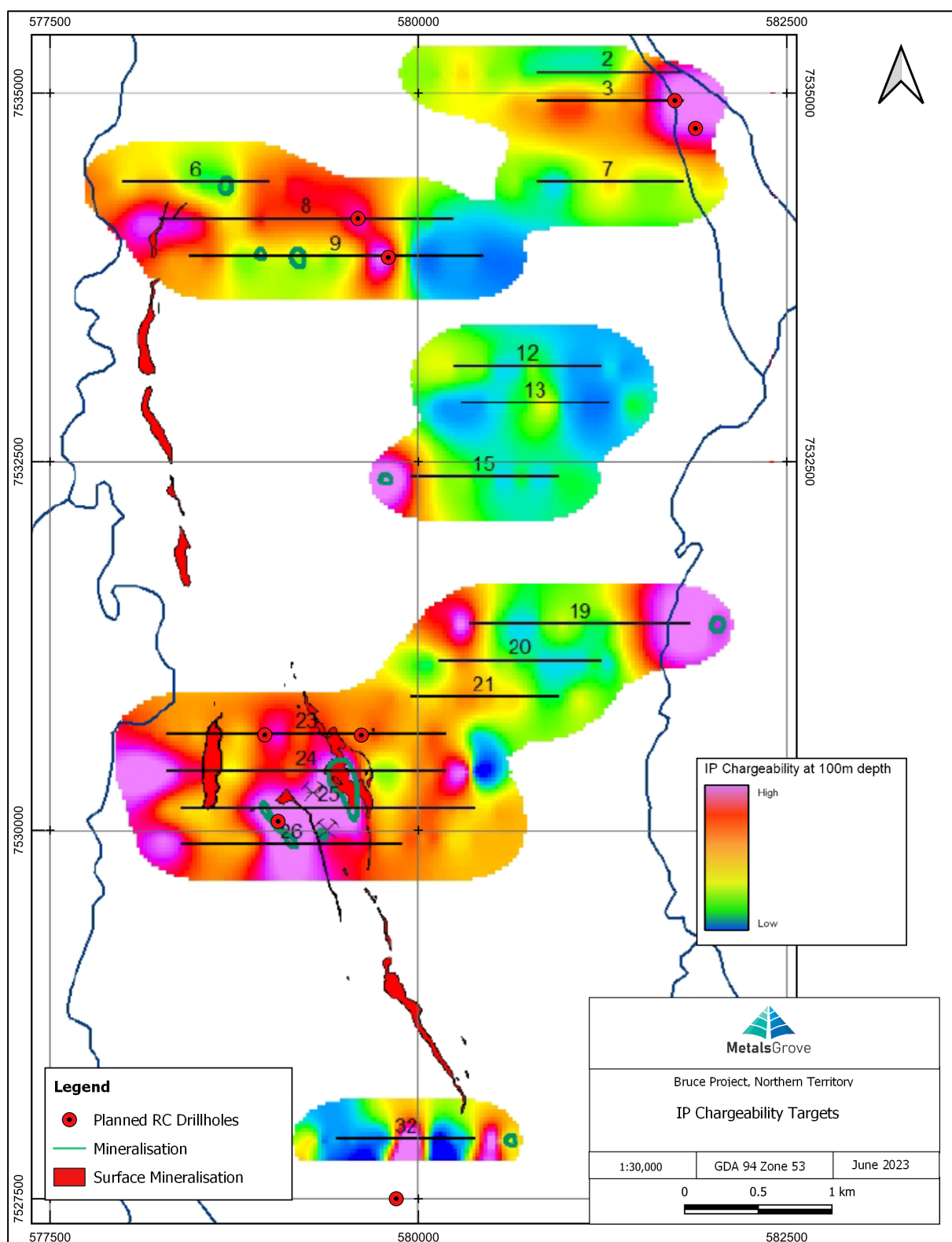


Figure 3: Box Hole IP Chargeability Exploration Target Location Plan.

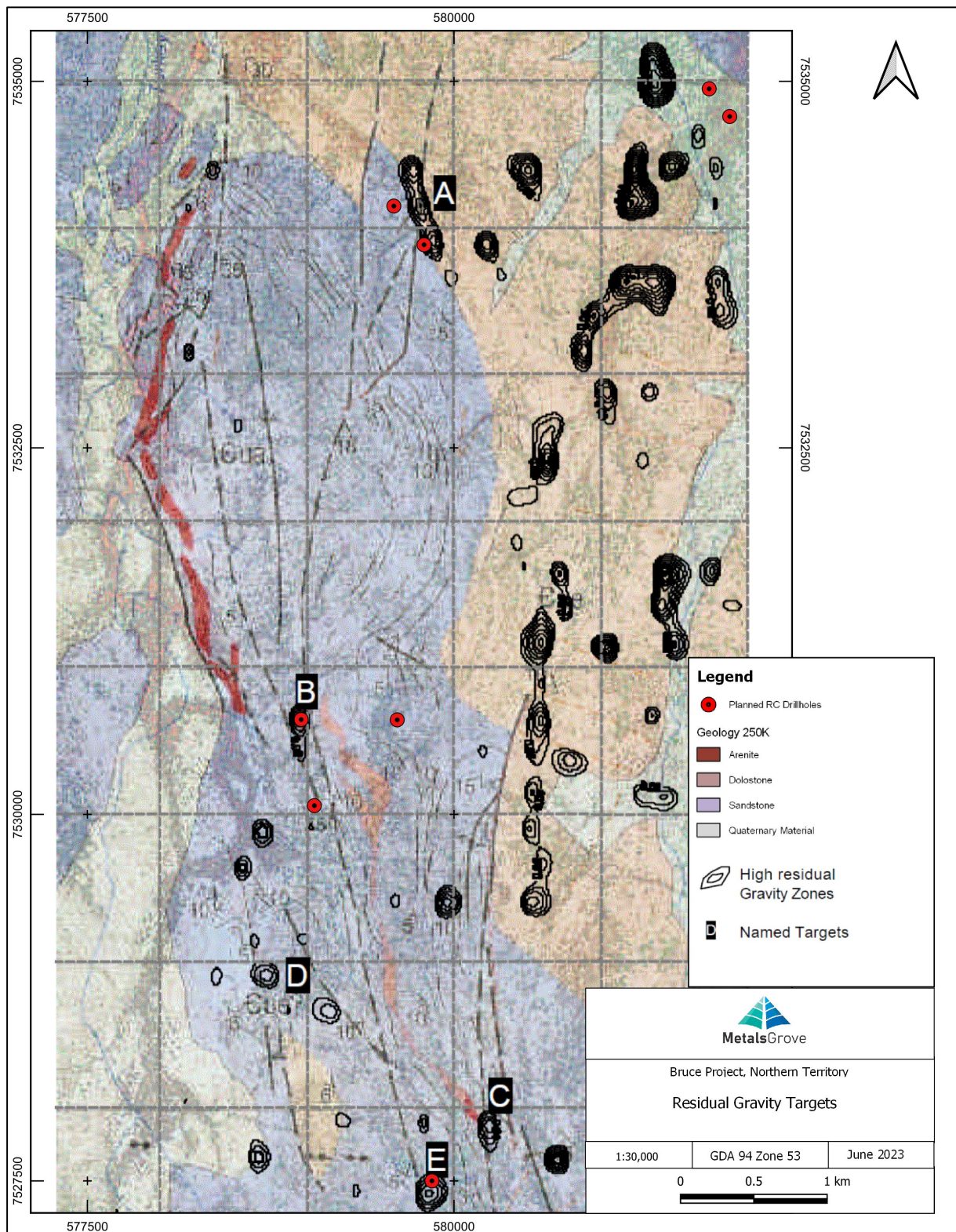


Figure 4: Box Hole Residual Gravity Exploration Target Location Plan.

Box Hole Exploration Target

MetalsGrove Exploration Target at the Box Hole Prospect is between 50 to 80 million tonnes at a grade ranging between 2.5% Zn-Pb to 3.5% Zn-Pb. The Exploration Target is at a shallow depth, and over 7kms of prospective strike (completely open) has been defined within the prospect. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target, being conceptual in nature, takes no account of geological complexity, possible mining method or metallurgical recovery factors. The Exploration Target has been estimated in order to provide an assessment of the potential for large-scale Zn-Pb deposits within the prospect area.

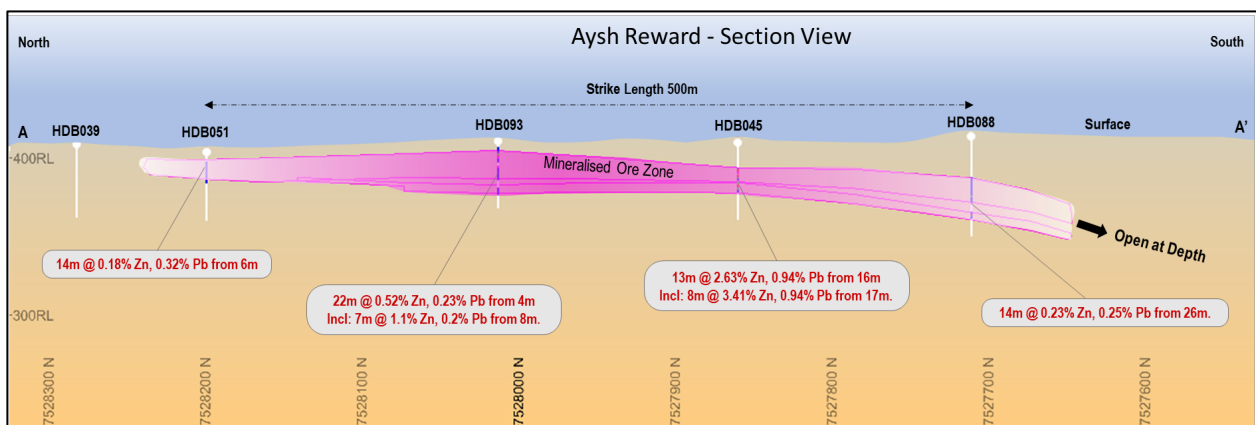


Figure 5: Box Hole Highlighting Potential Higher-Grade Zone and Exploration Drilling Target.

The Exploration Target is based on the current geological understanding of the mineralisation geometry, continuity of mineralisation and regional geology. This understanding is provided by significant drill hole database, regional mapping, geophysical data coupled with understanding of the host stratigraphic sequence. Included in the data on which this Exploration Target has been prepared based on historical drilling at Box Hole. Historically a total of 5,691 metres were drilled at Box Hole including 1,173 meters of diamond drilling, 4,155 metres of RAB drilling and 363 meters of RC drilling. Some of the considerations in respect of the estimation of the Exploration Target include:

- Drilling results have demonstrated strong continuity of shallow, flat lying mineralisation.
- Over 7km's of prospective strike and open in all directions.
- Minimum 250m of width (based on shallow 5° and shallow depth to 100 metres, based on drilling results).
- True width of mineralisation up to 13 metres received in drilling results.
- Specific gravity (SG) of 2.5 (world average SG of sandstone – not accounting for metal).

Grade ranges have been either estimated or assigned from lower and upper grades of mineralisation received in drilling results. A classification is not applicable for an Exploration Target.

Edwards Creek Copper-Gold Prospect

The Edwards Creek Project (EL32420) is located ~75km north-northeast of Alice Springs and covering an area of ~380 square kilometres in the highly prospective Arunta Region in the Northern Territory.

The Edwards Creek Prospect is centred on a 'siliceous gossan' that forms a prominent brown ferruginous ridge. Green malachite staining prompted the acquisition of exploration licences over the prospect in the 1970s. In 1980, CRAE identified an electromagnetic (EM) conductor associated with the siliceous gossan and drilled two diamond drill holes (DD80EC01 and DD81EC02) intersecting stratabound base metal mineralisation. Historic results include: DD80EC1: 4.5m @ 2.25% Cu, 0.11% Pb, 1.54% Zn, 0.14 g/t Au from 47m, DD81EC2: 18.6m @ 0.22% Cu, 0.17% Pb, 0.49% Zn, 0.14 g/t Au from 44.3m.

Territory Exploration Pty Ltd acquired new EM data over Edwards Creek in 2017 and identified a strong EM conductor that was interpreted to be caused by sulphide mineralisation at depth. Two RC holes were drilled to test the conductor intersecting relatively weak zones of copper mineralisation.

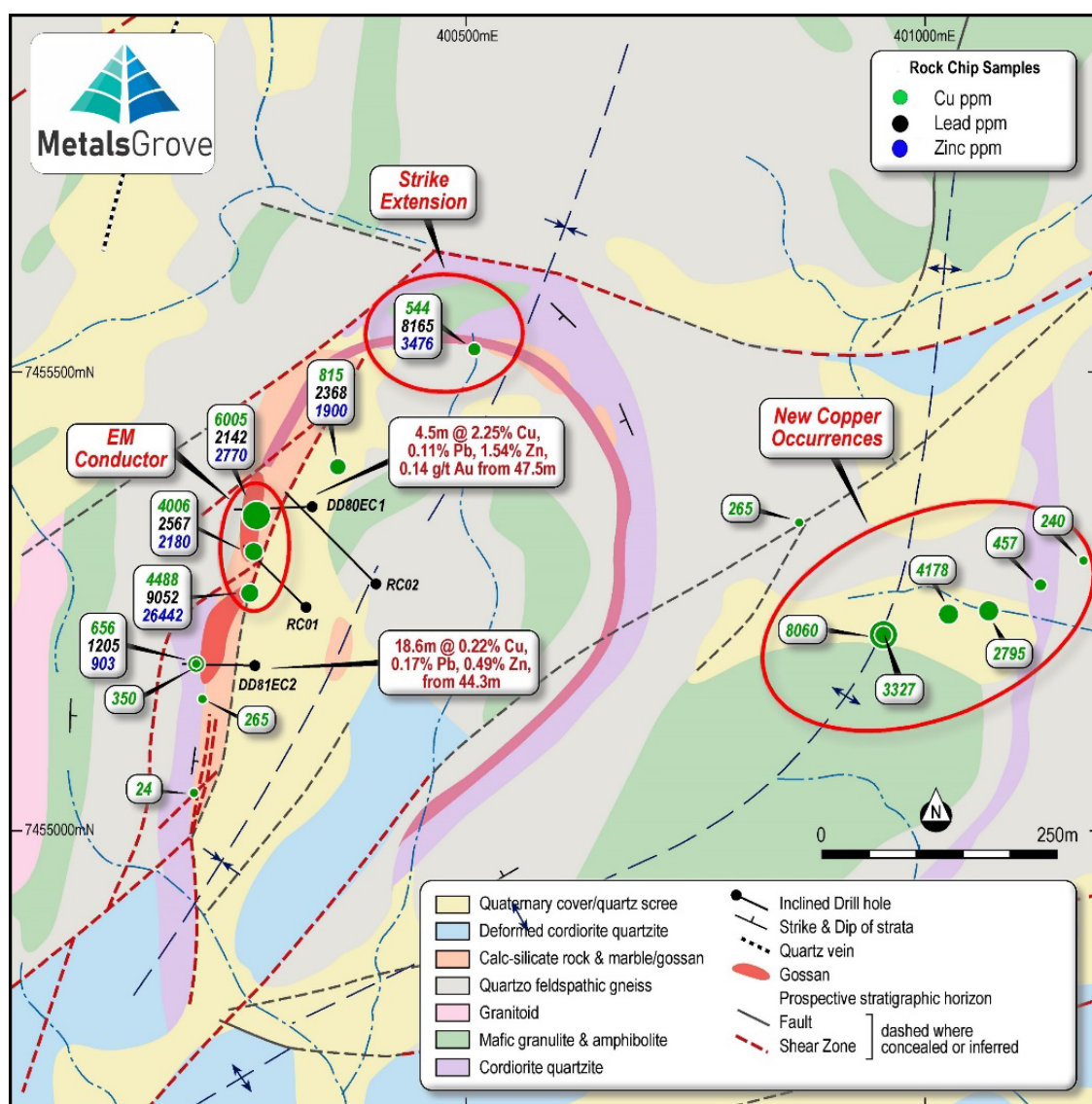


Figure 6: Edwards Creek Historical Drilling and Targets Location Plan

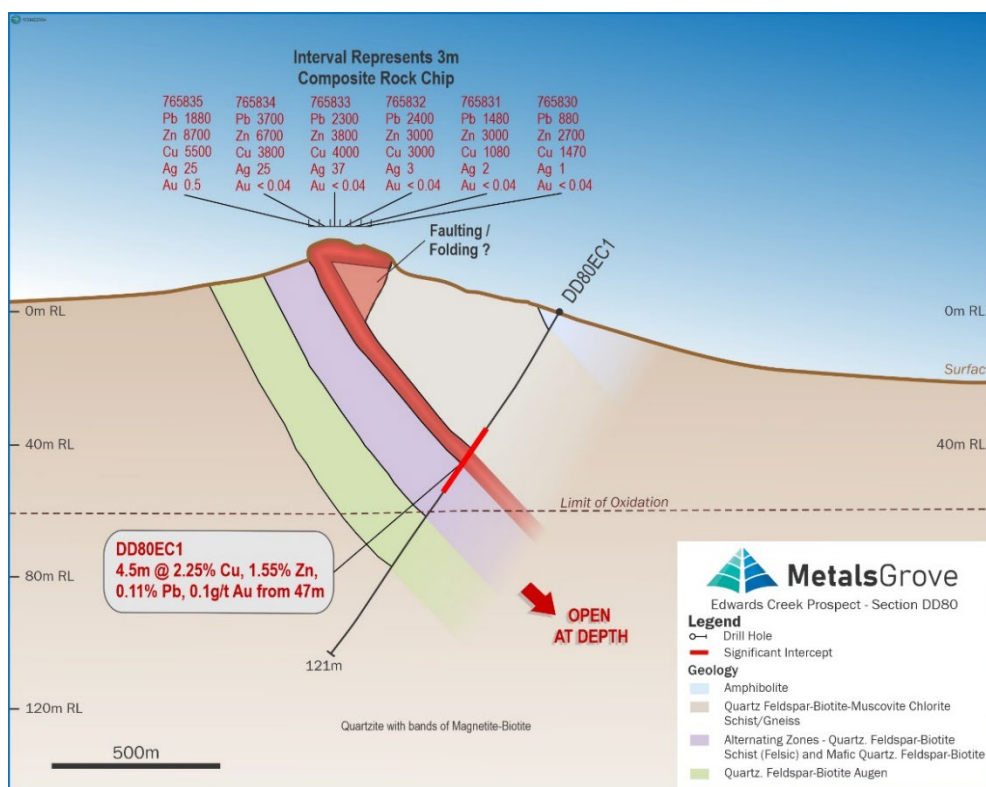


Figure 7: Historical Diamond Drill Hole DD80EC01 intersected 4.5m @ 2.25% Cu, 0.11% Pb, 1.54% Zn, 0.14 g/t Au from 47m.

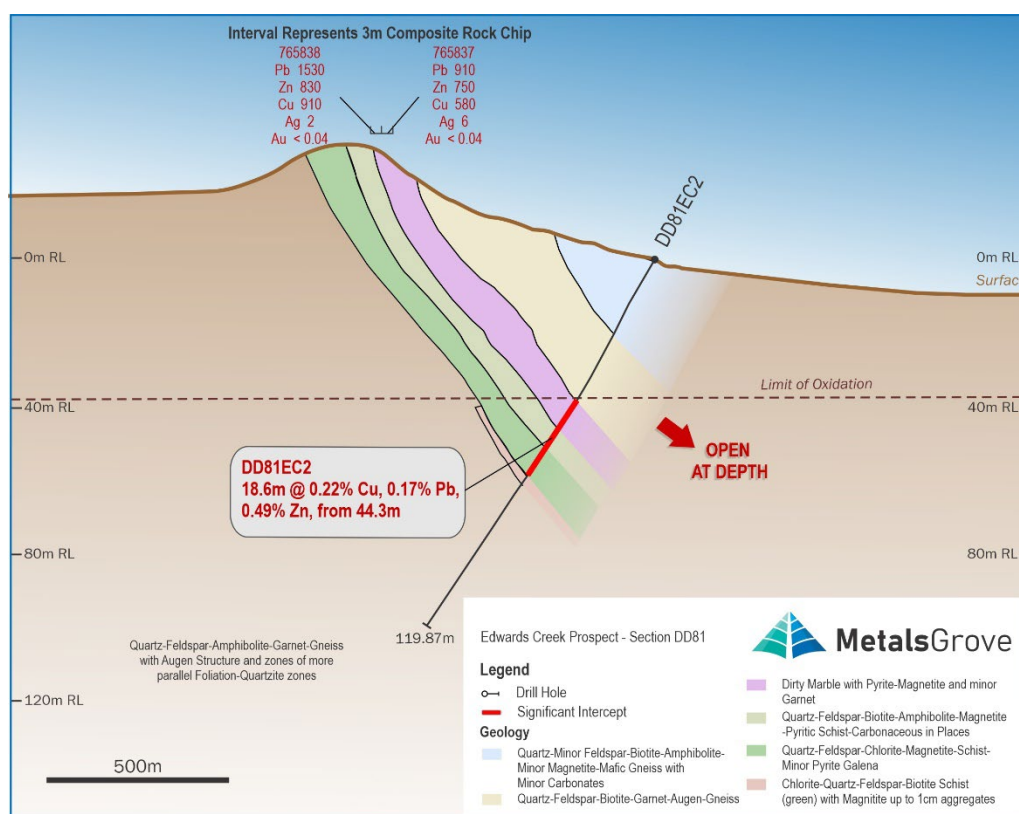


Figure 8: Historical Diamond Drill Hole DD81EC02 intersected 18.6m @ 0.22% Cu, 0.17% Pb, 0.49% Zn, 0.14 g/t Au from 44.3m.

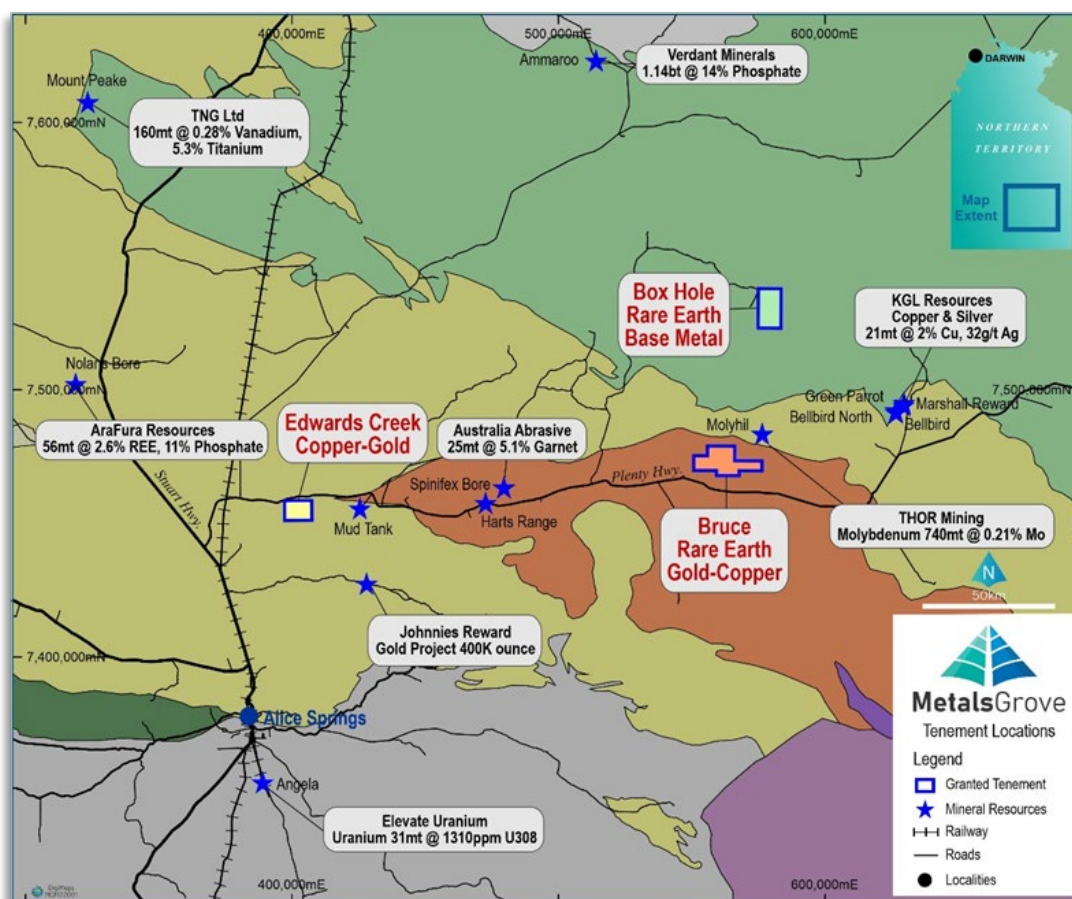


Figure 9: Arunta Project Location Map.

About MetalsGrove

MetalsGrove Mining Limited (ASX: MGA) is an Australian based exploration and development company, focused on the exploration and development of its portfolio of high quality lithium, rare earth, copper-gold, manganese and base metal projects in Western Australia and the Northern Territory.

MGA is committed to green metal exploration and development to meet the growing demand from the battery storage and renewable energy markets in the transition to a de-carbonised world.

Competent Person Statement – Exploration Strategy

The information in this announcement that relates to exploration strategy has been developed by Sean Sivasamy. All assay results have been compiled by Mr Sivasamy who is a member of Australasian Institute of Mining and Metallurgy. Mr Sivasamy is Managing Director and CEO of MetalsGrove Mining Limited.

Mr Sivasamy has sufficient experience which is relevant to the style of mineralisation and exploration processes as reported herein 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 Sivasamy consents to the inclusion in this announcement of the information contained herein, in the form and context in which it appears.

Forward looking statements

This announcement may contain certain “forward looking statements” which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis.

However, forward looking statements are subject to risks, uncertainties, assumptions, and other factors which could cause actual results to differ materially from future results expressed, projected or implied by such forward looking statements. Such risks include, but are not limited to exploration risk, mineral resource risk, metal price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which we sell our product to, and government regulation and judicial outcomes.

For more detailed discussion of such risks and other factors, see the Company's Prospectus, as well as the Company's other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any “forward looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Authorised for release by the MetalsGrove Mining Limited Board of Directors.

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