

MGA ACQUIRES HIGH GRADE LITHIUM ASSETS IN ZIMBABWE

Highlights:

- **MGA enters into a strategic agreement to acquire six new lithium claims in Zimbabwe.**
- **Recent rock chip samples at the Arcturas Project have returned grades up to 2.5*% Li₂O and at the Beatrice Project 2.1*% Li₂O from the surface outcrops.**
- **Claims are located close to the world-class Arcadia Minerals lithium-producing mine in Zimbabwe. The Arcadia mine is one of the world's largest lithium mines producing 450,000 t/yr of lithium concentrates**.**
- **The Arcadia Minerals lithium mine was purchased by Zhejiang Huayou Cobalt in 2022 for USD\$422M**.**
- **Five claims are within the well-known Goromonzi lithium belt with the sixth claim located in the Beatrice lithium belt.**
- **The Arcturas Lithium Project lies approximately 35km east of Harare while the Beatrice Lithium Project is located approximately 55km south of Harare.**
- **The lithium minerals consist of spodumene and lepidolite-bearing pegmatites and are populated by several artisanal workings and pegmatite surface outcrops.**
- **The pegmatites are exposed at the surface and close to the surface, some of the pegmatites are flat lying.**
- **MGA's technical team is finalising plans for an initial exploration campaign which is due to commence Q1 2024.**

Critical metals exploration and development company MetalsGrove Mining Limited (ASX: MGA), ("MetalsGrove" "MGA" or the "Company"), is pleased to advise that it has entered into strategic agreements to acquire six, contiguous and highly prospective lithium-tin-tantalum claims in Zimbabwe ("the Projects").

The Company's wholly owned subsidiary MetalsGrove Global (Private) Limited ("MGG") has executed agreements with two local Zimbabwe entities ("local entities") as follows:

- *La Rich Resources Pty Ltd: Arcturas Lithium Project*
- *CN Mining Syndicate: Beatrice Lithium Project*

The total cash consideration for the assets is USD\$60,000 payable to the local entities upon transfer of the property to MGG.

Each of the local entities will retain a 5% free carried interest in the respective Projects until a decision to mine is reached. Further details are provided in the below transaction summary.

* Some numbers are rounded to the closest numbers.

**Mining Weekly, 14th JULY 2023.



MetalsGrove
MINING LIMITED

Date

11 December 2023

ASX Code

MGA

Shares on Issue

52,710,000

Company Directors

Mr Sean Sivasamy
Managing Director and CEO

Mr Richard Beazley
Non-Executive Chairperson

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Commenting on the acquisition of these new assets in Zimbabwe, MetalsGrove's Managing Director, Sean Sivasamy said: "MetalsGrove is very excited to be acquiring these advanced lithium assets which provide the Company with prime exposure to the proven lithium producing district in Zimbabwe.

Importantly, the upfront acquisition terms are modest, allowing the Company to set about rapidly advancing these projects through a targeted exploration campaign early next year. Further highlighting the near-term development potential of these projects, we will be located nearby to accessible high-quality infrastructure and a large-scale lithium processing facility.

The Board considers this a transformational opportunity for MGA supported by a strong lithium market, and we look forward to advancing these assets as quickly as possible over the coming months."

Lithium Asset Summary - Zimbabwe

The Arcturas Lithium Project (ALP) is situated 35km northeast of Harare and the Beatrice Lithium Project (BLP) is located 55km south of Harare in Zimbabwe, including six new lithium claims 510ha (Figure 1). The ALP is close to the Arcadia Lithium Mine and Arcturas Gold Mine. The region is the most well-known pegmatite zone that is mineralised in **spodumene, lepidolite, beryllium, tantalum and caesium**¹.

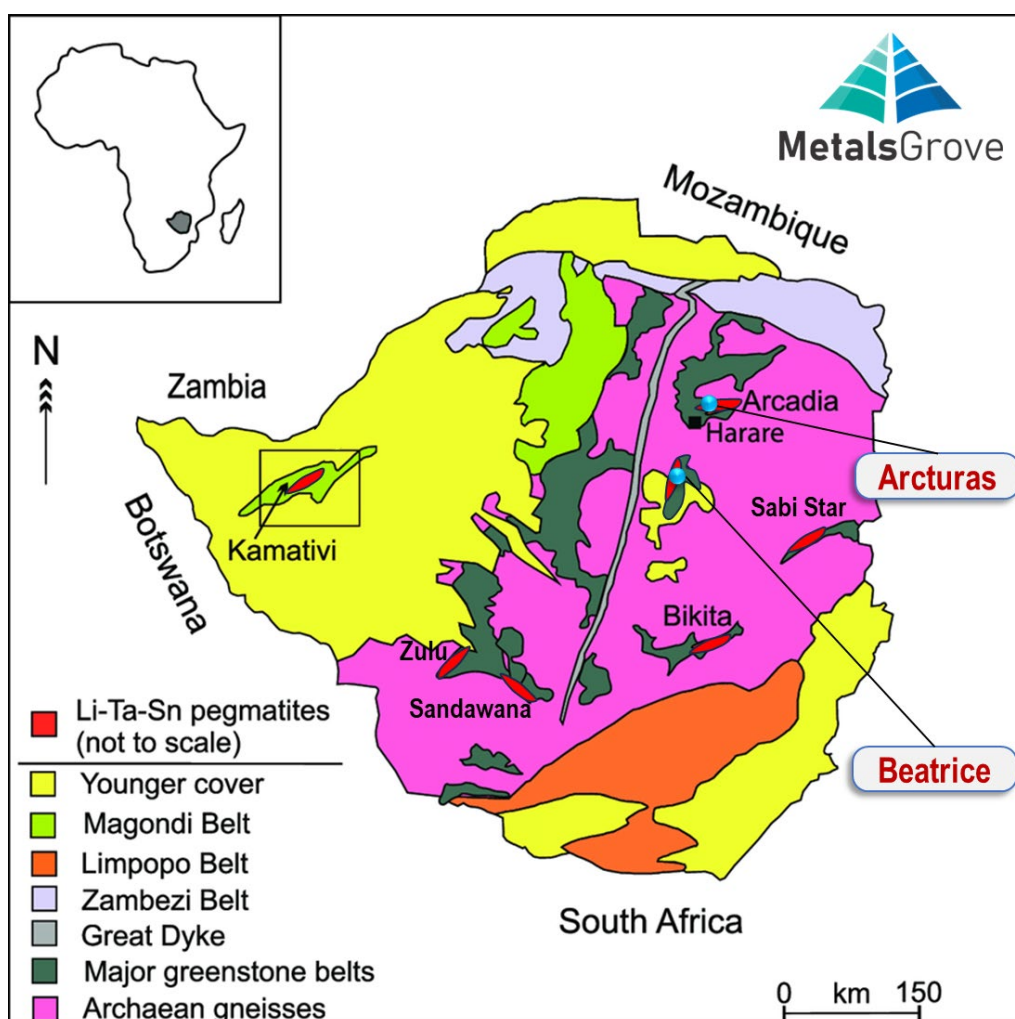


Figure 1: Project Location (Arcturas and Beatrice Projects)

¹ Refer to Prospect Resources Limited's (ASX: PSC) ASX announcement "Acquisition of option over very high grade Arcadia Lithium Deposit" dated 12 May 2016.

Arcturas Lithium Project Background

An extensive exploration and mining review was carried out within the project area. Based on the Company's review of existing publicly available information (including historic exploration, trenching and production history), MGA believes that there may be potential for an open cut mine to be established, subject to positive exploration results.

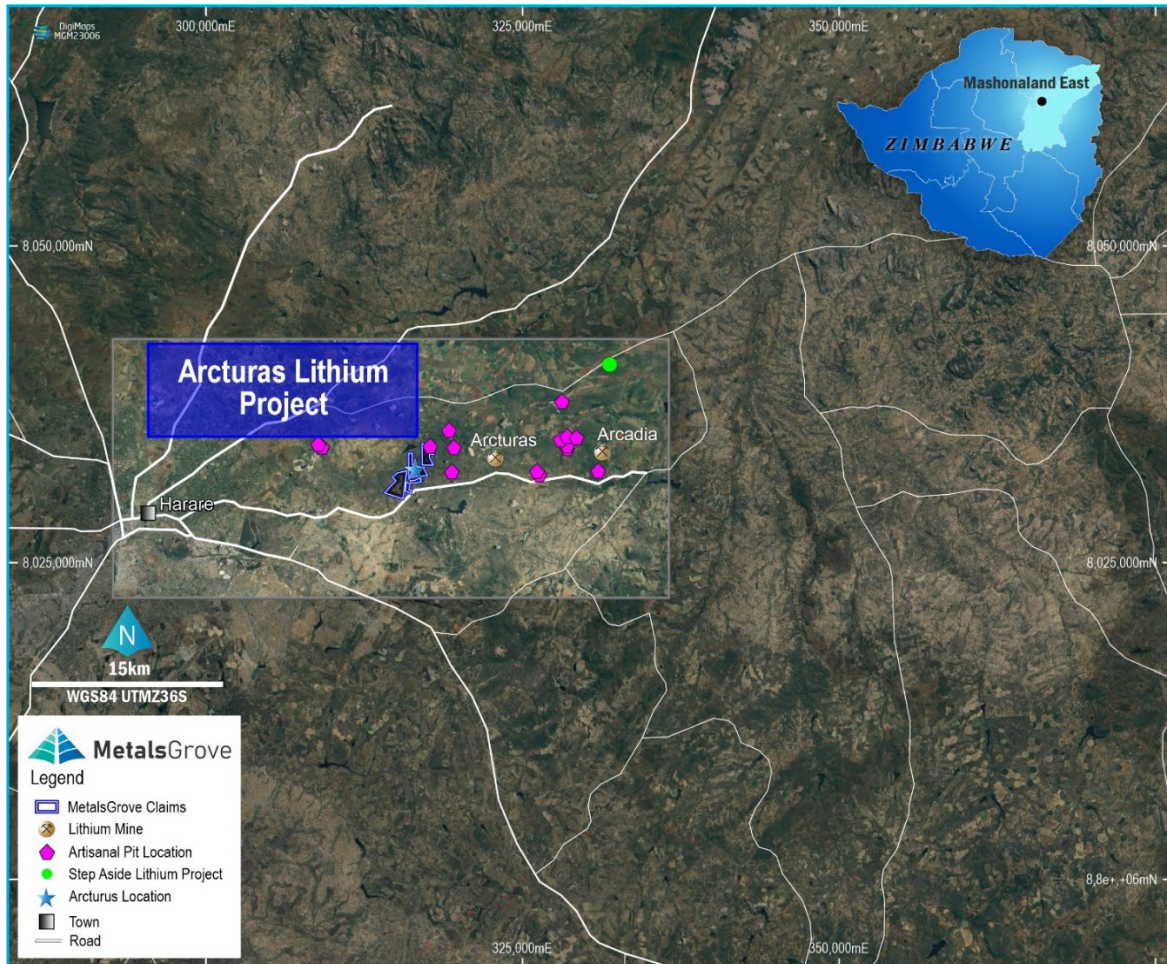


Figure 2: Location of Arcturas Lithium Prospect

Recent rock chip sample assay results for **Arcturas returned up to 2.5% Li₂O**. These samples are from a surface outcrop of the pegmatite (Table 1).

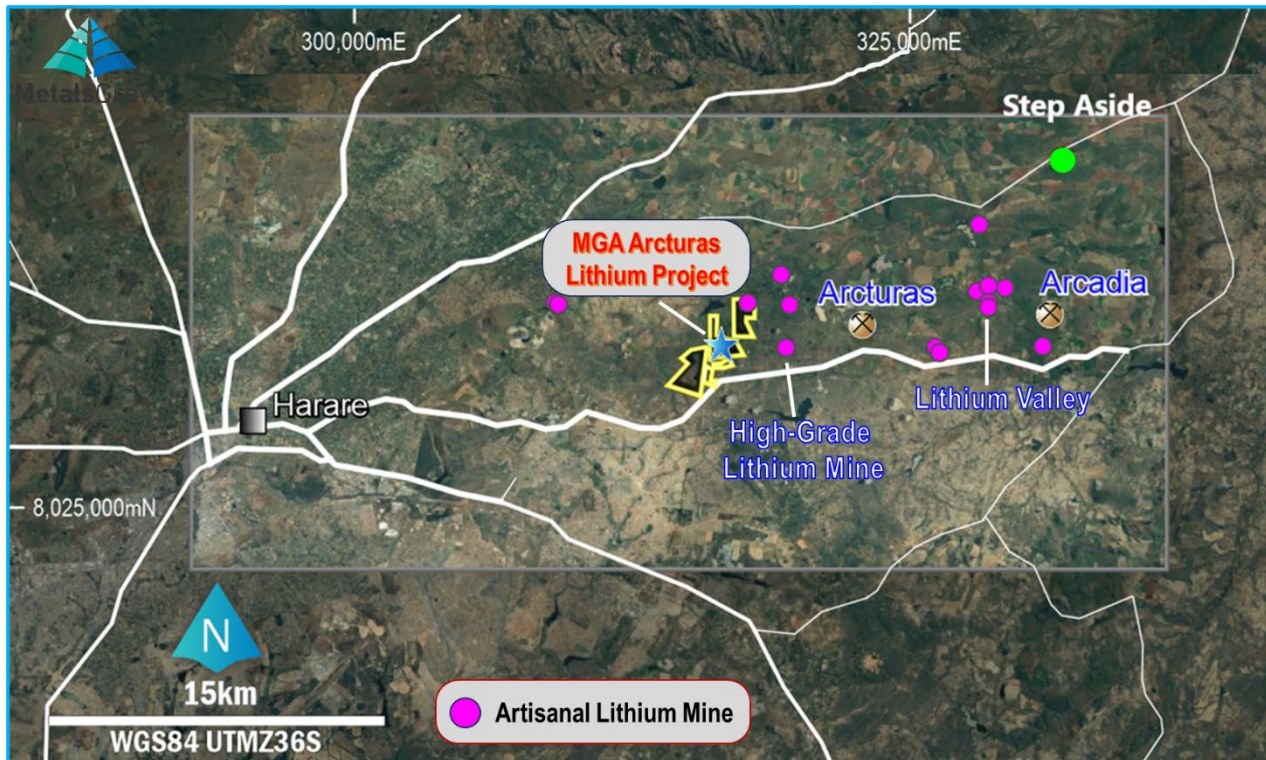


Figure 3: Historical Mining and Artisanal Lithium Working Around Arcturas Lithium Project.

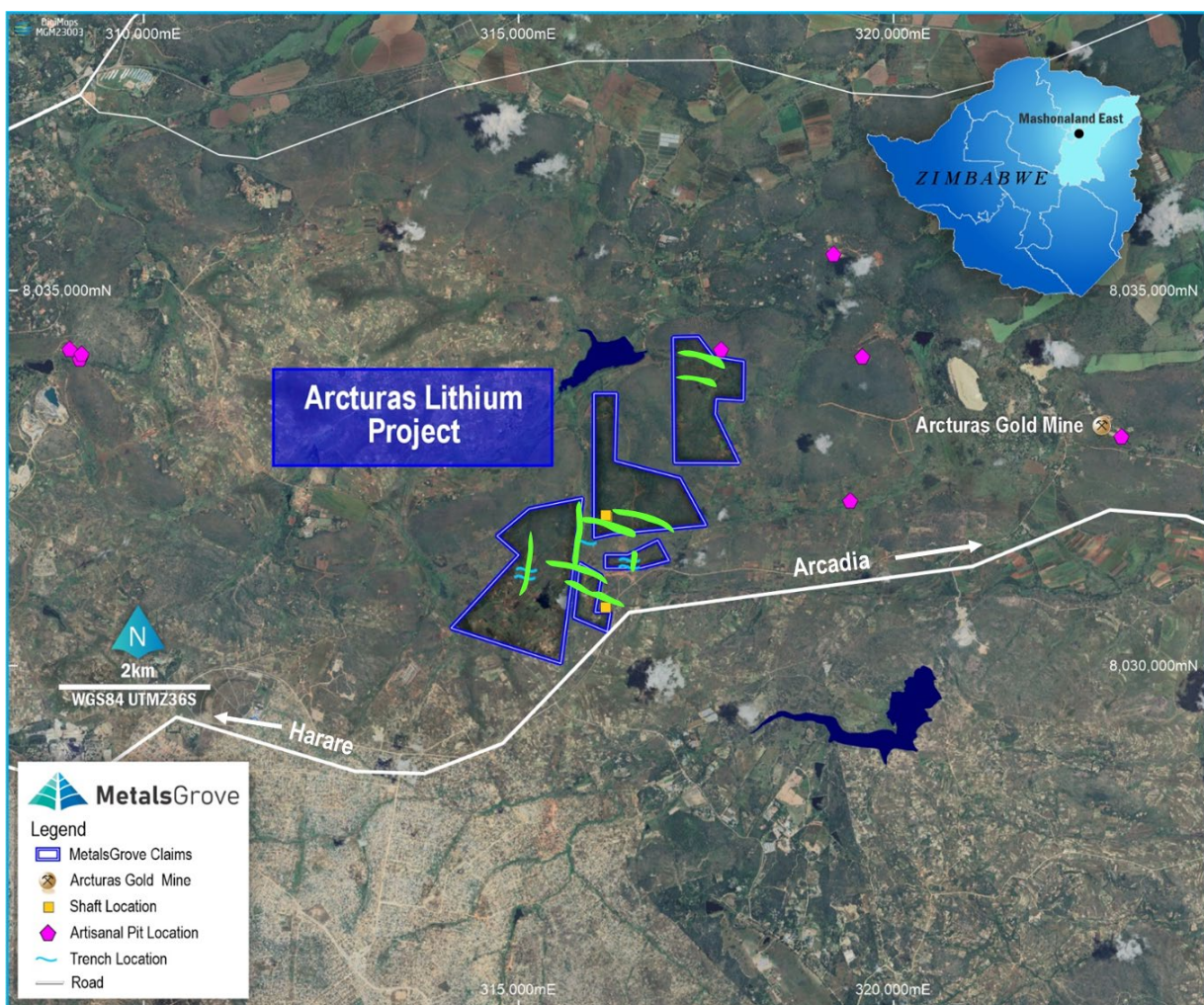


Figure 4: Historical Exploration and Mining Activities at Arcturas Lithium Project.

The Arcturas lithium deposit has been the subject of historic exploration and production activities (Figure 3 and 4). At this stage, the Company has not undertaken a detailed exploration programme.

The Arcturas pegmatites could be developed independently, depending on the results of exploration and mineral resource delineation. The project contains a significant number of pegmatite outcrops that extend up to 1.0km on strike with 3 to 10m thick flat laying beds of mineralised pegmatite and are host to artisanal mine workings for lithium (Figure 5 and 6).

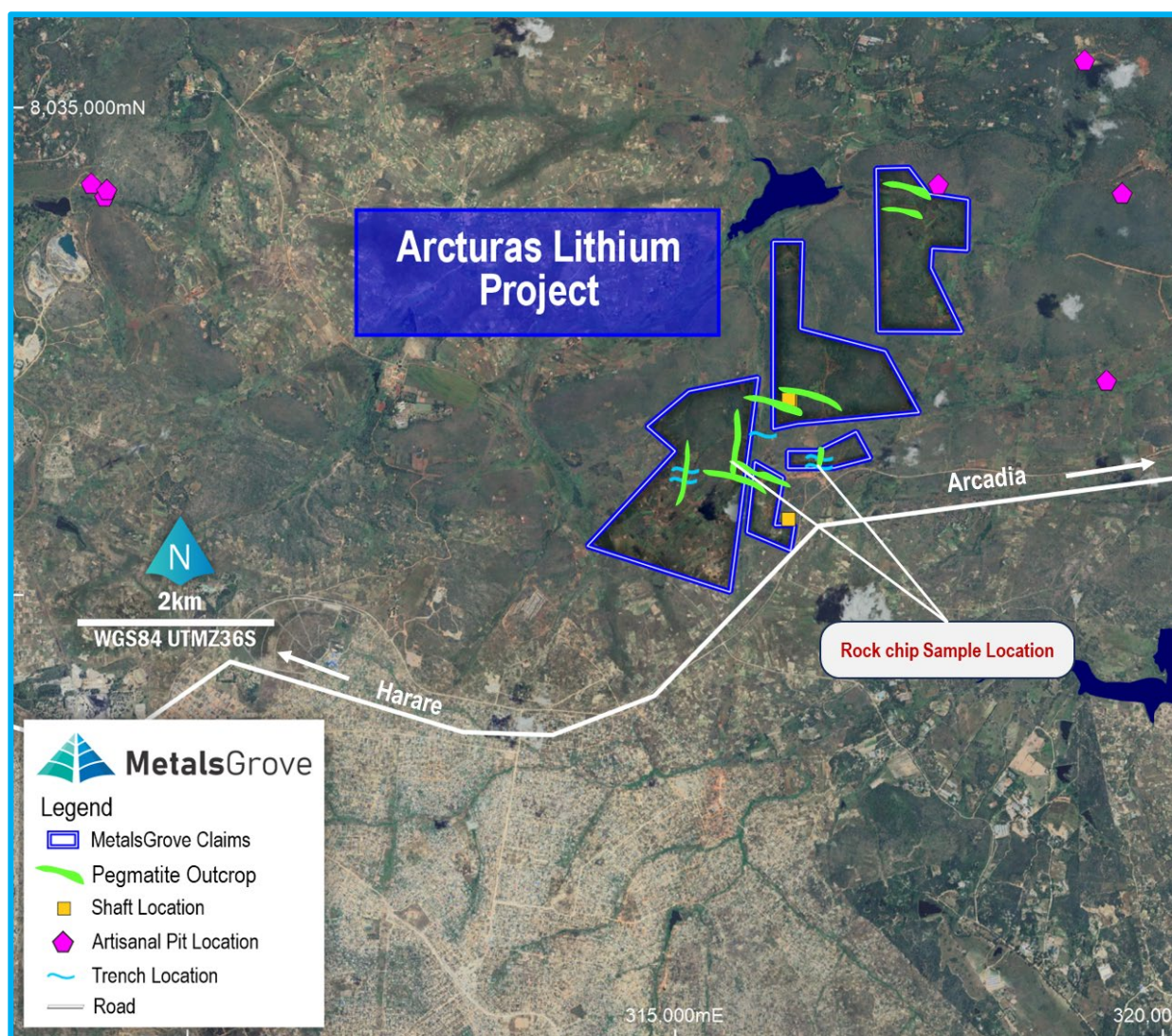


Figure 5: Current Known Pegmatite Outcrop, Trenches and Artisanal Workings at Arcturas Lithium.

Sample ID	East	North	Li ₂ O (%)
2023/LRAC	315192	8031495	2.50
2023/MICAH	316500	8031700	0.05

Table 1: Surface Rock Chip Sample Assay Result – Arcturas Lithium Project.

Beatrice Lithium Project Background

The Beatrice Lithium Project is located close to the Joyse Gold mine (Figure 7). It is a well-known pegmatite zone that is mineralised in Spodumene, lepidolite, tantalum and caesium.

The recent rock chip sample assay results at Beatrice **returned up to 2.1% Li₂O**. (Table 2).

Similar to the Arcturas Lithium Project, extensive exploration and mining was carried out within the project area. Based on the Company's review of existing publicly available information (including historic exploration, trenching and production history) for this project, MGA believes that there is a potential for a high-grade open cut mine.

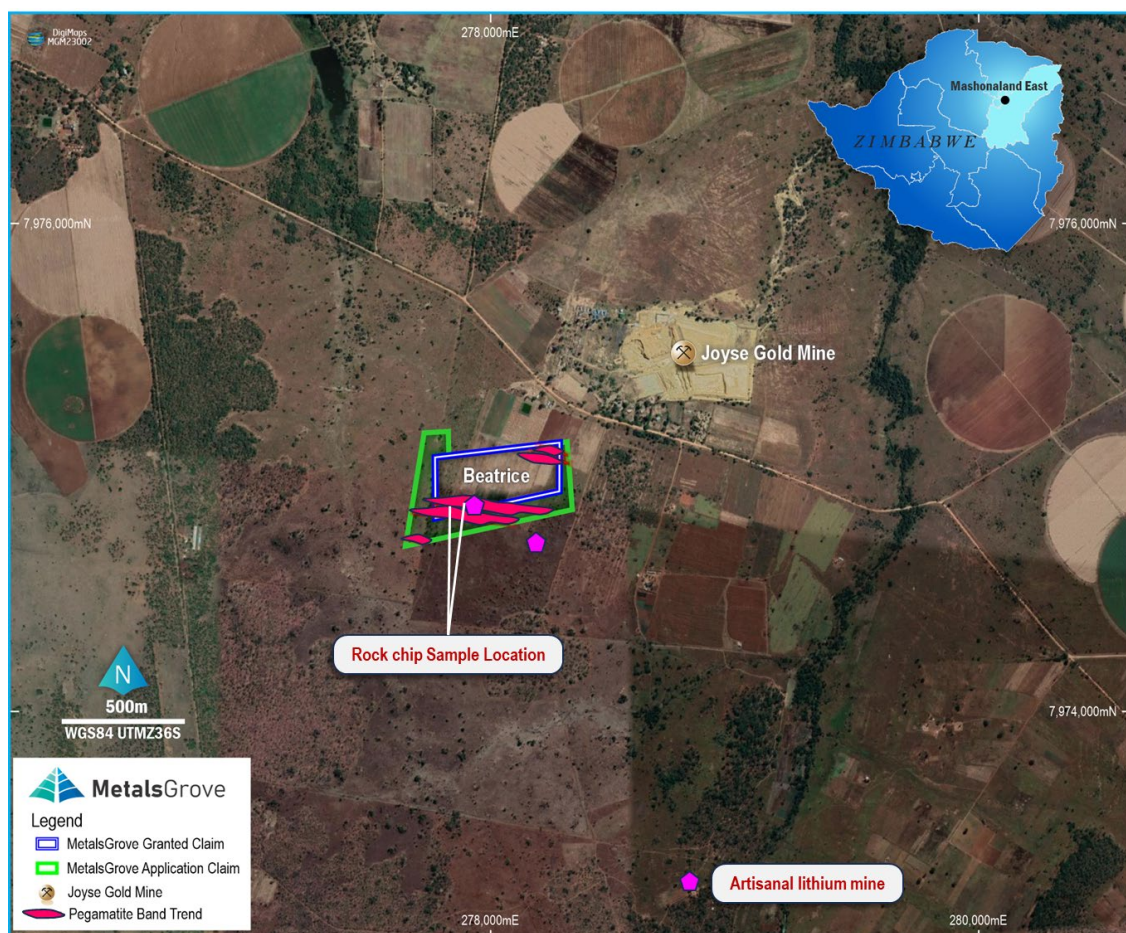


Figure 6: Beatrice Pegmatite Outcrops and Band Trend.



Figure 7: Lepidolite Sample from Recent Trench at Beatrice (Sample ID: H010 to H012 were collected from this location).

Rock Chip Assay Result - Beatrice

High-grade spodumene, lepidolite and petalite-bearing pegmatites have been recorded in artisanal workings within the project area. Recent rock chip samples grading up to 2.1% Li₂O from the surface outcrops are shown in Table 2.

Sample ID	East	North	Li ₂ O (%)
H001	277980	7974849	0.50
H002	277974	7974853	1.00
H003	277970	7974857	0.70
H004	277966	7974859	1.10
H005	277962	7974869	0.80
H006	277960	7974874	0.60
H007	277958	7974877	0.05
H008	277953	7974879	0.40
H009	277981	7974849	0.50
H010	277866	7974829	1.10
H011	277874	7974833	2.10
H012	277869	7974831	1.20

Table 2: Surface Rock Chip Sample Assay Result - Beatrice

Transaction Summary

A summary of the material terms of the agreements between the Company (through its wholly owned subsidiary MGG) and the JV partners is set out below.

Conditions of the acquisitions

The completion of the acquisition of the Projects (**Completion**) is conditional on MGG obtaining:

- all necessary shareholder and regulatory approvals required to complete the acquisitions; and
- confirmation of the title and transfer of title to MetalsGrove.

It is expected that Completion will occur within the next two weeks.

Upfront Consideration

The aggregate upfront cash consideration payable for the Projects is US\$60,000, comprising:

- a \$US50,000 payment in consideration for the acquisition of the Arcturas Lithium Project
- a \$US10,000 in consideration for the acquisition of the Beatrice Lithium Project.

The upfront consideration is payable to the local entities at Completion. These consideration payments will be made by utilising the Company's existing cash reserves.

Joint Venture

The Company will act as the manager and have a 95% participating interest in each of the joint ventures.

Each of the local entities will retain a 5% free carried interest in the Project until a decision to mine is reached.

Following a decision to mine being made, each vendor will either sell their interest in the joint venture to the Company or be obliged to make capital contributions equal to their participating interest.

If the joint venture remains on foot following a decision to mine being made, each party may be diluted if they fail to make capital contributions to the joint venture equal to their participating interest.

La Rich Resources Pty Ltd Deferred Consideration

Following Completion, MetalsGrove will pay the following to La Rich Resources Pty Ltd nominated bank account:

- US\$150,000 within 30 days MGA release of a JORC Code compliant ASX announcement of a Reverse Circulation or Diamond Drilling downhole drill intercept on the Arcturas Lithium Project of at least 15m @1.2% lithium;
- US\$2,000,000 within 90 days of MGA releasing an ASX announcement that the Arcturas Lithium Project contains an estimated Indicated Mineral Resource (as that term is defined in the JORC Code) of at least 20Mt @ 1.4% lithium; and
- US\$4,000,000 within 90 days of MGA releasing an ASX announcement that the Arcturas Lithium Project contains an estimated Indicated Mineral Resource (as that term is defined in the JORC Code) of at least 40Mt @ 1.3% lithium.

The Company intends to undertake a capital raising to fund the exploration activities at the Projects and its existing tenements. The terms (including pricing) and timing of this capital raising are to be confirmed, but the Company considers it likely that it will utilise its available placement capacity under Listing Rules 7.1 and 7.1A to facilitate the proposed capital raising. MetalsGrove will provide shareholders with further information once details are confirmed.

-ENDS-

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

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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.

The expanding market for lithium concentrates has compelled MGA to broaden its geographical strategy to review opportunities for exploration in developing LCT pegmatite belts across the globe.

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.

Disclaimer

The Company makes no representation or warranty, express or implied, regarding the accuracy or achievement of the material contained in this announcement. Except for any liability that cannot be excluded by law, the Company, its directors, officers, employees, advisors, and agents expressly disclaim any responsibility for the accuracy, impartiality, adequacy, or completeness of the material included in this presentation. Furthermore, we do not assume liability (including negligence) for any losses or damages incurred by individuals as a result of the information provided in this release or any actions taken or not taken based on it.

The Company will not update or keep current the information contained in this release correct any inaccuracy or omission which may become apparent or furnish any person with any further information. Any opinions expressed in the release are subject to change without notice.

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.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralization that are Material to the Public Report.</i> 	<ul style="list-style-type: none"> • The rock chip samples were collected as 1-3 kg field samples from representative outcrops with the samples being collected from multiple sites from within a single outcrop to provide representivity of the samples.
Drilling Techniques	<ul style="list-style-type: none"> • <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of</i> The samples were rock chip samples, no drill samples were collected. 	<ul style="list-style-type: none"> • No drilling results included in release.
Drill Sample Recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximize sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> • No drilling results included in release.

Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • All samples were described in the field by the field geologists.
Sub-sampling Techniques and Sample Preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples. • Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • There was no sub-sampling applied to the rock chip samples.
Quality of Assay Data and Laboratory Tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their 	<ul style="list-style-type: none"> • The samples were assayed at Peacock & Simson Harare, using Wet Chemical Methods assay method. • There were no QAQC samples submitted with these rock chip samples. • The sample size is considered to be appropriate for the material grain size.

	<p><i>derivation, etc.</i></p> <ul style="list-style-type: none"> • <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i> 	
Verification of Sampling and Assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • There has been no independent verification of the presented assay results or logging methodology.
Location of Data Points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Rock chip sample locations were undertaken using a hand held GPS in WGS84 UTMZ 36S.
Data Spacing and Distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • The data spacing is sufficient for the reporting of first pass rock chip sample results.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised</i> 	<ul style="list-style-type: none"> • The rock chip samples were collected from along the pegmatite samples.

structures is considered to have introduced a sampling bias, this should be assessed and reported if material.

Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> The samples were delivered to the Peacock & Simson Harare, by MGA geologists.
Audits or Reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> There have not been any external audits of these first pass rock chip sample results.

Section 2 – Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral Tenement and Land Tenure Status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The rock chip samples were collected from claim License Number: 0062AA, 000450AA, 016956AA, 016961BA, 005434AA and 016982BA. There is a strategic agreement with third parties (JV agreements 95% MGA and 5% JV Partners La Rich Resources and CN Mining Syndicate). There are no reserves or national parks to impede exploration on the tenure.
Exploration Done by Other Parties.	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> All historical work referenced in this report has been undertaken by previous project explorers. Whilst it could be expected that work and reporting practices were of an adequate standard, this cannot be confirmed.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralization. 	<ul style="list-style-type: none"> This craton is bound by the Zambezi Belt to the north and north-east, the Limpopo Belt to the south, and the Mozambique Belt to the east. As opposed to the Kaapvaal Craton, the Zimbabwe Craton is composed predominantly of greenstone belts and subordinate granites and granitic gneisses (Wilson, 1981). The greenstone belts fall into three

distinct stratigraphic groups. In order of younging these are

- the Sebakwian.
- the Bulawayan and
- the Shamvaian.
- The belts are associated with granitic rocks, ultramafic intrusions and a swarm of mafic dykes which culminated in the intrusion of the Zimbabwe Great Dyke at approximately 2.5 Ga (Wilson and Wilson, 1981).
- The claims are within a greenstone belt in a foliated metabasaltic, pillowed in part. Claims are located within the Goromonzi communal lands. The local geology is composed mainly of greenstone intruded by pegmatites which are mineralized with Be, Li, Sn and Ta. There is a metagabbro, massive and amphibolitized trending NW-SE to the southern part of the pegmatitic structures. Vee Cee and Guiney Bore old Mines are within claims boundaries and sitting on pegmatites. The greenstone is bordering foliated matadacite and andesite, locally with fragmental-like and tuff-like horizons (t) and also tonalitic augen gneiss to the east. Some of the claims are within this contact zones where there is potential for gold mineralisation.

Drillhole Information

- *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:*
- *easting and northing of the drillhole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar dip and azimuth of the hole*
- No drilling results included in release.

- *down hole length and interception depth hole length.*

Data Aggregation Methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • No data aggregation methods were applied to the rock chip sampling data.
Relationship Between Mineralisation on Widths and Intercept Lengths	<ul style="list-style-type: none"> • <i>If the geometry of the mineralization with respect to the drillhole angle is known, its nature should be reported.</i> 	<ul style="list-style-type: none"> • The pegmatite samples are representative of the outcrops.
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • See maps in the body of the report.
Balanced Reporting	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • The reporting of these rock chip sample results is considered to be representative.
Other Substantive Exploration Data	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and</i> 	<ul style="list-style-type: none"> • There are no other substantive exploration results associated with these rock chip samples.

method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.

Further Work

- *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*
 - *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*
- Additional sampling and surface mapping is planned for 2024.
 - Drilling will be planned subject to results.
 - The images included show the location of the current areas of interest
-