

ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 March 2024

HIGHLIGHTS

EXPLORATION ACTIVITIES

Zimbabwe Lithium Projects

- **During the quarter, exploration commenced at the recently acquired Arcturas and Beatrice Lithium Project.**
- **At Arcturas, several outcropping pegmatites have previously been identified over a strike length of up to 1km within a 50m-wide corridor.**
- **Extensive surface mapping and soil sampling programs were completed during the quarter, assay results from which are pending.**
- **Data processing, with a view to generating priority targets for drilling, is progressing.**

CORPORATE SUMMARY:

- **Cash position as at 31 March 2024 of approximately \$1.14M.**
- **Following the end of the quarter, the Company announced a 1 for 1 non-renounceable entitlement offer at an issue price of \$0.04 to raise approximately \$2.1 million before costs.**
- **Board restructured after the end of the quarter:**
 - **Appointment of Mr Lijun Yang as Non-Executive Director, subsequently appointed as new Managing Director and CEO following the resignation of Mr Sean Sivasamy. Mr Yang has 15+ years professional experience in both China and Australia within the resources sector, initially as a geologist and minerals exploration generally, and more recently with involvement in various M&A transactions and mining investments.**
 - **Appointment of Mr John Reynolds as Alternate Director to Mr Haidong Chi. Mr Reynolds has more than 20 years' experience in private practice as a lawyer and has also worked in-house with various mining companies.**
 - **Appointment of Mr Peter Stern as an Independent Non-Executive Director.**

MANAGEMENT COMMENTARY

Commenting on the March quarter, Incoming Managing Director Lijun Yang said: "The March quarter was an exciting period for the business as it was the first quarter after the Company extended its exploration footprint from Australia to Africa following the acquisition in the December quarter of six high-quality lithium claims in Zimbabwe.

"The exploration programs completed will progress understanding of mineralization of these Zimbabwe lithium assets, with a further program to commence once the results of the recent mapping and soil sampling program are received and interpreted."

"It is my pleasure to undertake the role as Managing Director and CEO and, in such role, work alongside the Company's fellow Directors with a view to



MetalsGrove
MINING LIMITED

Date

30 April 2024

ASX Code

MGA

Shares on Issue

52,710,000

Company Directors

Mr Richard Beazley
Non-Executive Chairperson

Mr Lijun Yang
Managing Director and CEO

Mr Haidong Chi
Non-Executive Director

Mr John Reynolds
Non-executive Director
Alternate to Mr Haidong Chi

Mr Peter Stern
Non-Executive director

Chief Financial Officer

Ms Rebecca Broughton

Company Secretary

Ms Rebecca Broughton

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Global multi-metal resource exploration company, **MetalsGrove Mining Limited (ASX: MGA)** (“**MetalsGrove**” “**MGA**” or the “**Company**”), is pleased to provide its Quarterly Activities Report for the period ended 31 March 2024 (“**Quarter**”).

The Company has assembled a strategic portfolio of exploration assets, eight in total, including two lithium projects in Zimbabwe and six multi-metal projects in Australia (refer Figure 1).



Figure 1: Map illustrating location of MetalsGrove projects.

ZIMBABWE LITHIUM PROJECTS

On 11 December 2023, MetalsGrove announced the acquisition of two lithium projects in Zimbabwe¹:

- The Arcturas Lithium Project (ALP), which is situated 35km northeast of Harare
- The Beatrice Lithium Project (BLP), which is located 55km south of Harare

The location of the projects, which comprise six new lithium claims for a total area of 510ha, as well as one claim in application, is illustrated in Figure 2.

Based on the Company’s review of existing publicly available information (including historic exploration, trenching and production history), MetalsGrove considers that the potential exists for the presence of large-tonnage lithium resources suitable for extraction by way of open-cut mining at both projects.

Arcturas Lithium Project

Arcturas is located approximately 15km to the west of the Arcadia Lithium Mine (refer Figure 3).

Considered to be one of the world’s largest hard-rock lithium resources, Arcadia, which is owned and operated by Zhejiang Huayou Cobalt, was acquired in December 2021 from Prospect Resources Limited (ASX: PSC) at a cost of approximately US\$378m. Arcadia currently produces approximately 450,000 t/y of lithium concentrates. Prospect

¹ Refer to ASX announcement on 11 December 2023 – “MGA Acquires High Grade Lithium Assets In Zimbabwe”.

Resources retained the Step Aside Lithium Project, located approximately 8km to the north of Arcadia, where recent drilling success (announced January 2024) included **67m @ 1.17% Li₂O**.

The region is considered highly prospective, hosting many pegmatite zones variously mineralised in lithium (*spodumene and lepidolite*)-caesium-tantalum (LCT) and beryllium.

The Arcturas tenements are known to host significant pegmatites. These outcrop over a strike length of up to 1km within a 50m wide zone. The pegmatites variously encompass stacked flat-lying beds of from 3 to 15m in thickness, and which for the most part are mineralised. Recent rock chip samples at Arcturas have returned grades of **up to 2.5% Li₂O**. Numerous artisanal mine workings are present in the local area (Figure 4).

The company completed its initial site visit in the previous quarter.

Rock chip sample assay results from Arcturas are detailed in Table 1.

During the Quarter, a surface mapping and soil sampling program was undertaken at Arcturas by a team comprising of both a local consulting advisor and a Zimbabwean contractor². Results of the program are expected to be received and assessed during the June quarter. It is anticipated that this will lead to the generation of priority targets which will be the subject of a near-term drilling campaign.

² Refer to ASX announcement on 5 February 2024 – “*Exploration Underway Across High-Grade Lithium Projects in Zimbabwe.*”

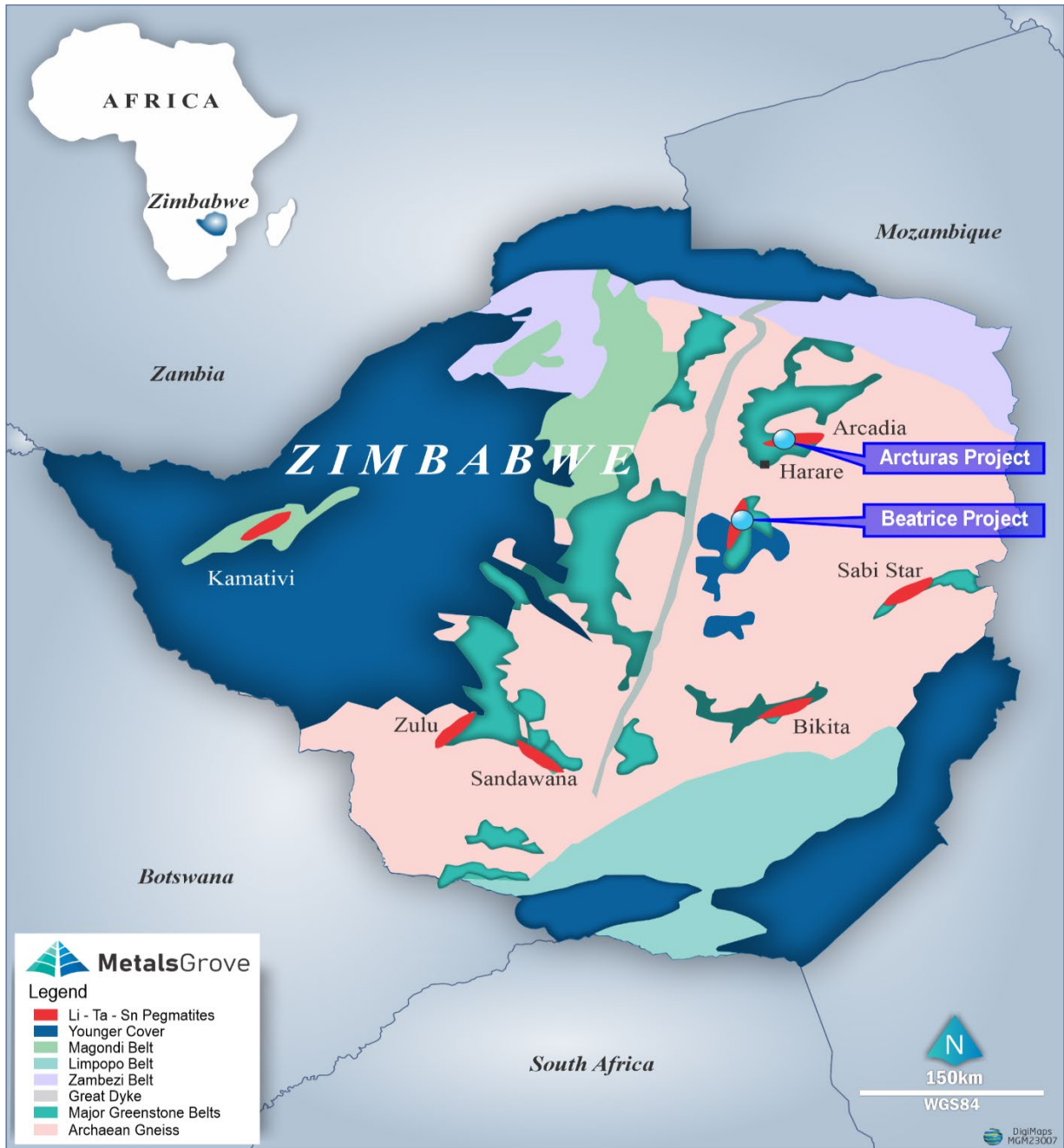


Figure 2: Location map identifying Arcturas and Beatrice Lithium Projects.

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

Table 1: Arcturas surface rock chip sample assay results.

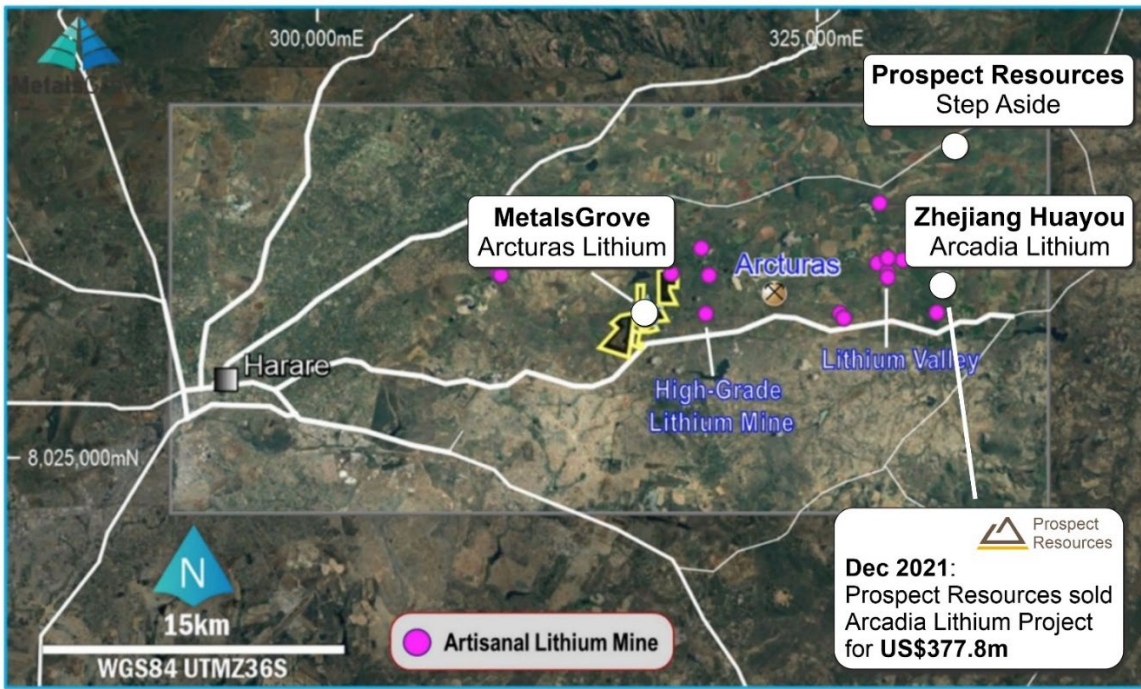


Figure 3: Map identifying Arcturas Lithium Prospect and other notable features.

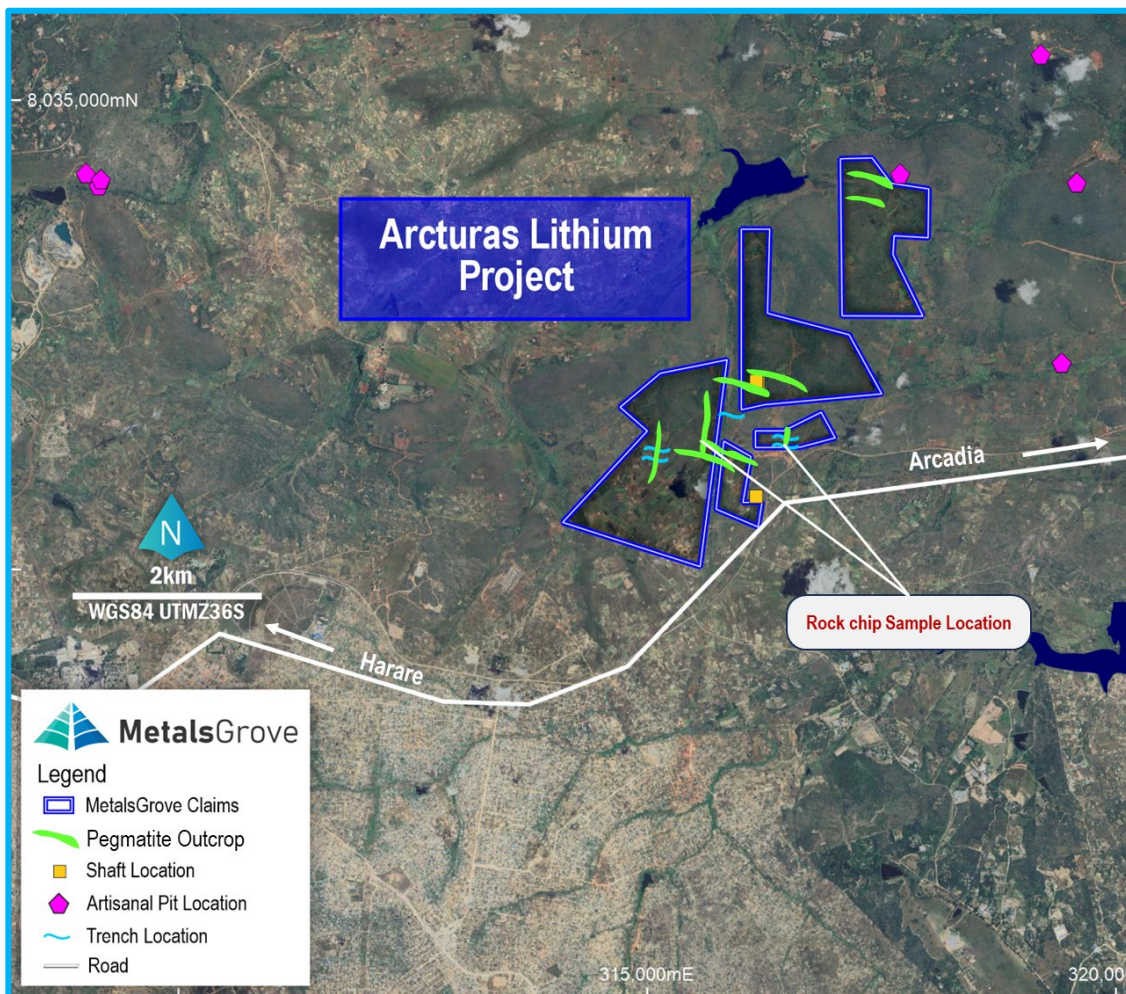


Figure 4: Map identifying current known pegmatite outcrops, trenches and artisanal workings at Arcturas Lithium Project.

Beatrice Lithium Project

The Beatrice Lithium Project is located a short distance from the Joyce Gold Mine (Figure 5). Beatrice is a well-known pegmatite zone that is mineralised in lithium (*lepidolite*)-caesium-tantalum (LCT).

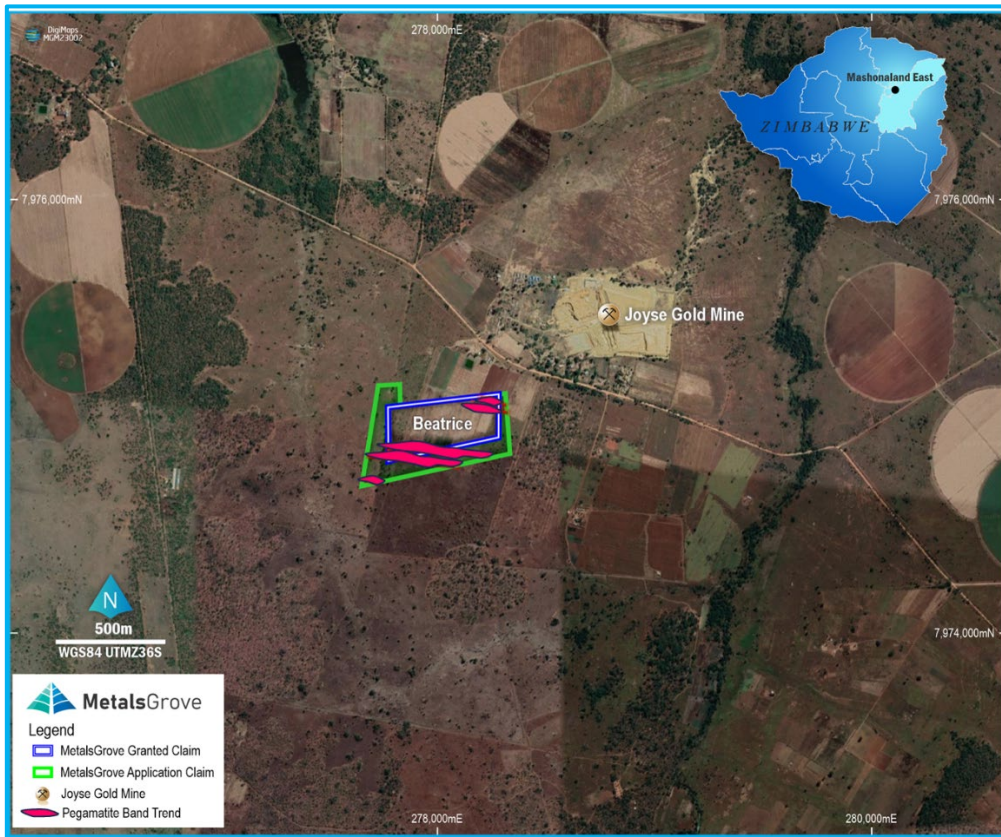


Figure 5: Map identifying Beatrice Lithium Project, including pegmatite band trends.

Rock chip sample assay result from Beatrice returned **up to 2.1% Li₂O** and are detailed 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: Beatrice surface rock chip sample assay result.

As stated above, based on the review of existing publicly available information (including historic exploration, trenching and production history), MetalsGrove considers that there is potential for Beatrice to host a high-grade lithium resource with the potential for an open cut development.

Future Work

As per MetalsGrove's 5 February 2024 announcement, a surface mapping and soil sampling program is expected to commence in the June quarter at Beatrice.

At Arcturas, work during the June quarter is expected to encompass:

- Compiling and interpreting the surface mapping and soil sampling results once the data and reports are received.
- Rock chip sample collection and assay.
- 3D geological modelling and interpretation.

With the aforementioned work completed, MetalsGrove will then look to identify priority targets for drilling, expected to occur in the near term.

Australian Multi-Metals Projects

The Company owns six resources exploration projects in Australia:

- In the Northern Territory, near Alice Springs:
 - The Box Hole Project targeting rare earth elements (REE) and base metals
 - The Edwards Creek Project targeting REE, gold and base metals
 - The Bruce Gold Project targeting copper and REE
- In Western Australia:
 - The Woodie Woodie North Project targeting manganese
 - The Upper Coondina Project targeting lithium, tin and tantalum
 - The Dundas Project targeting lithium and REE

A location map identifying these projects is set out in Figure 6.

No exploration activities of substance were conducted at these projects during the Quarter.

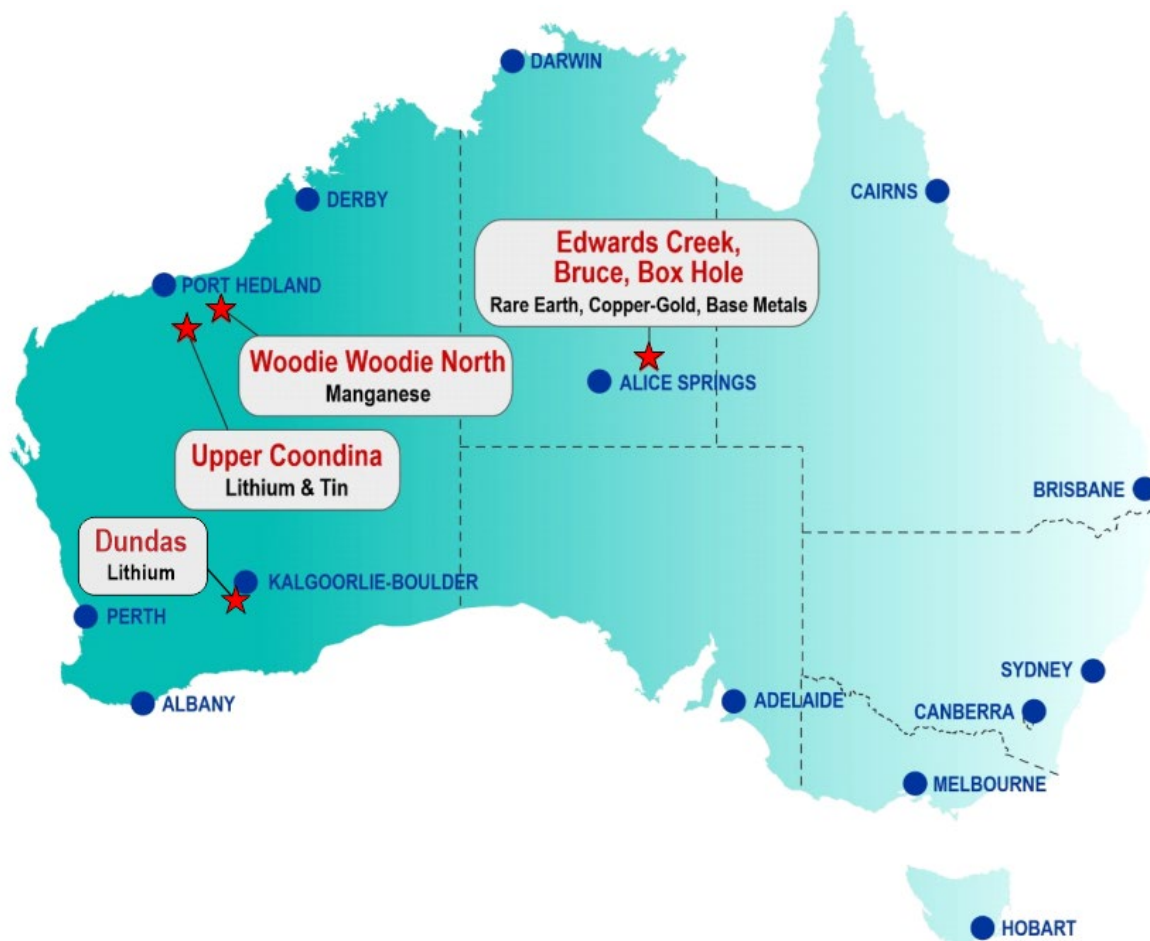


Figure 6: Location map identifying MetalsGrove's Australian projects.

NORTHERN TERRITORY PROJECTS

The location of MetalsGrove's Box Hole (EL 32419), Edwards Creek (EL 32420) and Bruce (EL 31225) Projects, encompassing three exploration licences in the Northern Territory, are illustrated in Figure 7.

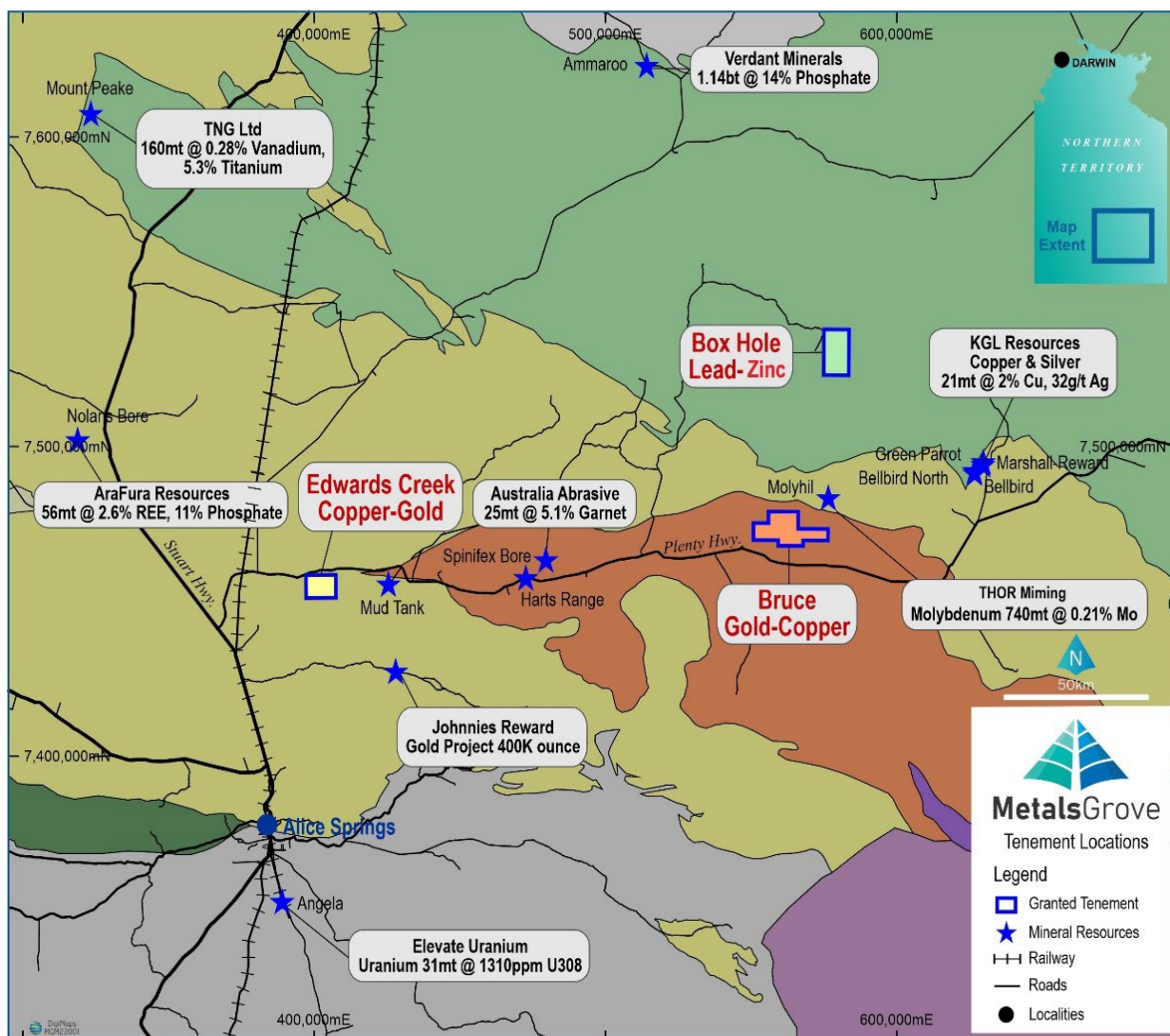


Figure 7: Location map identifying MetalsGrove's Northern Territory projects

Box Hole – Base Metals and REE Project

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 (Figure 8).

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.

MetalsGrove's 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. 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.

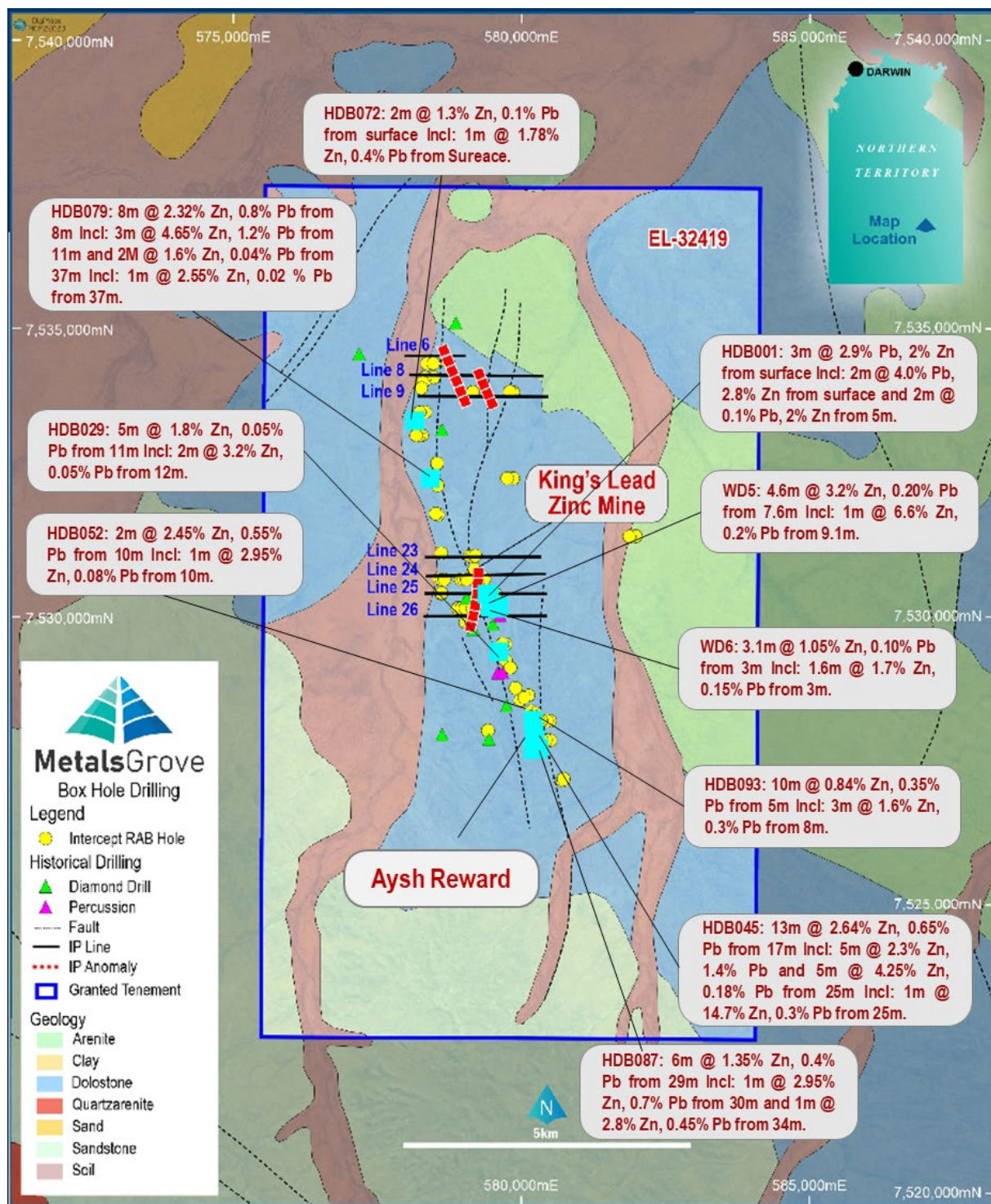


Figure 8: Location map of Box Hole Project identifying best assay results.

The Exploration Target (Figure 9) 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 metres diamond drilling, 4,155 metres RAB drilling and 363 metres 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 all direction.
- Minimum 250m of width (based on shallow 4° and shallow depth to 100, 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. Box Hole maiden drilling was suspended due the heavy rain fall, proposed drilling program will be completed in the next round of drilling at the Arunta project.

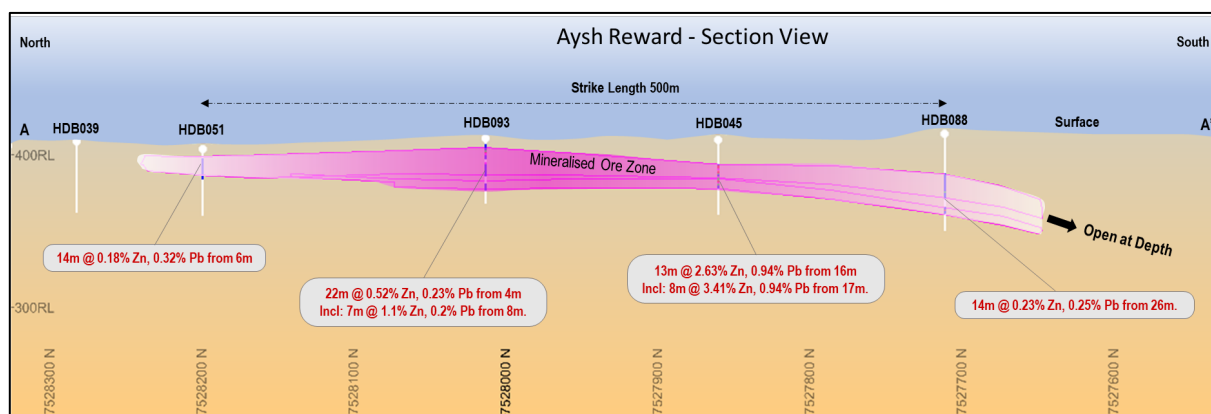


Figure 9: Cross section of Box Hole Project highlighting potential higher-grade zone.

Edwards Creek – Copper, Lead, Zinc, Gold and REE Project

The Edwards Creek polymetallic project comprises a single granted mineral exploration licence (EL32420) and located approximately 85 km north-northeast of Alice Springs, NT. The tenement covers an area of approximately 7,568ha and is prospecting for copper, lead, zinc, gold and REE.

The Edwards Creek Project area includes the Edwards Creek Cu-Zn-Pb and Mueller Creek Cu-Au prospects. Previous exploration discovered Cu-Au mineralisation and interpreted as metamorphosed VMS bodies. The Project is situated within the Paleoproterozoic SMC units which are a thick package of complexly folded Palaeoproterozoic mafic and felsic granulites and metasedimentary rocks. Prospective mineralisation of the Project was aimed at the stratiformed Pb-Zn occurrences (Figure 10) within the Strangways Metamorphic Complex (SMC).

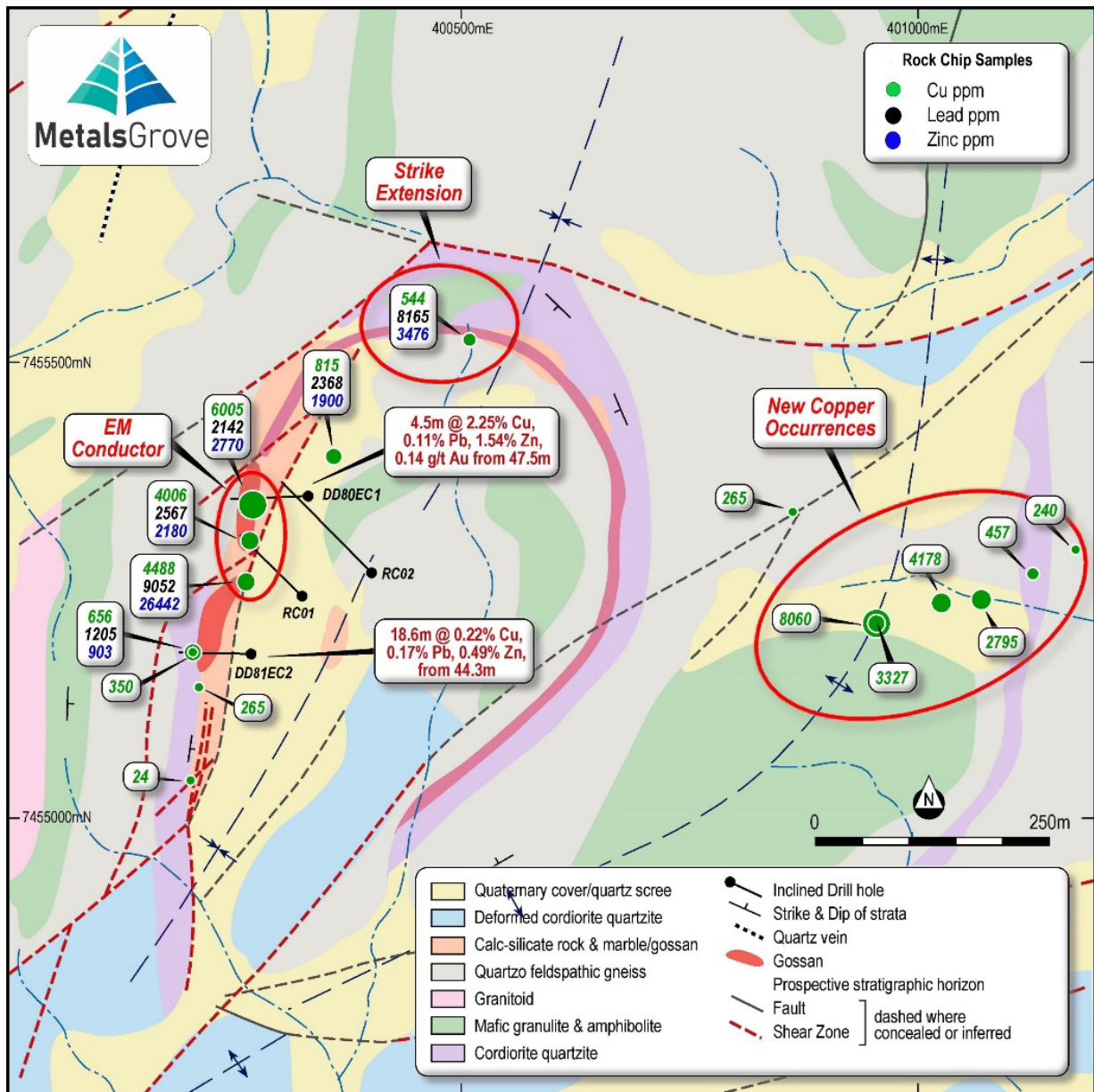


Figure 104: Location map identifying Edwards Creek historical drilling and drill targets.

The Company completed the initial drilling program in early October 2023³, including two RC holes for a total of 431 metres which was designed to test several targets identified through both historic and recent geophysical, electromagnetic and radiometric data sets. The drilling provided invaluable data on the mineralogy, geology, and geometry of the mineralisation and identified mineralisation zones up to 17 metres (drill width) (Figure 11 and 12) of weak to intense sericite and silicification with disseminated sulphides in gneissic granitoid structures.

The observations from the initial drilling program align with the pre-drill geological model indicating that Edwards Creek could potentially host a scalable REE and copper-zinc mineralisation system. The returned results show the drilling intersected only a small portion of the system and the REE and gossan mineralisation remains open in all directions.

³ Refer to ASX announcement on 3 October 2023 – “Exploration Update Edwards Creek Arunta Project-NT.”

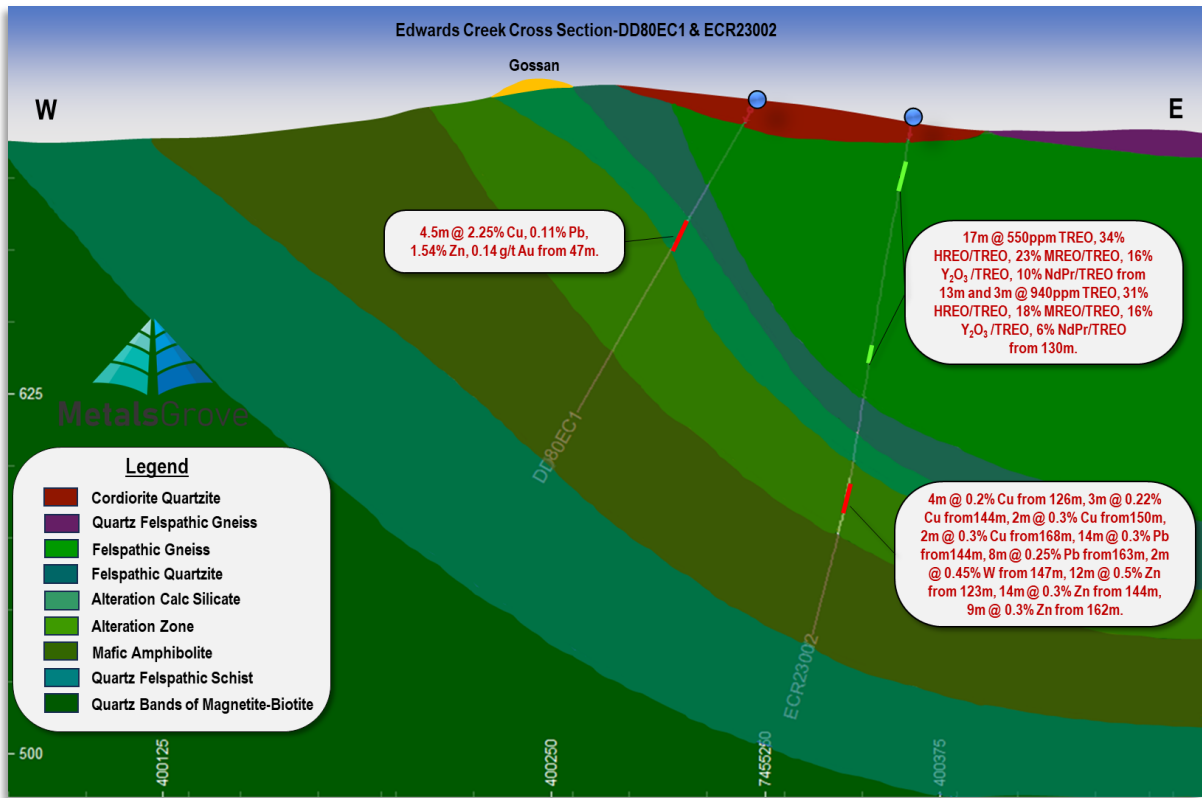


Figure 11: Cross section of Edwards Creek Project identifying assay results from holes DD80EC1 and ECR23002.

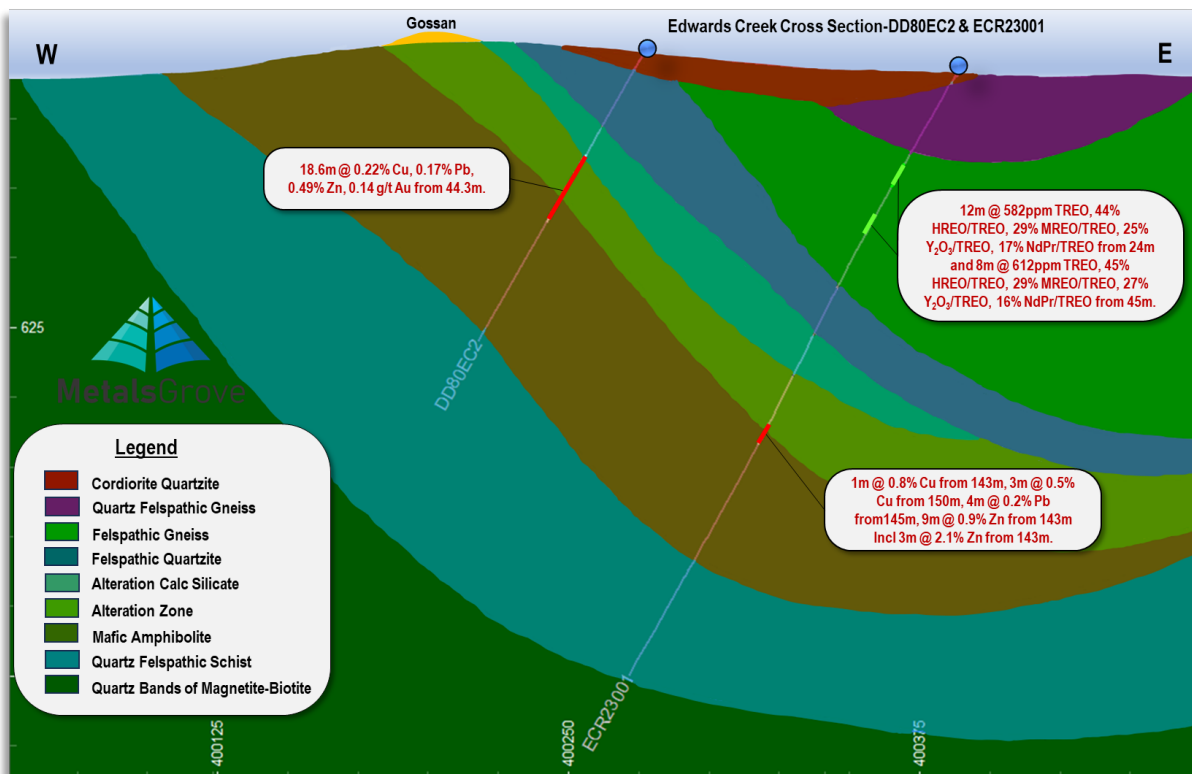


Figure 12: Cross section of Edwards Creek Project identifying assay results from holes DD80EC2 and ECR23001.

Bruce – Gold, Copper and REE Project

The Bruce Project is located within the Central Desert Region of the Northern Territory and approximately 300 km by road from Alice Springs and 13 km north of the Plenty Highway. The project covers an area of approximately 17,722ha. and the maximum distance across the project is about 25 km east-west and 10 km north-south (Figure 13) and is prospecting for gold, copper and REE.

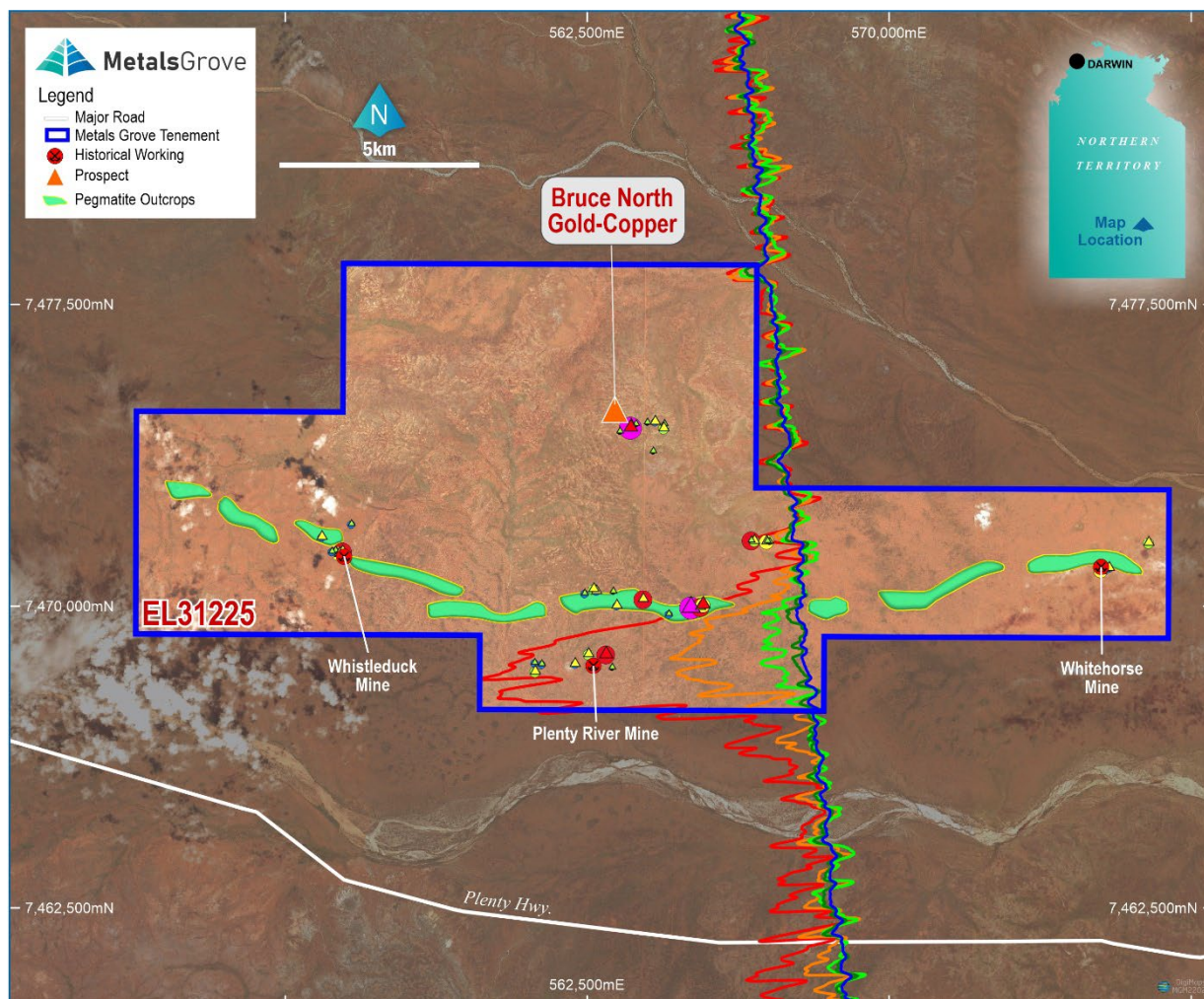


Figure 13: Location map of Bruce Gold, Copper and REE Project.

During 2017-18 the Northern Territory Geological Survey (NTGS) completed airborne electromagnetics survey at Bruce. The survey data was collected and re-processed by MetalsGrove who identified an excellent conductor which is highly conductive and along strike from the Plenty River mica mine. The conductor also is adjacent to magnetic features interpreted to be components of the pegmatite intrusion. The high priority strong conductor AEM Target consists of a cluster of strong HEM anomalies interpreted to form several parallel conductors extending over 4,500m of strike length and some of the EM responses have very high conductivity.

In August 2023, the Company's reported that high-grade REE carbonatite mineralisation was discovered from maiden RC drilling program at Bruce project. The results highlighted carbonatite REE grades of up to 7,000ppm (0.70%) TREO, 35% MREO/TREO, 28% NdPr/TREO and 36% Y_2O_3 /TREO with multiple zones of mineralisation and exceptionally high-grade carbonatite of 38% MREO/TREO, 58% HREO/TREO, 28% NdPr/TREO and 36% Y_2O_3 /TREO.

In October 2023, MetalsGrove reported that mineralogical analysis of RC drilling chip samples further confirmed strong Light Rare Earth Element (“LREE”) potential. A further soil sampling program generated two 3,000m by 300m carbonatite REE anomalies at the Plenty River target which sits within the Bruce Prospect. The most significant soil sampling assay from the recent program included: 1,130ppm TREO, 35% HREO/TREO, 30% MREO/TREO, 22% NdPr/TREO and 19% Y₂O₃/TREO.

WESTERN AUSTRALIA PROJECTS

Upper Coondina – Lithium, Tin and Tantalum Project

The Company's Upper Coondina Project is located 85km south-west of Marble Bar in the East Pilbara district of WA. The Project is located approximately halfway between the major mining regional service centres of Port Hedland and Newman, located approximately 200km northwest and 180 km south-southeast of the project, respectively (Figure 14).

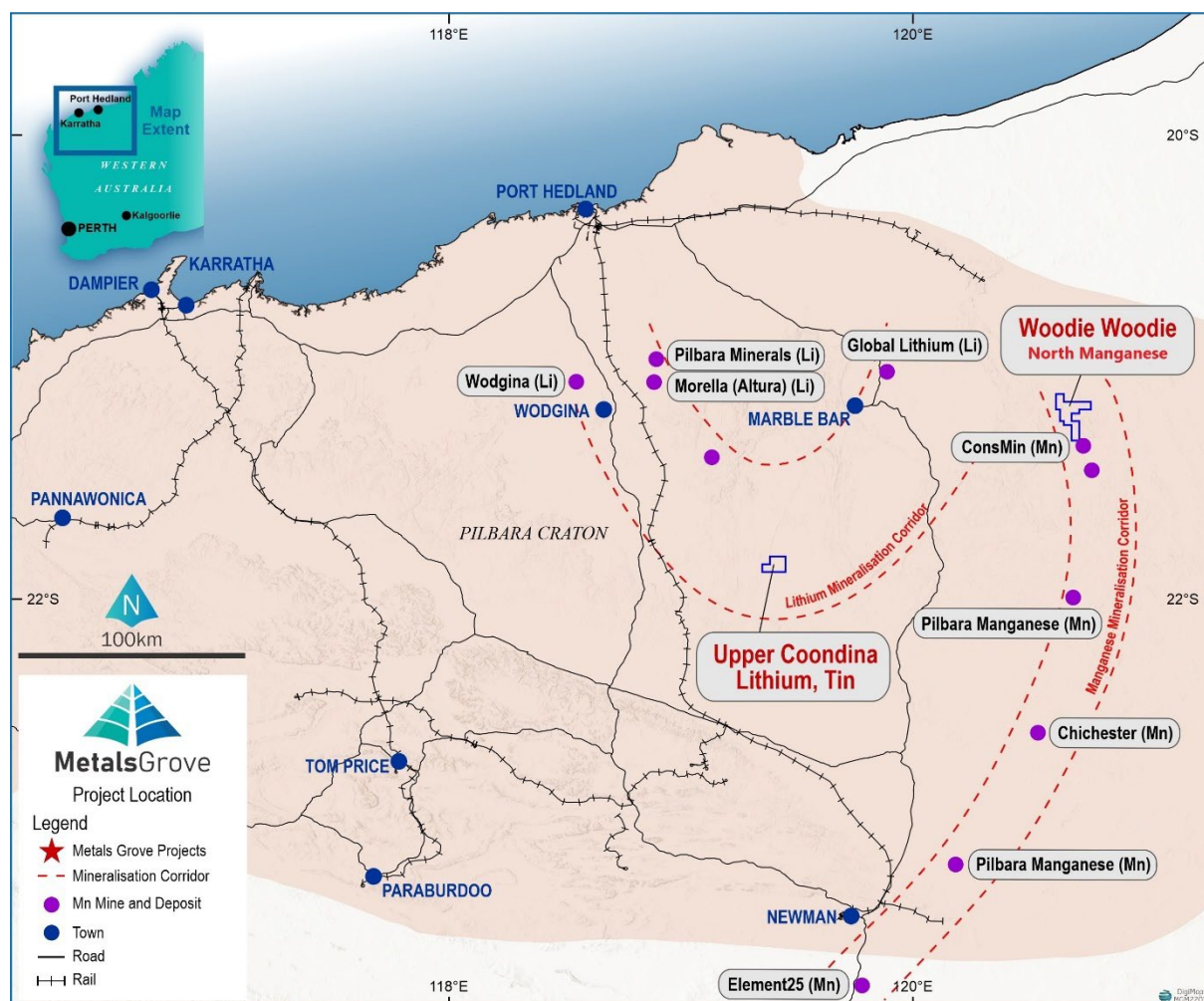


Figure 14: Location map of Upper Coondina Lithium and Woodie Woodie North Manganese.

The company completed and reported maiden 4,200m RC drilling program at the Upper Coondina Lithium Project in April 2023 and intercepted multiple stacked

spodumene pegmatite including up to 40m-wide mineralised zone (Figure 15), 0.20% Li_2O , 0.6% Rb_2O and 118ppm Ta_2O_5 .

Further exploration including detailed geophysics and structural mapping are required to delineate main zone high grade mineralisation lithium bearing pegmatites. The detailed modern exploration technology and high-level structural mapping will identify mineralisation at depth and pegmatites undercover to determine new targets within and outside of the drilling areas.

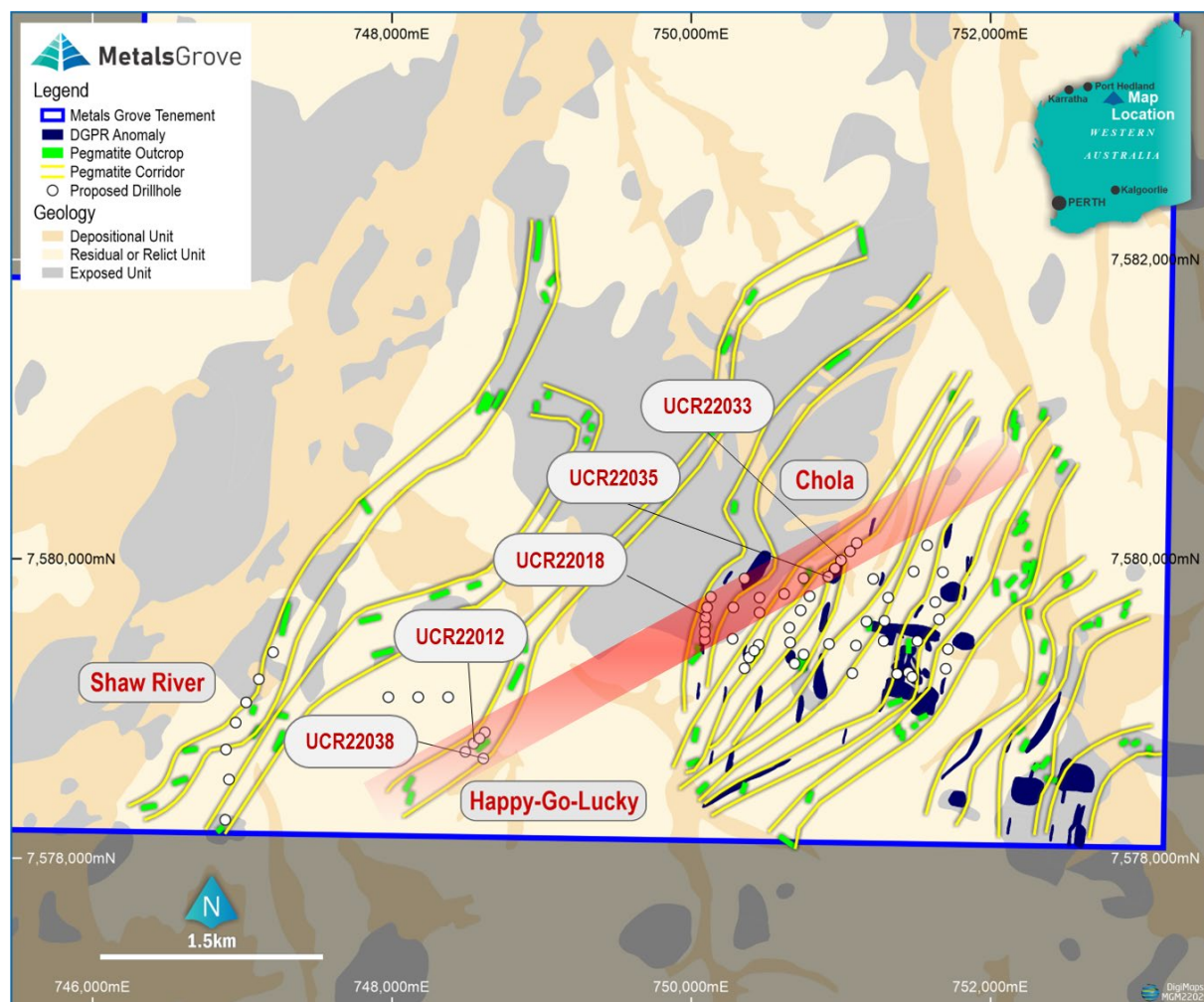


Figure 15: Pegmatite outcrops with drill hole locations and pegmatite structural corridor identified in Upper Coondina Lithium.

Woodie Woodie North – Manganese Project

The Woodie Woodie North project is a highly mineralised region which has clearly demonstrated the potential to host significant manganese mineralisation.

Southern Geoscience has processed and overlaid significant historical geochemistry, electromagnetic and radiometric data sets to assist with identifying and refining new priority drill targets.

A total of 2,000m maiden RC drilling program is planned to test several high priority targets including downdip extension and stratabound mineralisation.

Dundas – Lithium and REE Project

The Company lodged five applications in Dundas's area of West Australia in July 2023 for prospecting lithium and REE. We are pleased to report that while others are still pending, E63/2363 has been granted in this reporting quarter. The Company is reconciling the historical exploration data and reviewing the potentials, a program will be initialled once completed.

Corporate Summary

Cash Position

At the end of the Quarter, the Company held \$1,138,259 in cash.

Entitlement Offer after the end of quarter

- Following the end of the quarter, the Company announced a 1 for 1 non-renounceable entitlement offer at an issue price of \$0.04 to raise approximately \$2.1 million before costs.
- Directors Lijun Yang and Haidong Chi have committed to subscribe for an aggregate \$413k for entitlement and shortfall shares..

Board Restructured after the end of quarter

- Appointment of Mr Lijun Yang as Non-Executive Director, subsequently appointed as new Manager Director and CEO following the resignation of Mr Sean Sivasamy. Mr Yang has 15+ years professional experience in both China and Australia within the resources sector, initially as a geologist and minerals exploration generally, and more recently with involvement in various M&A transactions and mining investments.
- Appointment of Mr John Reynolds as Alternate Director to Mr Haidong Chi. Mr Reynolds has more than 20 years' experience in private practice as a lawyer and has also worked in-house with various mining companies.
- Appointment of Mr Peter Stern as an Independent Non-Executive Director.

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 \$162,000.
- ASX Listing Rule 5.3.2:
The Company confirms that there was no mine production and development activities for the quarter.
- ASX Listing Rule 5.3.4:

The below table provides the comparison of the Company's actual expenditure since its admission to the Official List of the ASX to its Use of Funds included in its Prospectus dated 13th May 2022.

Use of Funds	Estimate of the first 2 years after ASX admission	Actual use in Mar 24 Quarter	Balance Remaining
Upper Coordina	\$1,685,865	\$1,309,395	\$376,470
Bruce	\$1,453,000	\$1,075,585	\$377,415
Box Hole	\$423,000	\$213,774	\$209,226
Edwards Creek	\$427,000	\$260,907	\$166,093
Woodie Woodie North	\$450,000	\$244,115	\$205,885
Cash Settlement-SHH and TLPL	\$60,000	\$60,000	-

Estimated costs of the offer	\$696,264	\$696,264	-
Working capital/Zimbabwe project	\$1,141,736	\$1,275,845	(\$196,830)
Administration costs	\$524,000	\$524,000	-
Total	\$6,860,865	\$5,462,040	\$1,138,259

Tenements

License E63/2363 was granted to MetalsGrove on 26 March 2024. During the quarter, no new applications were submitted and no existing licenses were surrendered. The table below sets out the Company's tenement portfolio.

Project	Tenement ID	Holder	Lease Status
Upper Coondina	E45/5952	MetalsGrove	Granted
Woodie Woodie North	E45/5945	MetalsGrove	Granted
BRUCE	EL 31225	Territory Lithium	Granted
BOX HOLE	EL 32419	Territory Lithium	Granted
EDWARDS CREEK	EL 32420	Territory Lithium	Granted
BEATRICE	00062AA	MetalsGrove Global	Granted
ARCTURAS	000450AA	MetalsGrove Global	Granted
ARCTURAS	016956AA	MetalsGrove Global	Granted
ARCTURAS	016961BA	MetalsGrove Global	Granted
ARCTURAS	016982BA	MetalsGrove Global	Granted
ARCTURAS	005434AA	MetalsGrove Global	Granted
DUNDAS	E63/2363	MetalsGrove	Granted
LEAKE	E77/3149	MetalsGrove	Application
DUNDAS	E63/2360	MetalsGrove	Application
FORREST	E45/6546	MetalsGrove	Application
DUNDAS	E63/2364	MetalsGrove	Application
DUNDAS	E63/2366	MetalsGrove	Application
DUNDAS	E63/2359	MetalsGrove	Application
LEAKE	E77/3152	MetalsGrove	Application
BUNINGONIA	E28/3358	MetalsGrove	Application
BUNINGONIA	E28/3388	MetalsGrove	Application

Note: Territory Lithium Pty Ltd and MetalsGrove Global Private Limited are wholly owned subsidiaries of MetalsGrove Mining Limited.

About MetalsGrove

MetalsGrove Mining Limited (ASX: MGA) is a global multi-metal resource exploration company focused on the exploration of its portfolio of high-quality lithium projects in Zimbabwe and multi-metal projects including rare earth element, copper-gold, manganese and base metal projects in Western Australia and the Northern Territory of Australia.

Competent Person Statement – Exploration Strategy

The information in this announcement that relates to exploration strategy and results is based on information provided to and compiled by Mr Lijun Yang who is currently a member of the Australian Association of Geologists (MAIG). Mr Lijun Yang is Managing Director and CEO of MetalsGrove Mining Limited.

Mr Lijun Yang 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 Lijun Yang consents to the inclusion in this announcement of the information contained herein, in the form and context in which it appears.

This announcement includes information that relates to Exploration Results prepared and first disclosed under the JORC Code (2012) and extracted from the Company's initial public offering Prospectus as well as all previous ASX announcements. A copy of this prospectus and all these announcements are available from the ASX Announcements page of the Company's website: <https://metalsgrove.com.au/>

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,

SHAREHOLDER ENQUIRIES

Mr Lijun Yang
Managing Director & CEO
MetalsGrove Mining Ltd
LijunY@metalsgrove.com.au

MEDIA ENQUIRIES

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