



ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 30 JUNE 2024



MetalsGrove

MINING LIMITED

Date

26 July 2024

ASX Code

MGA

Shares on Issue

105,420,000

Company Directors

Mr Richard Beazley
Non-Executive Chairperson

Mr Lijun Yang
Managing Director and CEO

Mr Haidong Chi
Non-Executive Director

Mr John Reynolds
Alternate Director to Mr
Haidong Chi

Mr Peter Stern
Non-Executive director

Chief Financial Officer
Ms Rebecca Broughton

Company Secretary
Ms Rebecca Broughton

Contact Details

Suite 9, Level 2

389 Oxford Street

Mount Hawthorn WA 6016

T: + 61 8 9380 6789

E: info@metalsgrove.com.au

W: metalsgrove.com.au

EXPLORATION ACTIVITIES

Zimbabwe Lithium Projects

- During the quarter, the Company received geological mapping and surface sampling results from both the Arcturas and Beatrice lithium projects in Zimbabwe.
- Geological mapping consisted of defining several pegmatites although with less detailed geological observations. A total of 104 rock samples including 9 samples from the Beatrice region and 95 from the Arcturas region. More than one-third of the samples were collected from areas outside MetalsGrove's tenements. Pathfinder elements commonly associated with lithium mineralisation, such as tantalum, potassium and rubidium, were not included in the assay suite.
- The 95 samples collected from the Arcturas region recorded lithium values at trace levels or below detection limits (BDL). The 9 samples collected from the Beatrice region area showed encouraging lithium grades, with values up to 1.44% Li₂O; however, only one of these samples was collected from within MetalsGrove's tenements.
- Given the disappointing geological and assay results, in the absence of any further perceived opportunity, and having regards to the weakness in the lithium market since the projects were acquired, MetalsGrove is taking a strategic review of this asset.

CORPORATE SUMMARY

- The Company successfully raised approximately \$2.1 million before costs via a 1 for 1 non-renounceable entitlement offer at an issue price of \$0.04 per share. Directors Lijun Yang and Haidong Chi subscribed for an aggregate \$413k in entitlement and shortfall shares.
- Cash position as at 30 June 2024 of approximately \$2.69M.
- Board restructured during the Quarter with the appointment of Mr Lijun Yang as Manager Director and CEO, Mr John Reynolds as Alternate Director to Mr Haidong Chi, and Mr Peter Stern as an Independent Non-Executive Director.

MANAGEMENT COMMENTARY

Commenting on the June quarter, Managing Director Lijun Yang said: "The June quarter saw the Company restructure the board and successfully raise approximately \$2.1 million before costs via a 1 for 1 non-renounceable entitlement offer.

"Unfortunately, the geological mapping and surface sampling results received by MetalsGrove from its initial exploration programs completed at its two lithium projects in Zimbabwe, acquired by previous management, were disappointing and the Company will undertake a strategic review of these assets."

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 30 June 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

MetalsGrove holds two lithium projects in Zimbabwe – the Arcturus Lithium Project (**Arcturus**) and the Beatrice Lithium Project (**Beatrice**).

The two projects were acquired by MetalsGrove on 11 December 2023 under the Company's previous management team.

Arcturus is located approximately 35km northeast of Harare and Beatrice is located approximately 55km south of Harare (Figure 2). The projects consist of six new lithium claims encompassing a total area of approximately 510ha and one claim in application.

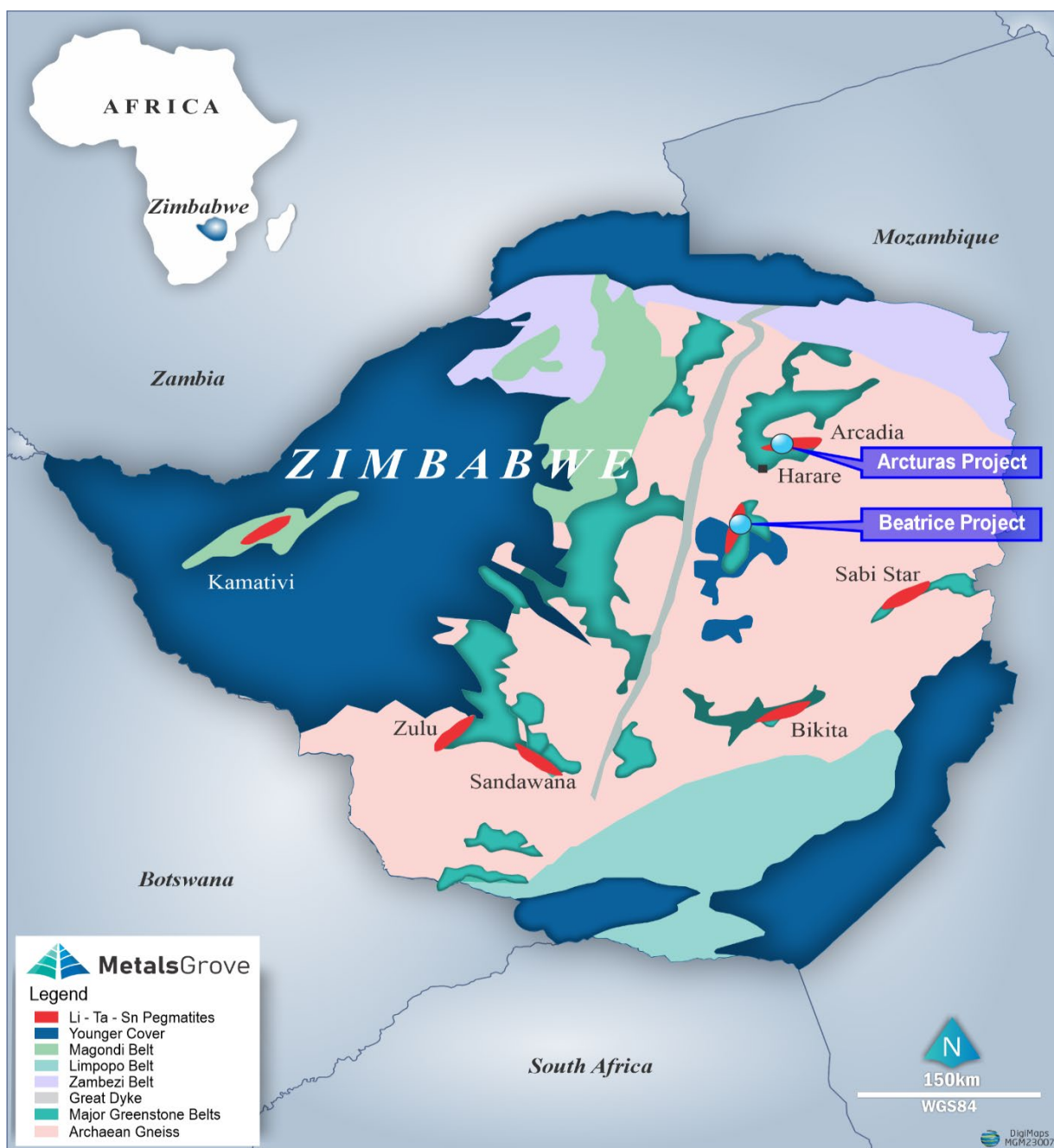


Figure 2: Map of Zimbabwe showing location of Arcturus and Beatrice Lithium Projects

In February 2024, Perth-based consulting firm, GeoCOM, was engaged by MetalsGrove's previous management team to undertake an initial program of geological mapping and surface sampling at Arcturus and Beatrice.

Geological mapping consisted of defining several pegmatites although with less detailed geological observations. The initial site visit was primarily focussed on negotiating and acquiring the tenements.

A total of 104 rock samples were collected, prepared, and submitted to ALS South Africa for analysis, including nine samples from the Beatrice region and 95 from the Arcturus region. More than one-third of the samples collected were from areas outside MetalsGrove's tenements.

Pathfinder elements commonly associated with lithium mineralisation, such as tantalum, potassium, and rubidium, were not included in the assay suite.

Arcturus Lithium Project

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

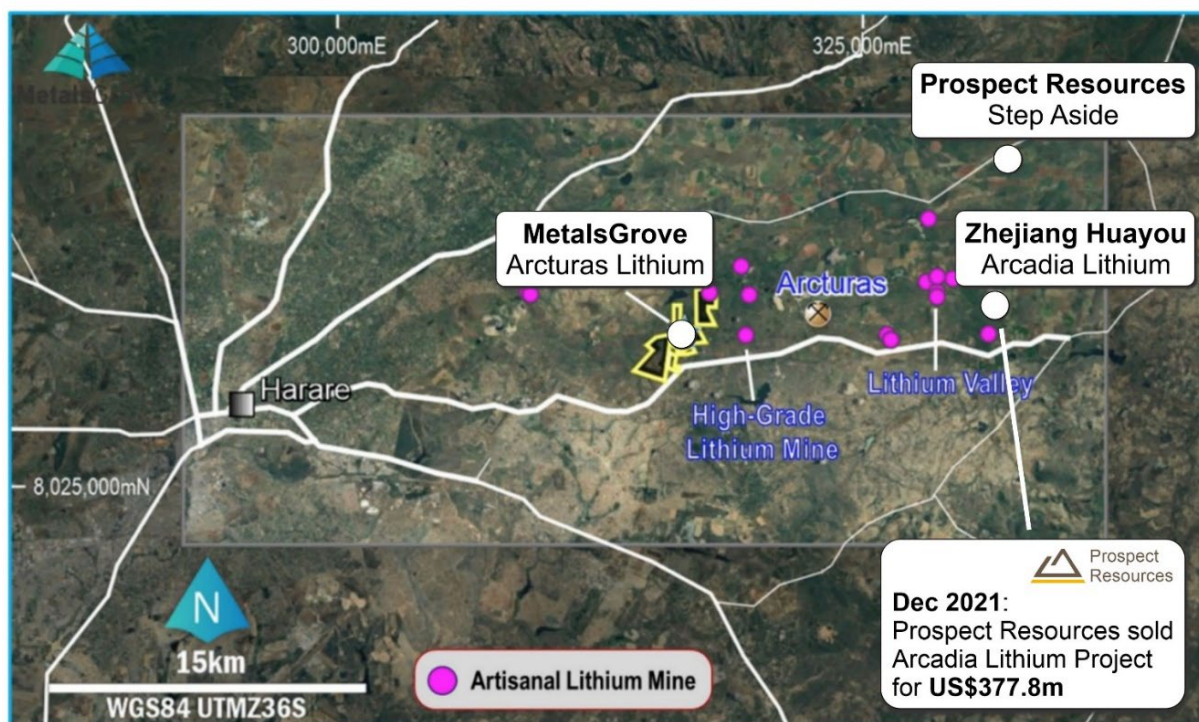


Figure 3: Map illustrating location of Arcturus Lithium Prospect.

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

A total of 95 samples were collected from the Arcturus Project area. GeoCOM reports that no lithium-bearing minerals were observed. All samples recorded lithium values at trace levels or below detection limits (Figure 4).

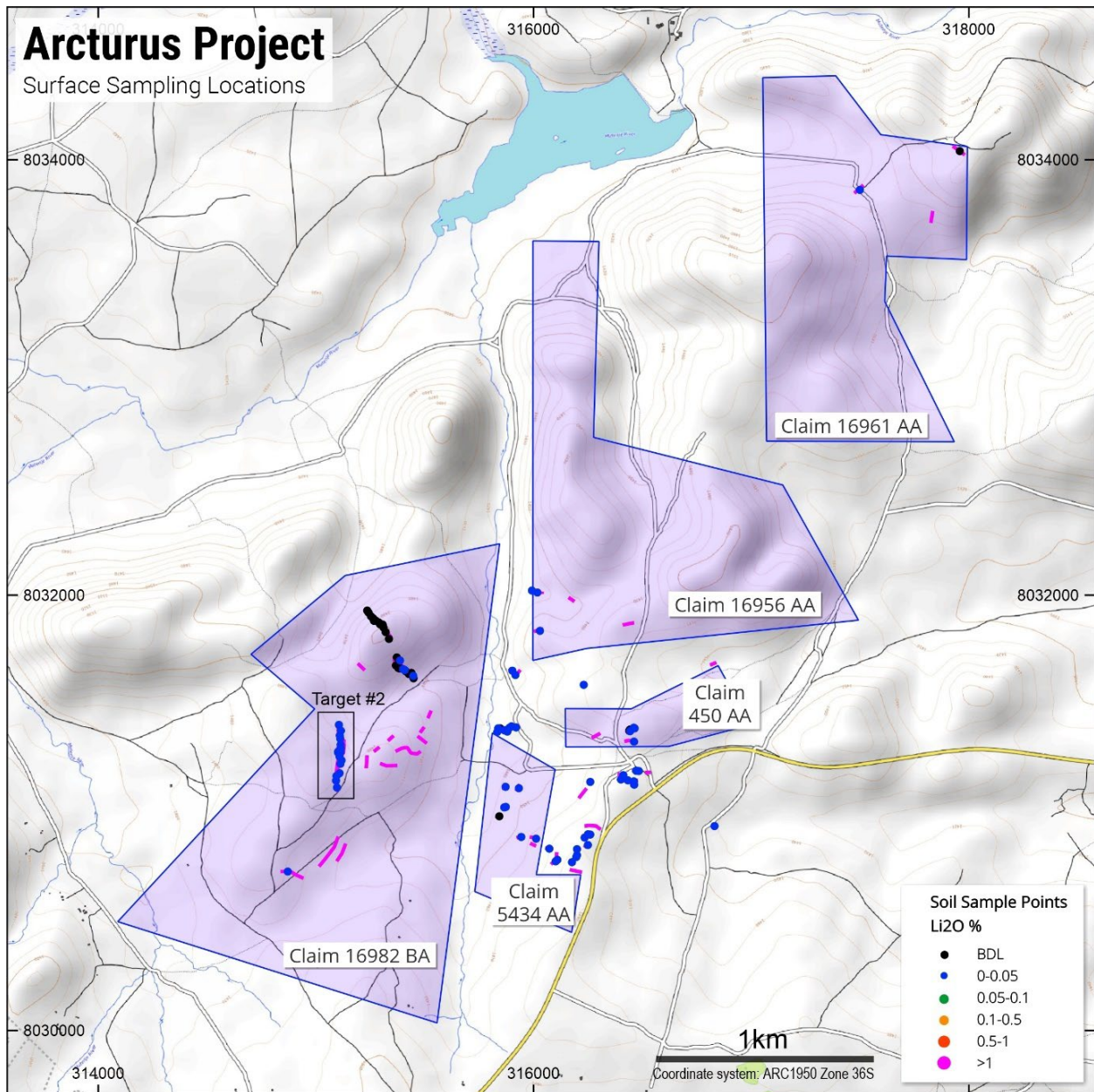


Figure 4: Map of Arcturus illustrating surface sampling locations and results.

Beatrice Lithium Project

Beatrice is located a short distance from the Joyse Gold Mine (**Figure 5**).

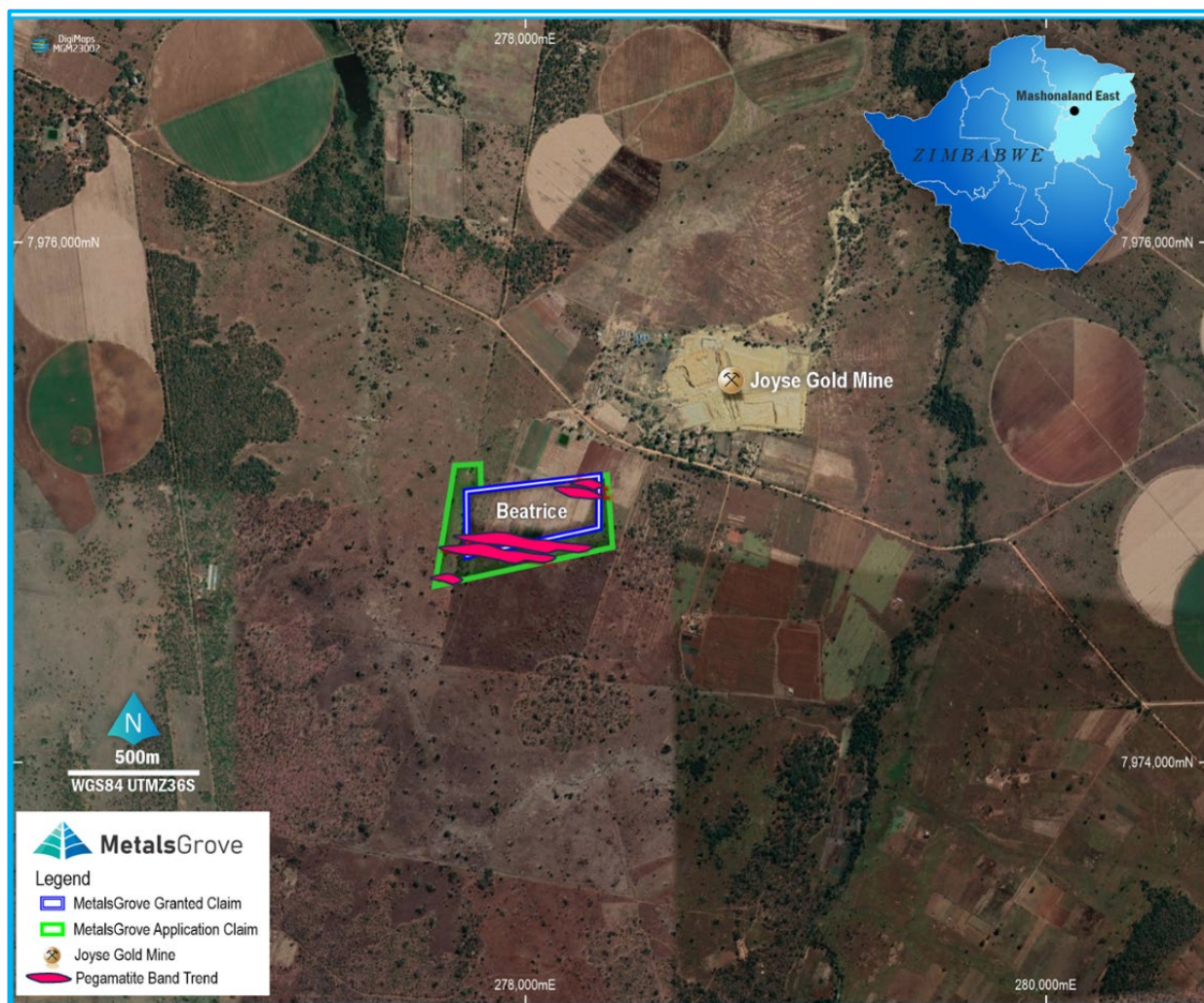


Figure 5: Map illustrating location of Beatrice, including Pegmatite band trends.

Beatrice is a well-known pegmatite zone that is mineralised in lithium (lepidolite)-caesium-tantalum (LCT).

Nine samples were collected for assay by GeoCOM. These variously recorded encouraging lithium grades, with values of up to 1.44% Li_2O . Unfortunately, only one of these samples, at the grade of 0.88% Li_2O , was collected from within MetalsGrove's granted tenements (Figure 6).

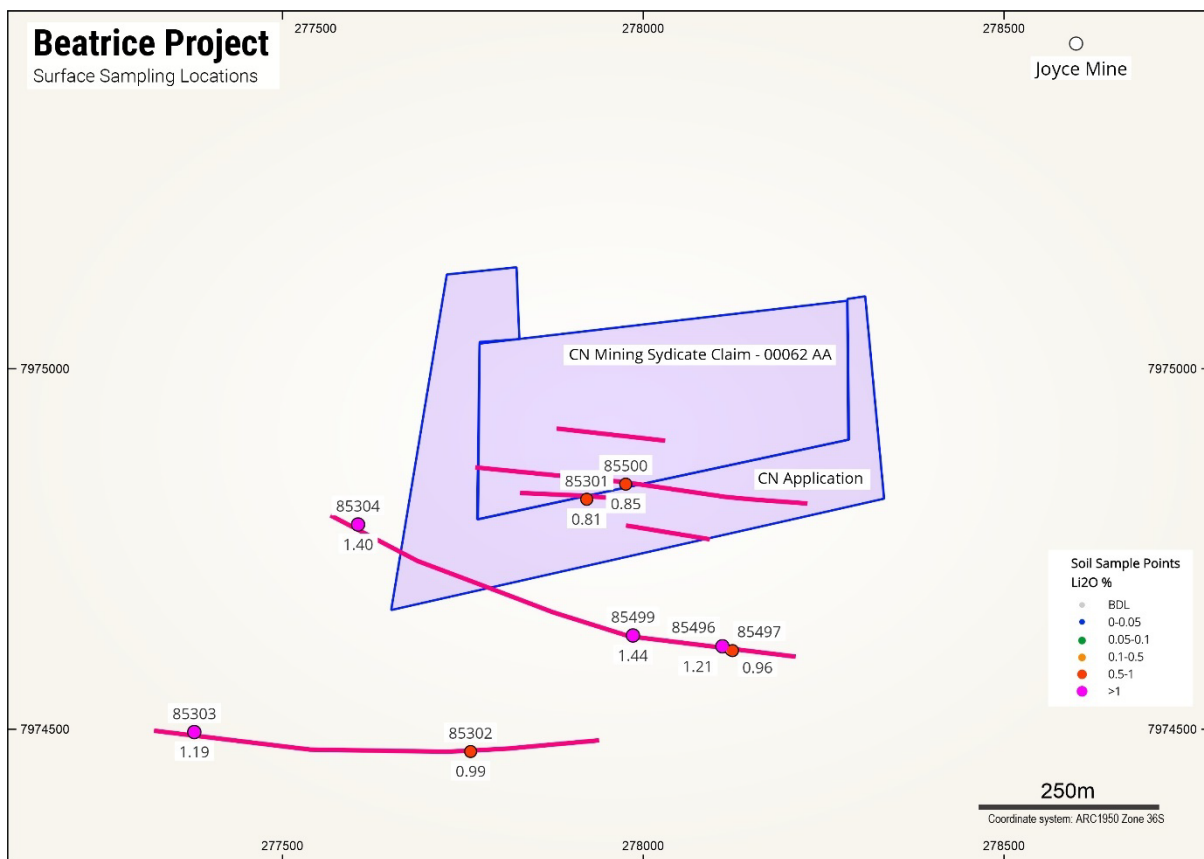


Figure 6: Map of Beatrice illustrating surface sampling locations and results.

Lepidolite, the lithium-bearing mineral observed in these samples, can be identified by its distinctive purple colour (Figures 7).



Figure 7: Rock chip sample ID: 85500 From MGA Tenement 0.85% Li₂O.

Next Step

Given the disappointing geological and assay results, in the absence of any further perceived opportunity, and having regards to the weakness in the lithium market since the projects were acquired, MetalsGrove is taking a strategic review of this asset.

AUSTRALIAN MULTI-METALS PROJECTS

MetalsGrove owns six resources exploration projects in Australia (Figure 8):

- 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 8.

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

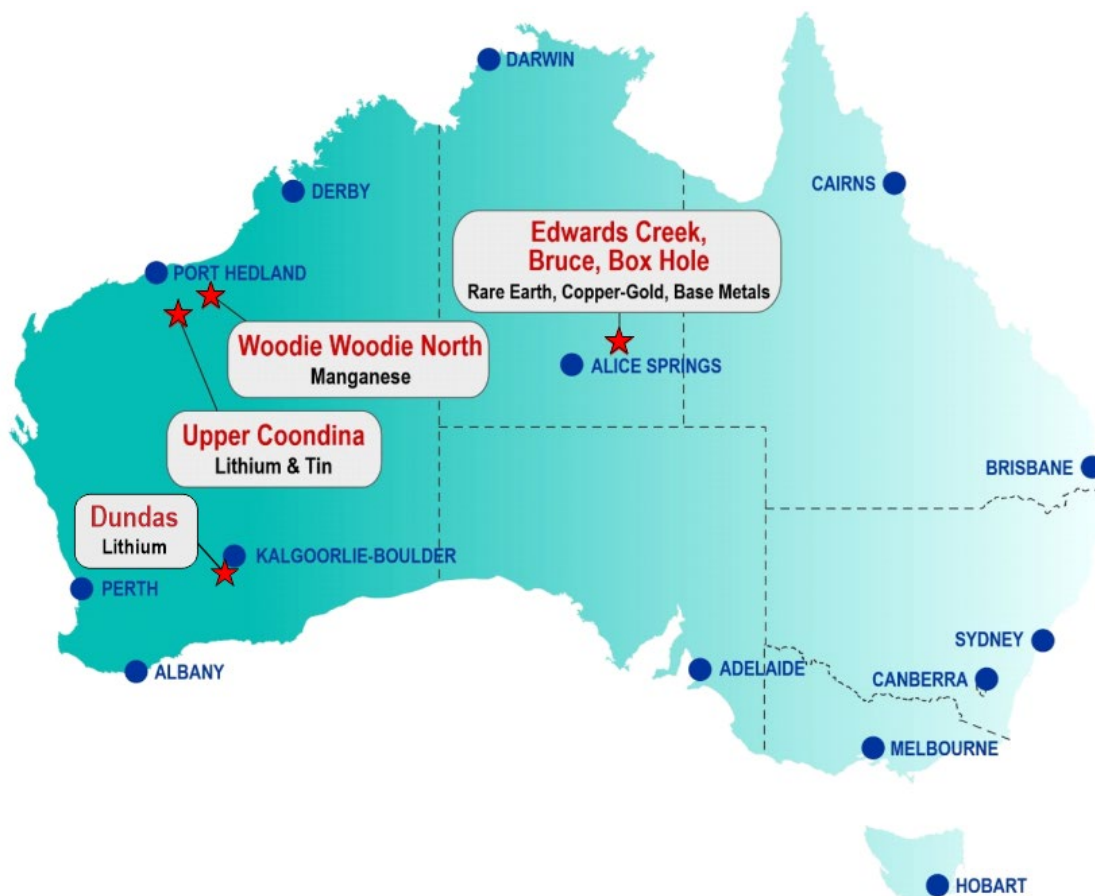


Figure 8: Location map identifying MetalsGrove's Australian projects.

Corporate Summary

Cash Position

At the end of the Quarter, the Company held \$2,687,041 in cash.

Board Restructure

During the Quarter:

- Mr Lijun Yang was appointed as Non-Executive Director, and subsequently as Manager Director and CEO. 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.
- Mr John Reynolds was appointed 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.
- Mr Peter Stern was appointed as an Independent Non-Executive Director. Mr Stern is a geologist by formal training, and is a career investment banking, having worked in the corporate advisory divisions of each Macquarie Bank, UBS and Deutsche Bank.

Entitlement Offer

During the Quarter:

- The Company successfully raised approximately \$2.1 million before costs via a 1 for 1 non-renounceable entitlement offer at an issue price of \$0.04 per share.
- Directors Lijun Yang and Haidong Chi have subscribed for an aggregate \$413k in entitlement and shortfall shares.

Registered Office Change

During the Quarter:

- The Company's Registered Office and Principal Place of Business has changed to:

Suite 9, Level 2, 389 Oxford Street, Mount Hawthorn WA 6016

Phone: +61 9380 6789

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 \$67,000.
- 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 Jun 24 Quarter	Balance Remaining
Upper Coondina	\$1,685,865	\$1,313,389	\$372,476
Bruce	\$1,453,000	\$1,043,657	\$409,343
Box Hole	\$423,000	\$216,141	\$206,859
Edwards Creek	\$427,000	\$266,293	\$160,707
Woodie Woodie North	\$450,000	\$247,580	\$202,420
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	\$1,914,900	(\$773,164)
Administration costs	\$524,000	\$524,000	-
Total	\$6,860,865	\$6,282,223	\$578,642

Tenements

During the quarter, License E63/2360 was granted to MetalsGrove. The Company's Application E28/3388 was withdrawn due to its lower ranking in the ballot. No licenses held by the Company 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
ARCTURUS	000450AA	MetalsGrove Global	Granted
ARCTURUS	016956AA	MetalsGrove Global	Granted
ARCTURUS	016961BA	MetalsGrove Global	Granted
ARCTURUS	016982BA	MetalsGrove Global	Granted
ARCTURUS	005434AA	MetalsGrove Global	Granted
DUNDAS	E63/2363	MetalsGrove	Granted
DUNDAS	E63/2360	MetalsGrove	Granted
LEAKE	E77/3149	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

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 multi-metal projects including rare earth element, copper-gold, manganese and base metal projects in Western Australia and the Northern Territory of Australia, as well lithium projects in Zimbabwe.



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 previous ASX announcements. A copy of 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

Sam Burns
SIX[®] Investor Relations
+61 400 164 067
sam.burns@sdir.com.au

