



## MARKET UPDATE

MRG Metals Ltd (“MRG”) is pleased to provide Shareholders the following update:

- **Mozambique Heavy Mineral Sands (HMS) Projects:**
  - MRG is now commencing the process of negotiating new agreements directly with Sofala, on favourable terms to MRG Shareholders.
  - Existing agreements with Trophosys expired in June 2018.
  - MRG remains optimistic that a new agreement will be reached directly with Sofala, the owners of the project.
  
- **Norrliden VMS Project:**
  - MRE report (refer ASX announcement 13 July 2018) highlights a potential economic resource with a profit margin in excess of USD\$100 million.
  - MRG has reached the first 10% equity hurdle and has right to spend an additional USD\$500 thousand to reach 25% equity over the next 12 months and the right to 50% equity for an additional USD\$2 million spend over a further 12 months.
  - MRG and its JV Partner, Mandalay Resources Corporation (TSX: MND) have commenced an agreed process to pursue the potential sale of Norrliden given the economic value of the asset and the unexplored targets recently identified, which provide significant potential upside.
  - MRG and Mandalay have agreed that if a successful sale was achieved then MRG’s current equity position and its right to earn a 50% equity position will be factored into the apportionment of the sale proceeds.
  - Mandalay has agreed to a stand-still period under the JV while the sale process takes place.
  - MRG will provide a further market update if a sale is to proceed. It should be noted, that commencement of this sales process does not guarantee that an acceptable sale offer will be received.
  
- **Pulchera:**
  - MRG has recently announced an intention to a Farm In Agreement with Apollo Exploration & Mining Ltd (refer ASX announcement of 26 July 2018).
  - 60 Days Due Diligence has commenced.
  - Farm in spend of AUD\$1.5 million to earn 50% and a further spend of AUD\$2.5 million to increase earn to 80% over two 18 month periods. JV to form at 80:20 Equity basis thereafter.



- **AU Resource Company Limited Farm In agreement:**  
Under the non-binding agreement AU Resource Company has the right to commence Due Diligence on a number of MRG's projects (refer ASX announcement 1 November 2017).
  - AU Resource Company is finalising its program for the remainder of 2018 and is expected to advise shortly on its intention to commence Due Diligence work on other MRG projects this year.
- **Yardilla:**  
MRG has commenced preliminary discussions with a potential Joint Venture partner, who is undergoing a regional analysis, which if favourable will open-up dialogue for a potential Farm In Agreement.
- **Other Projects:**  
MRG continues to look for JV partners on its remaining portfolio with Loongana being the only project targeted for drilling by MRG on its own in 2019 (should funding and priorities warrant it). Other assets will be divested as expenditure commitments become due and the search for a JV partner has been exhausted.
- **Cash:**  
MRG had circa \$1.7 million of cash and no debt at 30 June 2018.