AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE

19 August 2019

MOZAMBIQUE HMS CORRIDOR PROJECTS –

AUGER RESULTS DEMONSTRATE HUGE POTENTIAL

Key Highlights

- **IMPRESSIVE LABORATORY ASSAY RESULTS RECEIVED FROM FIRST AUGER DRILLING PROGRAM AT KOKO MASAVA .**
- **NEAR SURFACE, HIGH GRADE ASSAY RESULTS DEMONSTRATE POTENTIAL FOR A SIGNIFICANT HEAVY MINERAL SAND DISCOVERY.**
- **HIGH GRADE MINERALISATION OF >5% THM COMMONLY EXTENDS TO THE END OF HOLE AT 10.5 METRE DEPTH AND OPEN AT DEPTH.**
- **16 HOLE PROGRAM WITH DRILL HOLE SPACING OF APPROXIMATELY 500 METRES - SIGNIFICANTLY EXPANDS THE KOKO MASAVA TARGET FOOTPRINT TO GREATER THAN 18 SQUARE KILOMETRES (18 SQ. KM) AND OPEN IN ALL DIRECTIONS.**
- **HIGHLIGHTS OF THE AUGER ASSAY RESULTS INCLUDE:**

  10.5M @ 5.43% THM (HOLE 19CCHA028) FROM SURFACE
  10.5M @ 5.13% THM (HOLE 19CCHA026) FROM SURFACE
  10.5M @ 5.00% THM (HOLE 19CCHA021) FROM SURFACE

- **PREPARATION FOR AIRCORE DRILLING AT KOKO MASAVA HAS COMMENCED AND REMAINS ON SCHEDULE FOR LATE AUGUST.**
- **AUGER DRILLING PROGRAMME TO BE EXTENDED AT KOKO MASAVA TO EXPLORE THE EDGES OF THE MINERALISED FOOTPRINT BY TESTING EXTENSIONS IN ALL DIRECTIONS.**
- **AUGER DRILLING PLANNED TO TEST HIGH PRIORITY POIOMBO AND NHACUTSE TARGETS WHICH ARE ALSO SCHEDULED FOR AIRCORE DRILL TESTING LATER IN 2019.**

MRG Chairman, Mr Andrew Van Der Zwan, said " We are very excited to have received the assays from our recent Auger Drill Program at Koko Masava. The neighbouring Rio Tinto/Savannah Mutamba HMS Project has an Indicated Resource of 1.78Bt at 3.8%, so these results confirm our belief that we have the potential for a very significant HMS Project in this prolific province. With Aircore drilling to commence shortly to test greater depths and potentially further extend our HMS footprint, we enter a very important and exciting stage for the Company".

Background

MRG Metals (ASX Code: MRQ) is pleased to provide an update on the highly significant first laboratory assay results received from an auger drilling program that has been underway since April 2019. Of particular importance is the verification drilling at Koko Masava, where all of the 16 holes drilled returned assays >3% THM over 10.5 metres from surface, with 5 of those holes bottoming in high grade >5% THM. From auger drilling to date, 10.5 metres is the maximum depth of optimal penetration of the hand held auger equipment.

This first data set confirms the Koko Masava target is mineralised from surface over an extensive area measuring approximately 4.5km x 4km (18 sq km), which still remains open in all directions.

The assay results reported here strongly endorse auger drilling as an integral part of the comprehensive methodology and systematic approach being implemented by the Company for heavy mineral sands (HMS) exploration across its Corridor Central and Corridor South tenements in Mozambique.

Visual estimates of heavy mineral concentrations were recorded during field sampling. With the first laboratory results now at hand the Company is able to calibrate and improve the effectiveness of field estimation of HMS grade for future exploration purposes.

Auger Sample Laboratory Results

Auger samples were sent to Western GeoLabs in Perth for heavy liquid separation analysis. Samples were initially oven dried and disaggregated if required by hand, weighed and then split to approximately 100g sub-samples. The sub-sample was wetted and attritioned to ensure further breakdown of any clay aggregates and then de-slimed at 45µm to measure Slime percent. The sub-sample was then screened at +1mm to remove and measure Oversize percent. The +45µm-1mm fraction was then subjected to heavy liquid separation (HLS) with tetrabromoethane (TBE) at specific gravity of 2.95. The settling time for HLS was 45 minutes with several stirs of the liquid to ensure adequate heavy mineral 'drop'.

In terms of QAQC, field duplicate samples are prepared at a frequency of 1 per 25 primary samples and submitted 'blind' to the laboratory. At the laboratory, duplicates are routinely prepared at a frequency of 1 per 10 primary samples.

Of particular importance are the auger drill results received from verification and orientation drilling over the high potential Koko Masava target. This included sixteen holes, 19CCHA017 to 19CCHA032, drilled at 500m stations on two traverses 2000m apart that cover the central portion of the anomaly (refer Announcement 6 May 2019). All of these holes drilled at Koko Masava returned un-cut average downhole intersections of ≥10.5m @ >3% THM, with the best result being from hole 19CCHA028 with 10.5m @ 5.43% THM (Table 1). This hole, 19CCHA028, also returned the highest grade individual sample of 6.11% THM from the interval 3-4.5m.

Significantly, five of the drillholes (19CCHA021, 025, 026, 028, & 030) ended with individual sample results >5% THM, indicating robust high grade THM mineralisation continues at depth.

High grade results in holes 19CCHA021-24 and 19CCHA025-26, have expanded the footprint of known high grade mineralisation by approximately 2km in the southeast and 1km in the northeast, respectively (Figure 1). The mineralisation remains open in all directions.

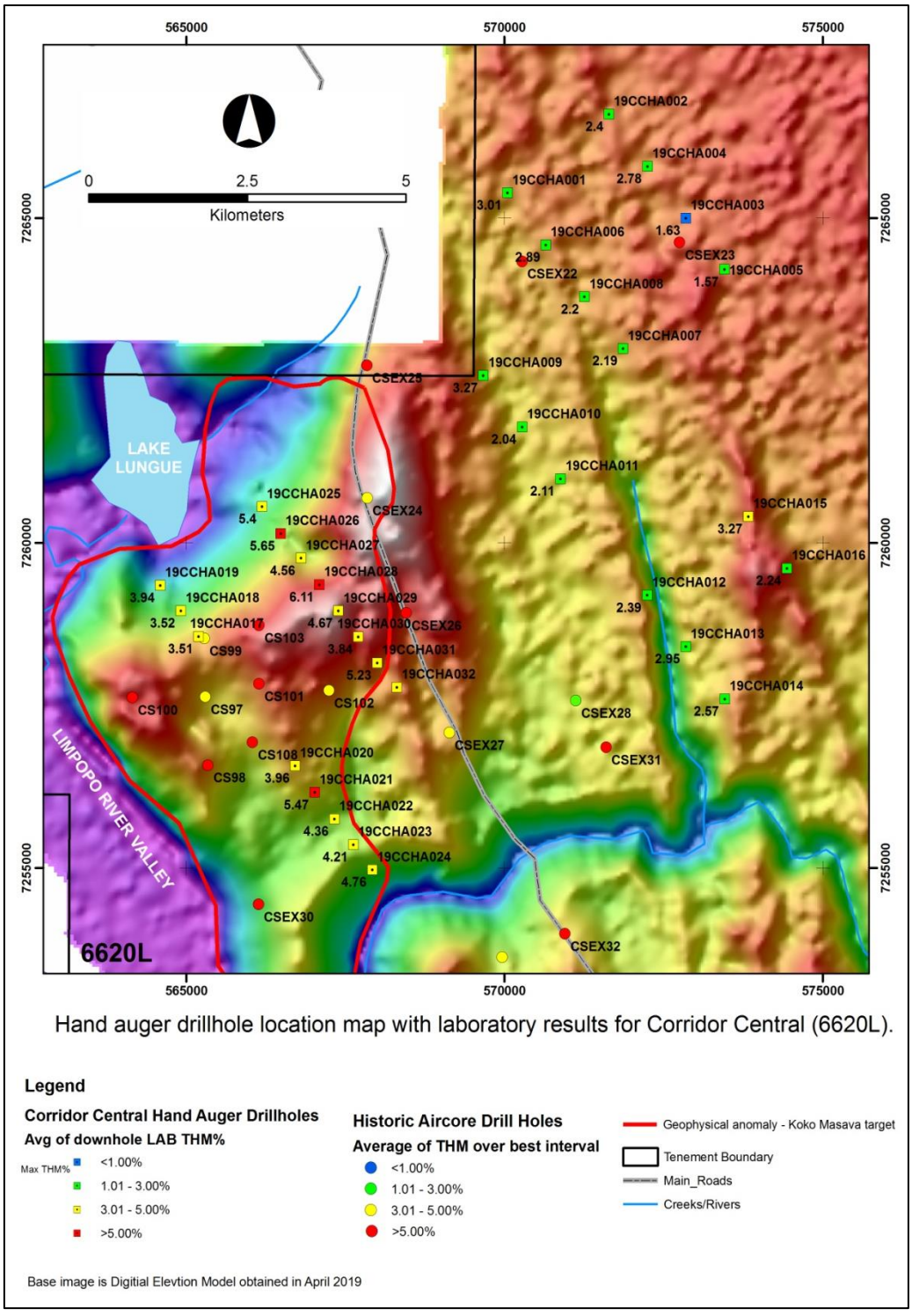
Slime (-45µm) content in the samples is only moderate, with an overall average 14.31% (n=117) and range from 4.64% to 25.26%. The oversize (+1mm) fraction is low, and has an average of 1.12%.

These laboratory assay results for auger drilling at Koko Masava target also illuminate the historic aircore drill data (refer Announcement 14 May 2018) collected by Western Mining Corporation and BHP, that stated high grade HMS mineralisation extends from surface to depths up to 90m over a significant footprint area of 6km x 4km.

Outside of the Koko Masava target footprint, 5km to the east, auger sample assay results from shallow reconnaissance drilling at Malehice and Muxuxane prospects were not as encouraging.(Table 1 and Figure 1). Visual estimated grades from drillhole samples in those areas were elevated. However, relatively lower slime contents in those samples may have caused over estimation in THM% in pan concentrates. Some of these samples will be selected for analysis at a secondary laboratory as part of the Company's standard QAQC practices.

Table 1: Summary laboratory sample data for auger drilling at the Corridor Central, Koko Masava target.

HOLE_ID	UTM EAST WGS84	UTM NORTH WGS84	EOH (M)	ELEV'N (M)	PROSPECT	AVG HOLE THM%	MAX HOLE THM%	MIN HOLE THM%	AVG HOLE SLIME%	AVG HOLE O/S%
19CCHA001	570044	7265390	11	75	MUXAXANE	2.66	3.01	2.33	9.91	1.06
19CCHA002	571639	7266600	12	74	MUXAXANE	2.21	2.40	1.92	10.26	0.92
19CCHA003	572848	7265001	10.5	77	MUXAXANE	1.51	1.63	1.41	10.36	1.57
19CCHA004	572244	7265799	12	74	MUXAXANE	2.54	2.78	2.20	12.32	0.90
19CCHA005	573453	7264212	12	73	MUXAXANE	1.53	1.57	1.48	12.57	1.15
19CCHA006	570647	7264590	13	69	MUXAXANE	2.64	2.89	2.31	10.56	0.90
19CCHA007	571861	7262994	13	73	MUXAXANE	2.09	2.19	1.86	11.17	1.18
19CCHA008	571256	7263789	13	69	MUXAXANE	2.06	2.20	1.94	12.67	1.14
19CCHA009	569667	7262580	13	66	MALEHICE	2.90	3.27	2.37	10.46	1.23
19CCHA010	570275	7261788	12	68	MALEHICE	1.75	2.04	1.60	12.31	1.58
19CCHA011	570877	7260991	10.5	59	MALEHICE	1.90	2.11	1.71	10.54	0.89
19CCHA012	572240	7259198	12	65	MALEHICE	2.02	2.39	1.68	8.33	0.70
19CCHA013	572846	7258407	12	67	MALEHICE	2.72	2.95	2.52	7.55	0.72
19CCHA014	573458	7257602	12	65	MALEHICE	2.31	2.57	2.09	9.59	1.02
19CCHA015	573830	7260410	12	76	MALEHICE	3.08	3.27	2.64	10.64	0.43
19CCHA016	574436	7259612	12	76	MALEHICE	2.05	2.24	1.90	9.57	0.77
19CCHA017	565191	7258562	10.5	72	KOKO MASAVA	3.03	3.51	2.66	18.55	1.39
19CCHA018	564911	7258958	12	41	KOKO MASAVA	3.22	3.52	2.68	12.08	1.72
19CCHA019	564590	7259349	10.5	38	KOKO MASAVA	3.38	3.94	2.93	11.21	1.29
19CCHA020	566708	7256572	10.5	66	KOKO MASAVA	3.58	3.96	3.18	15.87	1.84
19CCHA021	**567014**	**7256163**	**10.5**	**62**	**KOKO MASAVA**	**5.00**	**5.47**	**4.01**	**18.56**	**0.96**
19CCHA022	567323	7255754	10.5	60	KOKO MASAVA	4.17	4.36	3.70	17.61	0.75
19CCHA023	567624	7255359	10.5	50	KOKO MASAVA	3.90	4.21	3.62	16.55	0.68
19CCHA024	567920	7254972	10.5	50	KOKO MASAVA	4.45	4.76	4.07	18.45	0.69
19CCHA025	**566189**	**7260561**	**10.5**	**47**	**KOKO MASAVA**	**4.90**	**5.40**	**4.50**	**8.88**	**1.59**
19CCHA026	**566481**	**7260147**	**10.5**	**47**	**KOKO MASAVA**	**5.13**	**5.65**	**4.47**	**12.72**	**1.29**
19CCHA027	566798	7259768	10.5	70	KOKO MASAVA	4.12	4.56	3.60	10.32	1.35
19CCHA028	**567089**	**7259360**	**10.5**	**81**	**KOKO MASAVA**	**5.43**	**6.11**	**4.83**	**15.34**	**0.67**
19CCHA029	567389	7258957	10.5	95	KOKO MASAVA	3.93	4.67	3.58	13.88	0.83
19CCHA030	567701	7258559	10.5	86	KOKO MASAVA	3.49	3.84	3.16	14.99	1.28
19CCHA031	**567996**	**7258157**	**10.5**	**76**	**KOKO MASAVA**	**4.76**	**5.23**	**4.11**	**13.58**	**0.67**
19CCHA032	568306	7257781	10.5	83	KOKO MASAVA	3.51	3.93	2.91	10.86	0.77



Hand auger drillhole location map with laboratory results for Corridor Central (6620L).

Legend

Corridor Central Hand Auger Drillholes
Avg of downhole LAB THM%
Max THM%
- <1.00%
- 1.01 - 3.00%
- 3.01 - 5.00%
- >5.00%

Historic Aircore Drill Holes
Average of THM over best interval
- <1.00%
- 1.01 - 3.00%
- 3.01 - 5.00%
- >5.00%

- Geophysical anomaly - Koko Masava target
- Tenement Boundary
- Main_Roads
- Creeks/Rivers

Base image is Digitial Elevtion Model obtained in April 2019

Figure 1: Hand auger drillhole location map of the Corridor Central, Koko Masava target, showing summary results for laboratory analyses of samples.

Subject to logistical requirements and staff recruitment being in place, aircore drilling is planned to commence at Koko Masava by the end of August 2019 (Figure 2).

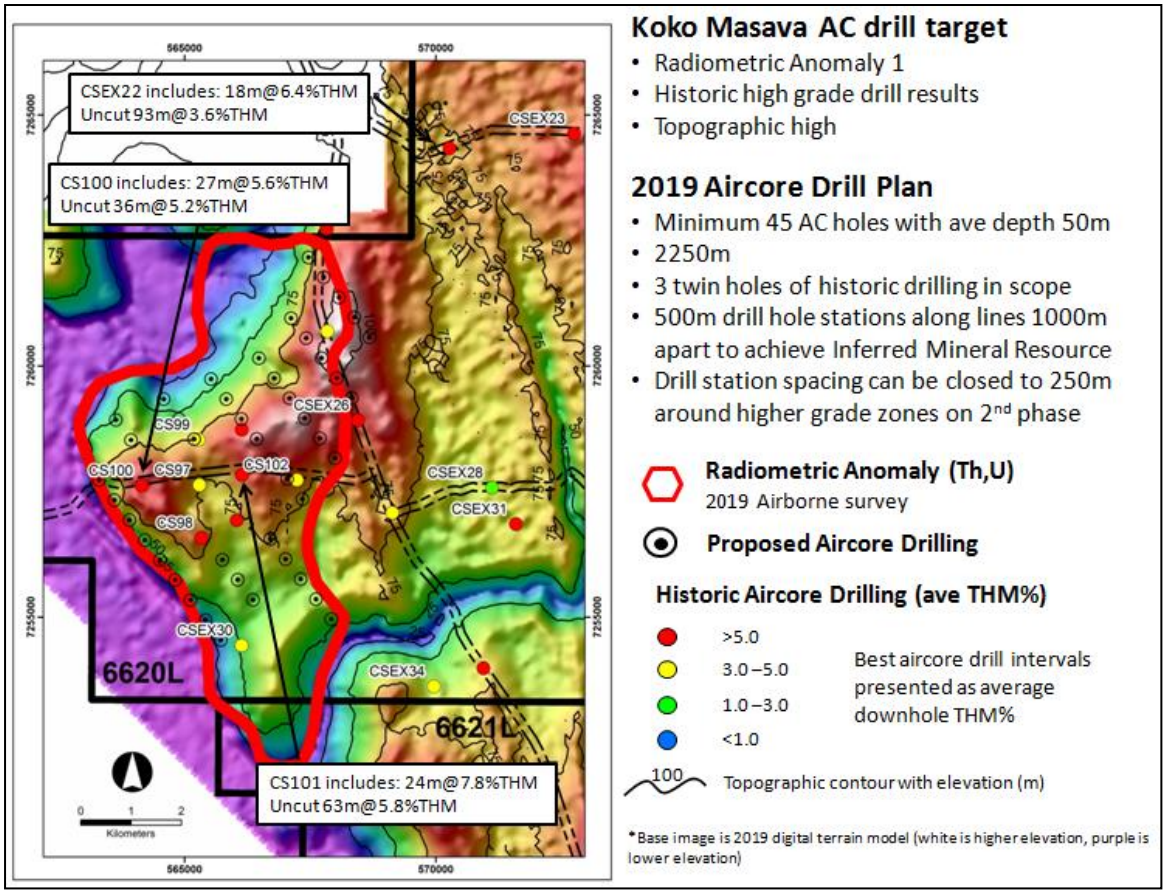


Figure 2: Map of planned aircore drilling at the Corridor Central, Koko Masava target.

Drill Program Planning and Site Preparation

- The Provincial Directorate for Lands, Environment and Rural Development (DPTADER) visited the Corridor project areas on Friday 9th August and the Company awaits feedback for input to the Environment Management Plan.
- Drill line and drill pad clearing commenced in the Koko Masava target area on 10th August, after the DPTADER visit.
- Estimated time to complete drill line clearing and track definition for the Koko Masava target area is approximately14 days.
- Recruitment of labourers and a second geologist, training for field Standard Operating Procedures (SOPs) and contracting for support services is ongoing.

Ongoing Auger Drilling Program

Auger drilling has now proven itself to be a successful and cost effective exploration methodology and will be ongoing as a Company work program, initially continuing with follow up at Koko Masava to test the edges of the mineralized footprint. This will be undertaken by drilling auger traverses to test for extensions in all directions.

On completion of the follow-up extensional auger drilling at Koko Masava, the auger drilling program will move across to the Poiombo and Nhacutse targets which are also scheduled for aircore drill testing later in 2019. (Figure 3)

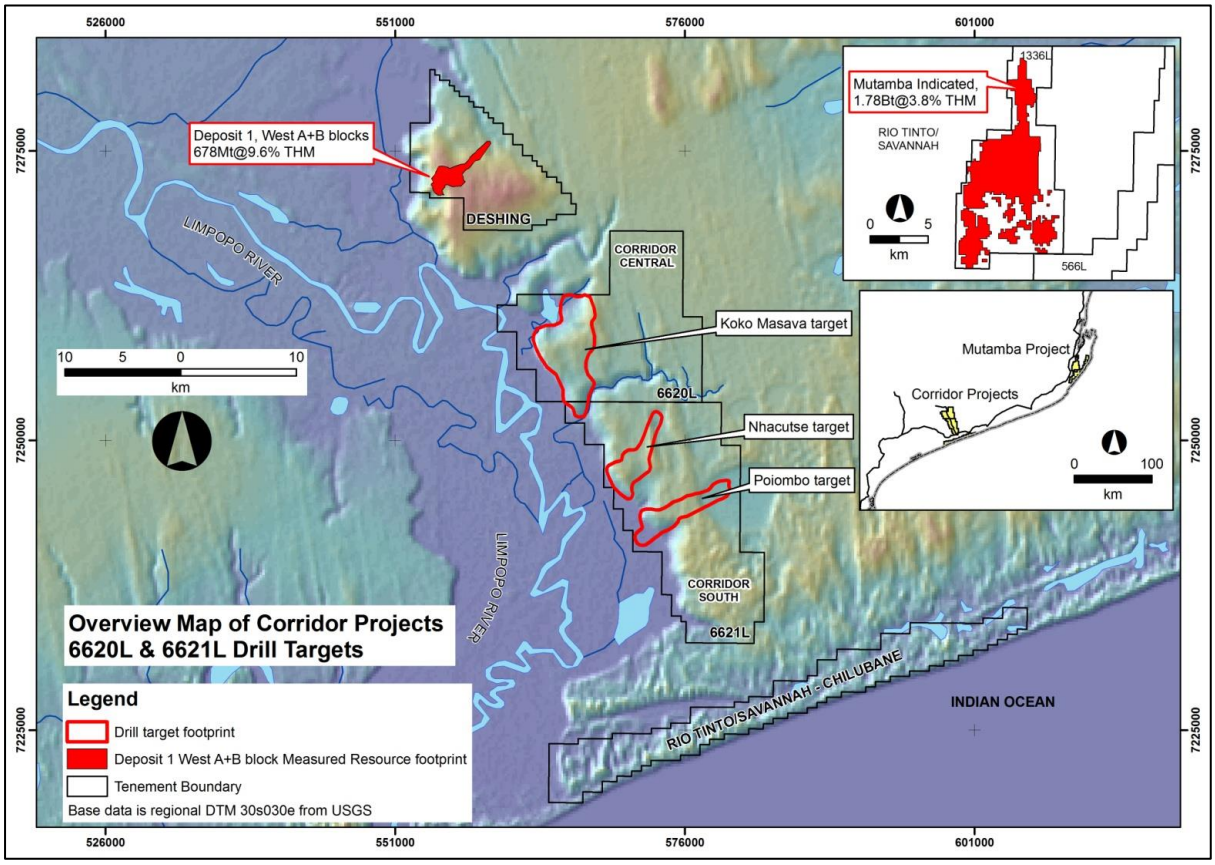


Figure 3: Overview Map of Corridor Projects- Targets to date: Koko Masava, Poiombo and Nhacutse

Trading Halt

The Trading Halt in the Company's securities can now be lifted.

Competent Persons' Statement

The information in this report, as it relates to Mozambique Exploration Results is based on information compiled and/or reviewed by Dr Mark Alvin, who is a member of The Australasian Institute of Mining and Metallurgy. Dr Alvin is an employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken 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". Dr Alvin consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

-ENDS-

On behalf of:

Mr Andrew Van Der Zwan
Chairman
MRG Metals Ltd

Appendix 1

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	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised 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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• A sample of sand, approximately 20g, was scooped from the sample bag of each sample interval for wet panning and visual estimation. • The same sample mass is used for every pan sample visual estimation. • The consistent sized pan sample is to ensure visual calibration is maintained for consistency in percentage visual estimation of total heavy mineral (THM). • Geotagged photographs are taken of each panned sample with the corresponding sample bag to enable easy reference at a later date • The larger 1.5m interval auger drill samples were homogenized prior to being grab sampled for panning. • The large 1.5m drill samples have an average of about 4kg and were split down to approximately 300-600g by riffle splitter for export to the Primary processing laboratory • The 300-600g laboratory sample was dried and split to 100g, de-slimed (removal of -45µm fraction) and oversize (+1mm fraction) removed, then subjected to heavy liquid separation using TBE to determine total heavy mineral content.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Auger drilling using a manual hand operated system produced by Dormer Engineering in Australia. • Drill rods and drill bits are 1m long. • The auger is a 62mm open hole drilling technique. • All holes have been drilled vertically. • The drilling onsite is governed by a Hand Auger Drilling Guideline to ensure consistency in application of the method. • A wooden surface collar is placed on the ground at the beginning of each hole to prevent widening of the collar and material falling into the hole.
Drill sample	• *Method of recording and assessing core and chip sample recoveries*	• Auger drilling is considered to be an early stage relatively

Criteria	JORC Code explanation	Commentary
recovery	*and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	unsophisticated technique of drilling. • The auger drill used is an open hole method and drill recoveries are estimated according to the volume of sample extracted from the holes. • Samples are consistently collected at 1.5m intervals. • No significant losses of auger sample were observed due to the shallow depths of drilling (<12m). • The initial 0 – 1.5m interval in each auger hole is drilled with care to maximize sample recovery. • There is potential for contamination in open hole drilling techniques but sample bias is not likely due to the shallow drill hole depths.
Logging	• *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.*	• The 1.5m auger drill intervals were logged onto paper field log sheets prior to transcribing into a Microsoft Excel spreadsheet. • The auger samples were logged for lithology, colour, grainsize, rounding, sorting, estimated %THM, estimated %slimes and any relevant comments, such as slope and vegetation. • Geological logging is governed by a Hand Auger Drilling Guideline with predefined codes and guidance of what to include in log fields to ensure consistency between individuals logging data. • Data is backed-up each day at the field base to a cloud storage site. • Data from the Microsoft Excel spreadsheets is imported into a Microsoft Access database and the data is subjected to numerous validation queries to ensure data quality.
Sub-sampling techniques and sample preparation	• *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 maximise 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.*	• The 1.5m drill sample composites were homogenized at the drill site and then cone-and-quarter split onsite and inserted into clean calico sample bags according to the Hand Auger Drilling Guideline. • At the field base, the samples were homogenized within the calico bag by rotating it and then fed through a single tier riffle splitter, that is placed on a hard surface and leveled, to reduce samples to 300-600g sub-samples for export to the primary processing laboratory. • The 300-600g sub-sample was deposited into labeled new calico sample bags with metal sample tag and prepared to be sent to the laboratory for analysis. • Where samples were wet when sampled, they were dried in clean plastic basins prior to riffle splitting. • All of the samples collected have been sand or silty-sand and the preparation techniques are considered appropriate for this sample type. • The sample sizes were deemed suitable based on industry

Criteria	JORC Code explanation	Commentary
		experience of the geologists involved and consultation with laboratory staff. • Field duplicates of the samples were completed at a rate of 5%, or at a frequency of approximately 1 per 25 primary samples. • A geologist supervises both the cone-and-quarter and riffle sample splitting processes.
Quality of assay data and laboratory tests	• *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 derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The wet panning of samples provides an estimate of the %THM content within the sample which was sufficient for the purpose of determining approximate concentrations of THM at this stage. • The field derived visual panned HM estimates are compared to a range of laboratory derived THM images of pans. This allows the field geologists to calibrate the field panned visual estimate with known THM grades. **Laboratory Analysis Methodology** • The individual 300-600g auger sub-samples were sent to Western GeoLabs in Perth, Western Australia, which is considered the Primary laboratory. • The 300-600g auger samples were first oven dried, disaggregated to break up any clay balls, and riffle split to 100g sub-samples. They were then wetted and attritioned and screened for removal and determination of Slimes (-45µm) and Oversize (+1mm) contents. • The +45um-1mm sample fraction was then analysed for THM% content by heavy liquid separation (HLS). • The laboratory used TBE as the heavy liquid medium for HLS – with density 2.95 g/ml, measured daily. • This is an industry standard technique for HLS. • Field duplicates of the auger samples were collected at a frequency of 1 per 25 primary samples and submitted ‘blind’ with the sample batch. • Western GeoLabs completed its own internal QA/QC checks that included laboratory repeats every 10th sample prior to the results being released. • Analysis of the Company and laboratory QA/QC samples show the laboratory data to be of acceptable accuracy and precision. • The adopted QA/QC protocols are acceptable for this stage test work.
Verification of sampling and	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.*	• Selected visual estimated THM field data are checked by the Chief Geologist. • Significant visual estimated THM >6% are verified by the Chief

Criteria	JORC Code explanation	Commentary
assaying	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Geologist. This is done either in the field or via field photographs of the pan sample. • The Chief Geologist makes regular visits to the field drill sites to check on process and procedure. • No twinned holes have been completed due to the early nature of the auger drilling technique. • The data has been manually transcribed into a master Microsoft Excel spreadsheet which is appropriate for this early stage in the exploration program. Data is then imported into a Microsoft Access database where it is subjected to various validation queries. • Test work has not yet been undertaken at a Secondary laboratory to check the veracity of the Primary laboratory data. This work is planned as part of the Company's standard QA/QC procedure. • A process of laboratory data validation using mass balance is undertaken to identify entry errors or questionable data. • Field and laboratory duplicate data pairs (THM/oversize/slime) of each batch are plotted to identify potential quality control issues.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Downhole surveys for shallow auger holes are not required due to the very shallow nature. • A handheld 16 channel Garmin GPS was used to record the positions of the auger holes in the field. • The handheld Garmin GPS has an accuracy of +/- 5m. • The datum used for coordinates is WGS84 zone 36S. • The accuracy of the drillhole locations is sufficient for this early stage exploration.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Auger holes were typically drilled at 1000m between hole stations and 2000m between station lines for reconnaissance drilling. • Auger holes were typically drilled at 500m between hole stations and 2000m between station lines for verification drilling over the Koko Masava target. • The reconnaissance auger hole spacing was systematic and hole locations were designed to test whether the occurrence of a radiometric anomaly correlates with heavy mineral sand mineralisation • Closer spaced and systematic verification drilling was undertaken at the Koko Masava target and is appropriate at this stage of exploration to increase confidence in historic drilling data.

Criteria	JORC Code explanation	Commentary
		• The data has not been used for resource estimation.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The auger drilling was placed as perpendicularly as possible on lines cutting the geophysical anomalies obtained from an airborne survey undertaken by the Company during April 2019
Sample security	• *The measures taken to ensure sample security.*	• Auger samples remain in the custody of Company representatives until they are transported to Maputo for final packaging and securing. • The Company uses a commercial shipping company, Deugro, to ship samples from Mozambique to Perth. • The Company dispatched these hand auger samples to Western GeoLabs in Perth for heavy liquid separation analysis. • Western GeoLabs is a dedicated and specialist heavy sand analysis laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Internal data and procedure reviews are undertaken. • No external audits or reviews have been undertaken.

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	• *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.*	• The exploration work was completed on the Corridor Central tenement (6620L) which is 100% owned by the Company through its 100% ownership of its subsidiary, Sofala Mining & Exploration Limitada, in Mozambique • All granted tenements have initial 5 year terms, renewable for 3 years. • Traditional landowners and village Chiefs within the areas of influence were consulted prior to the auger programme and were supportive of the programme.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historic exploration work was completed by Corridor Sands Limitada, a subsidiary of Southern Mining Corporation and subsequently Western Mining Corporation, in 1999. BHP-Billiton acquired Western Mining Corporation and undertook a Bankable Feasibility Study of the Corridor Deposit 1 about 15km north of the Company's tenements. • The Company has obtained digital data in relation to this historic information. • The historic data comprises limited Aircore/Reverse Circulation drilling. • The historic results are not reportable under JORC 2012.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Two types of heavy mineral sand mineralisation styles are possible along coastal Mozambique: 1. Thin but high grade strandlines which may be related to marine or fluvial influences 2. Large but lower grade deposits related to windblown sands. • The coastline of Mozambique is well known for massive dunal systems such as those developed near Inhambane (Rio Tinto's Mutamba deposit), near Xai Xai (Rio Tinto's Chilubane deposit) and in Nampula Province (Kenmare's Moma deposit). Buried strandlines are likely in areas where palaeoshorelines can be defined along coastal zones.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*	• Drill hole information is presented within Table 1 of the main body of text of this announcement in.

Criteria	JORC Code explanation	Commentary
	○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No cut-offs were used in the downhole averaging of results.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Auger holes are thought to represent close to true thicknesses of the mineralisation. • Downhole widths are reported.
Diagrams	• *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 drill hole collar locations and appropriate sectional views.*	• Figures are displayed in the main text.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• A summary of the laboratory data is presented in Table 1 of the main part of the announcement, comprising downhole averages, together with maximum and minimum estimated THM values in each hole. Slime and oversize statistics are also presented.
Other substantive exploration data	• *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 method of treatment; metallurgical test results; bulk density,*	• No other material exploration information has been gathered by the Company.

Criteria	JORC Code explanation	Commentary
	groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (eg 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.*	• Further work will include additional auger drilling and sampling, infill auger sampling and heavy liquid separation analysis. • High quality targets generated from reconnaissance work are planned to be drilled with aircore techniques. • Additional mineral assemblage and ilmenite mineral chemistry analyses will also be undertaken on suitable composite HM samples to determine valuable heavy mineral components. • As the project advances, TiO2 and contaminant test work analyses will also be undertaken.