



AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE

30 August 2019

MOZAMBIQUE HMS CORRIDOR PROJECTS - AUGER AND AIRCORE DRILLING UPDATE

Key Highlights

- **MARK ALVIN HAS BEEN IN MOZAMBIQUE SINCE 18TH AUGUST TO COMPLETE AIRCORE DRILLING PREPARATION.**
- **AIRCORE DRILLING CONTRACT SIGNED WITH BAMBOO ROCK DRILLING P/L AND PURPOSE BUILT RIG SCHEDULED TO BE MOBILISED FROM SOUTH AFRICA TO MOZAMBIQUE 6TH SEPTEMBER.**
- **COMMUNITY MEETINGS PLANNED FOR 3RD AND 4TH SEPTEMBER TO COMPLETE STAKEHOLDER SIGN OFF. ENVIRONMENT MANAGEMENT PLAN TO BE SUBMITTED AFTER MEETINGS.**
- **DRILL LINES AND DRILL PAD CLEARING IS NEAR COMPLETION AT KOKO MASAVA AND WILL BE READY FOR PLANNED DRILL COMMENCEMENT DURING WEEK COMMENCING 9TH SEPTEMBER.**
- **LOCAL LABOURERS AND FIELD GEOLOGIST RECRUITED AND BEING TRAINED.**
- **EXPORT PERMIT FOR 2ND BATCH OF AUGER DRILLING SAMPLES GRANTED AND IN TRANSIT TO PERTH FOR ANALYSIS.**
- **FOLLOWING THE FIRST ROUND OF AUGER ASSAY RESULTS, AUGER DRILLING CONTINUES AT THE RATE OF APPROXIMATELY 3 HOLES/DAY FOCUSED ON POTENTIAL EXTENSION OF THE KOKO MASAVA MINERALISED FOOTPRINT BY TESTING EXTENSIONS TO THE NORTH, SOUTH AND EAST.**
- **AUGER DRILLING WILL THEN CONTINUE ACROSS HIGH PRIORITY POIOMBO AND NHACUTSE TARGETS WHICH ARE ALSO SCHEDULED FOR AIRCORE DRILL TESTING LATER IN 2019.**

Background

MRG Metals (ASX Code: MRQ) is pleased to provide an update on the upcoming Aircore drilling at the Koko Masava target confirmed from recent Auger drilling results (refer to Figure 1 below). Formal instructions have been received by the Company from the Gaza Provincial Directorate of Land, Environment and Rural Development indicating the next step in the finalization of the Environment Management Plan is community meetings in specific areas. The Environment Consultant retained by the Company has scheduled these meetings for the week beginning 2nd September and formal notice has been provided to relevant parties about these meetings. To this end, although slightly behind the original schedule, field preparation including permit approvals and community alignment is proceeding well with current best estimate of first Aircore drilling to commence in the week of 9th September.

Auger drilling, which has proven extremely valuable, is ongoing and will be ramped up to include 2 field crews and the results will be used to best target Aircore drilling. It is anticipated that a number of drill results will flow over the next 3-4 months with a view to building the data necessary for the reporting of an Inferred Mineral Resource estimate in the months following the end of this initial Aircore program. This Aircore drill program will provide lateral and vertical information on HMS grade distribution and assist in developing an understanding of geological controls to inform a detailed future in-fill drill program, after the rainy season. New prioritized targets may also be developed as a result of this initial wide-spaced drill screening across the Corridor Central and Corridor South projects.

MRG Chairman, Mr Andrew Van Der Zwan, said “ Aircore drilling at Koko Masava will test a mineralised footprint of approximately 1.5Billion Tonnes down to 50 metres. The exploration prize if we achieve this would be comparable with Rio Tinto/Savannah’s neighbouring Mutamba deposit, including the HMS grade, based on recently reported auger drill results at Koko Masava. We also see excellent potential for higher grade (>5% HMS) to be confirmed in discrete zones within the global resource.

Sample Laboratory Results Timelines:

Sample batches will be sent to Western GeoLabs in Perth for heavy liquid separation analysis. The Batches for both Auger samples and Aircore samples will be approximately of 150kg total size to enable efficient and allowable batch size sampling. For Auger samples, this will equate to approximately 40-42 holes and for Aircore samples, approximately 15-18 holes.

Auger samples and Aircore samples will be batched separately to maintain quality control, but it is anticipated that each Batch (150kg of samples) will take approximately 10-14 days to obtain an export permit and clear customs in Mozambique and arrive in Perth, followed by a further 2-3 weeks to clear Australian Customs and be processed by Western GeoLabs. The Company’s best estimate given the 150kg batch size would translate to Auger sample results, including interpretation taking 8-9 weeks from first sample and Aircore 6-7 weeks from first sample. As processes are streamlined become more routine there should be room to improve turn-around on results. This program is likely to result in regular newsflow on sample analysis from September through December this year.

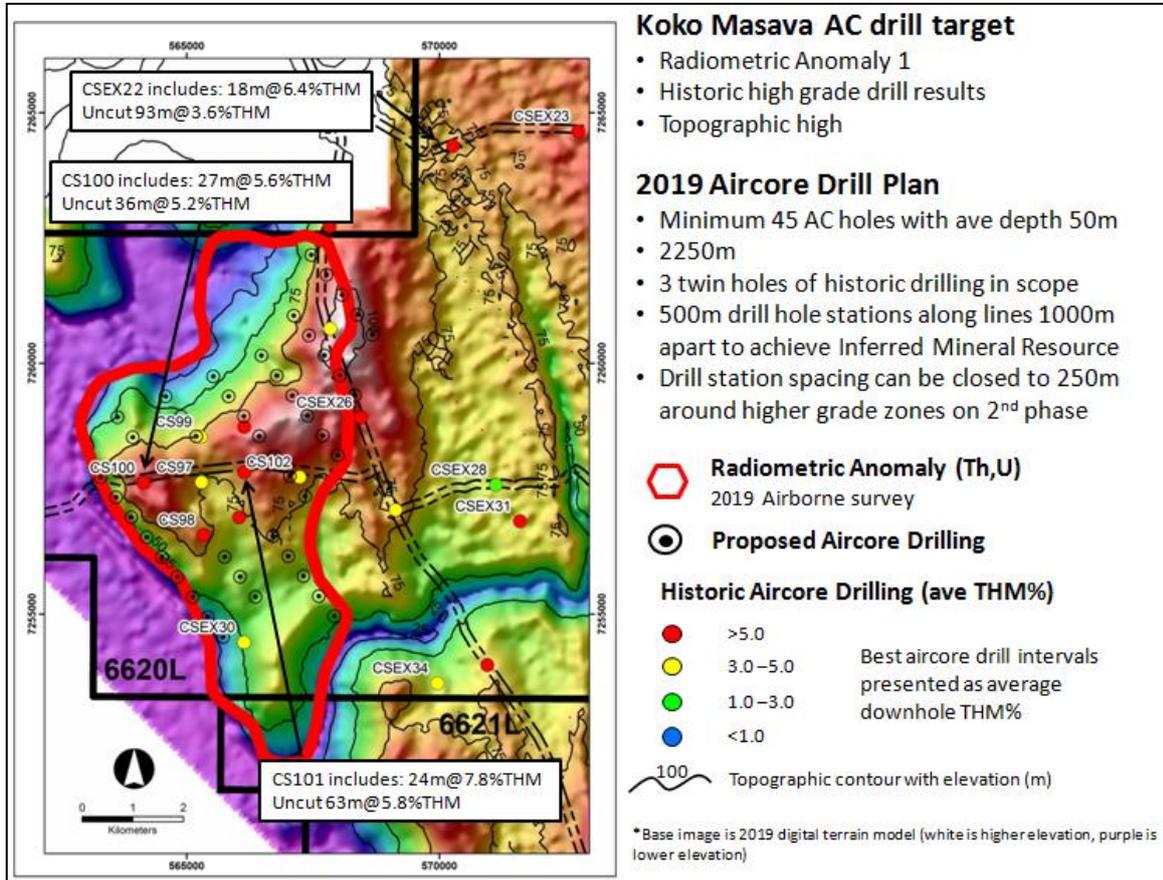


Figure 1: Map of planned aircore drilling at the Corridor Central, Koko Masava target.

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