

ASX ANNOUNCEMENT

30 June 2021

STRONG POTENTIAL FOR HIGH GRADE MINE START-UP OUTLINED BY LEAPFROG 3D MODELLING

Key Highlights

- Leapfrog 3D modelling of aircore and auger drillhole data from Koko Massava, Nhacutse and Poiombo deposits has outlined volumes of very high grade mineralisation from surface and to depths greater than 60 metres.
- This modelling demonstrates the potential for MRG to deliver 3 very high grade Mineral Resource Estimates (MRE's), higher grade than the maiden Koko Massava MRE (1,423 Mt @ 5.2% THM, ASX Announcement 22 April 2020) and as a result, to succeed in our stated Exploration Strategy of discovering potential mine start-up HMS deposits
- The modelling combines lithology logging with grade data from assays and visual estimation where laboratory results are not yet received (model will be updated when assay results received). Highlights of the resultant volumes included (refer Table 1):

Koko Massava	5-6% THM	volume of mineralised sand =	224
	>6% THM	volume of mineralised sand =	67 Mm ³
Million cubic metres (Mm ³)			
Nhacutse	5-6% THM	volume of mineralised sand =	129 Mm ³
	>6% THM	volume of mineralised sand =	10 Mm ³
Poiombo	5-6% THM	volume of mineralised sand =	27 Mm ³
	>6% THM	volume of mineralised sand =	9 Mm ³

NOTE: A specific Gravity (SG) of 1.8 was applied for the maiden MRE at Koko Massava. The conversion was 1 Million cubic metres (Mm³) = 1.8 Million tonnes (Mt).

- Mineralogical studies of the 3 deposits are ongoing and will be incorporated into the 3D modelling and upcoming MRE's (Refer ASX Announcements 31 July 2020; 31 August 2020) within the Heavy Mineral Concentrate (HMC).
- The models will be updated and further developed on receipt of all assay results from the associated recent drilling programs.

MRG Metals Limited (“**MRG**” or “**the Company**”) (**ASX Code: MRQ**) is pleased to announce the preliminary findings of 3D Leapfrog models conducted for MRG’s Koko Massava deposit in the Corridor North (6620L) licence and for the Nhacutse and Poiombo deposits in the Corridor South (6621L) licence (Table 1; Figures 1 and 2).

The 3D modelling has been commissioned by MRG to better understand and interpret the lithological controls on mineralisation and to understand the distribution of the mineralisation itself. The modelling used all geological information collected but found colour (Table 1; red – Re; brown – Br and grey – Gr) to be the best lithological unit indicators. The modelling clearly demonstrated the strike, width and depth continuity of the high grade and very high grade mineralisation (Figures 3 to 8).

The results from the modelling clearly shows the potential for 3 high to very high grade mineralised areas within the 2 contiguous licences of Corridor Central and Corridor South (Figures 1 and 2), with the Koko Massava very high grade zone and the Nhacutse very high grade zone each able to return the aimed 100Mt of resources with grades higher than for the maiden Koko Massava MRE (1,423 Mt @ 5.2% THM). Poiombo is expected to also deliver THM grades higher than for the Koko Massava MRE, but tonnages are expected to be less than 100Mt.

MRG Metals Chairman, Mr Andrew Van Der Zwan said: *“The results in from the Leapfrog modelling is yet another clear indicator that we are well on our way to defining 3 high to very high grade MRE’s across Koko Massava, Nhacutse and Poiombo – all which should be higher grade than our original MRE at Koko Massava. The volumes of mineralised areas range from surface to depths below 60m, another indicator of the success of our exploration drilling thus far. Our mineralogical studies of the 3 deposits continue and will be incorporated into the 3D modelling and upcoming MRE’s.”*

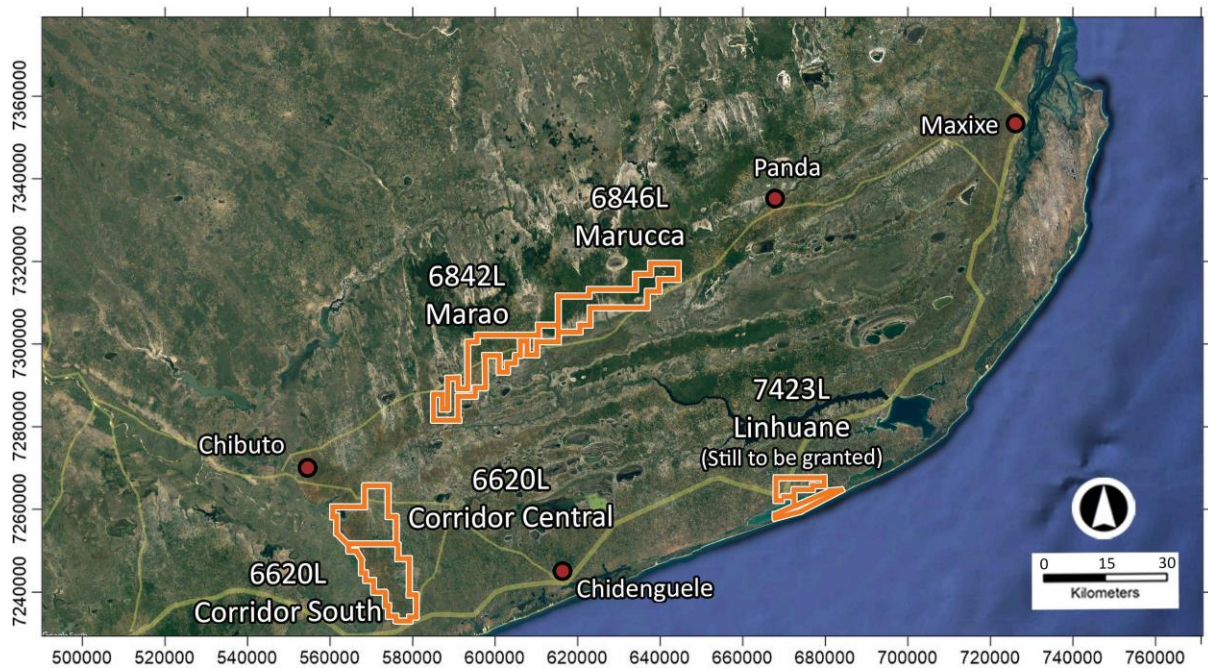


Figure 1: MRG Projects in Mozambique, 3D Leapfrog modelling took place within Corridor Central (6620L) and Corridor South (6621L) projects.

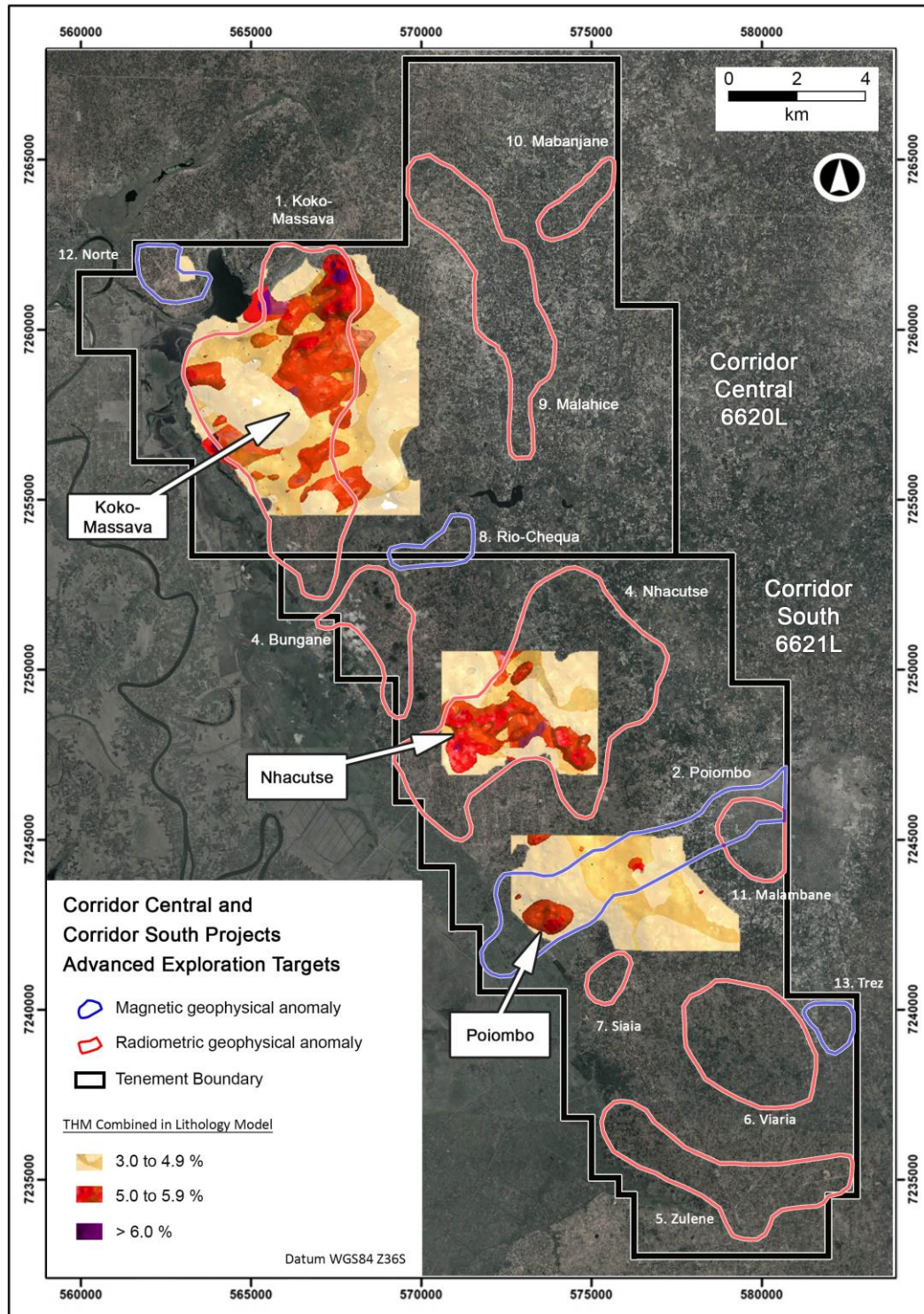


Figure 2: Map of the Corridor Central (6620L) and Corridor South (6621L) Projects and Targets showing the 3D Leapfrog modelling areas of Koko Massava, Nhacutse and Poiombo.

Koko Massava Leapfrog Model

A recent aircore drilling program was undertaken at the very high grade zone between the towns of Koko Massava and Malahice (refer ASX Announcement 10 May 2021). The analytical results for this drilling program are still outstanding, but the drilling returned excellent VIS EST THM results. The Leapfrog modelling clearly confirmed this area has excellent strike (up to 3km; Figures 3), width (two zones, one approximately 1.6km and the other approximately 0.9km; Figures 3) and depth (>60m from surface; 3 sections in Figures 4 with horizontal distance between section 1 and 3 2.5km) continuity to the high and very high grade mineralisation (>5% THM). The modelling showed the very large tonnages associated with this area within the Koko Massava deposit (Table 1). Mineralisation from surface is, apart from the high and very high grades at surface, nearly exclusively in the 3-5% THM range (Figure 3).

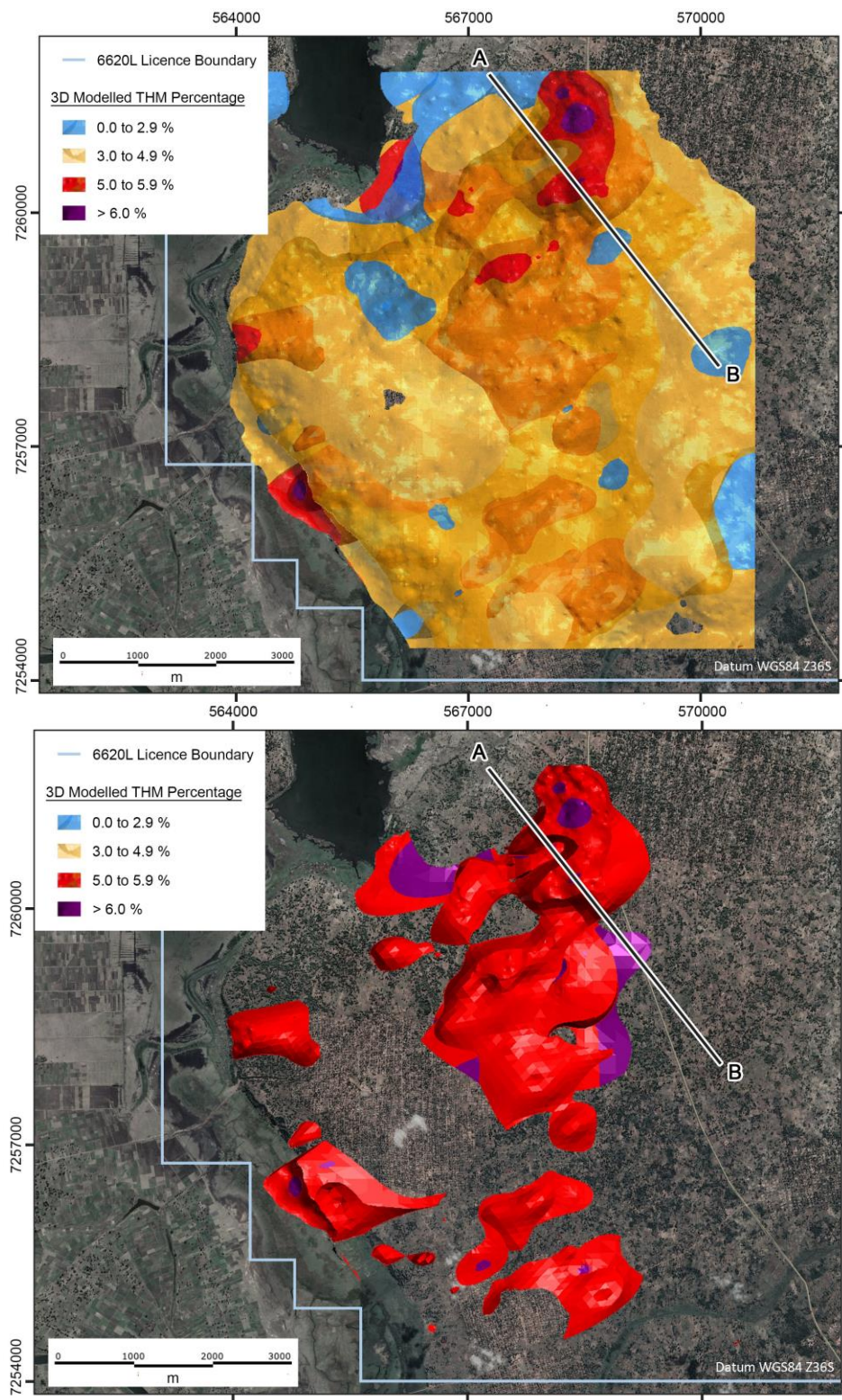


Figure 3: Koko Massava Model showing all THM grades (assay and VIS EST) at surface within the modelled area; as well as the same area showing the high and very high grade sands only.

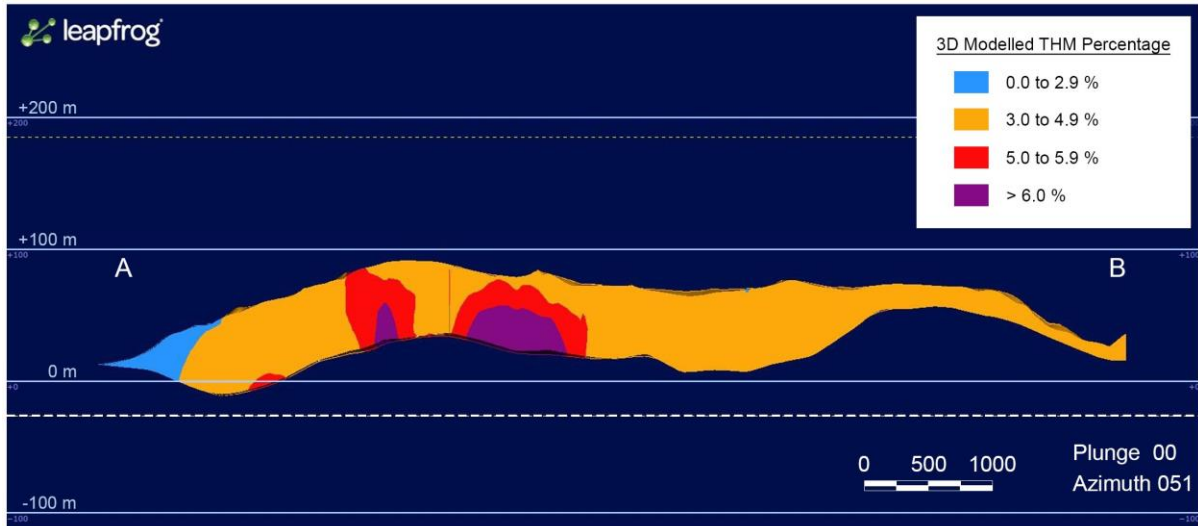


Figure 4: Three sections, west to east, from Koko Massava deposit from the recent infill aircore drilling in the very high grade mineralised area.

Nhacutse Leapfrog Model

Two recent aircore drilling programs were undertaken at the very high grade zone north and northeast of the towns of Nhacutse (refer ASX Announcement 6 April 2021 and 29 June 2021). The analytical results for both programs are awaited and the model is thus preliminary. However, the drilling here returned excellent VIS EST THM results, showing that the larger zone is still open towards the northeast, west and southeast. The Leapfrog modelling clearly confirmed this area has excellent strike (approximately 2.9km for the northern zone and approximately 1.2km for the northeastern zone; Figures 5), width (approximately 1km and 0.5km each; Figure 5) and depth (up to 60m from surface; Figure 6) continuity to the high and very high grade mineralisation (>5% THM). It also confirmed interpretations made after the second drilling program that the previously interpreted two separate zones could be one very high grade zone (refer ASX Announcement 29 June 2021, Figure 5). The modelling showed the large tonnages associated with this area within the Nhacutse deposit (Table 1). Mineralisation from surface is, apart from the high and very high grades at surface, nearly exclusively in the 3-5% THM range (Figure 5).

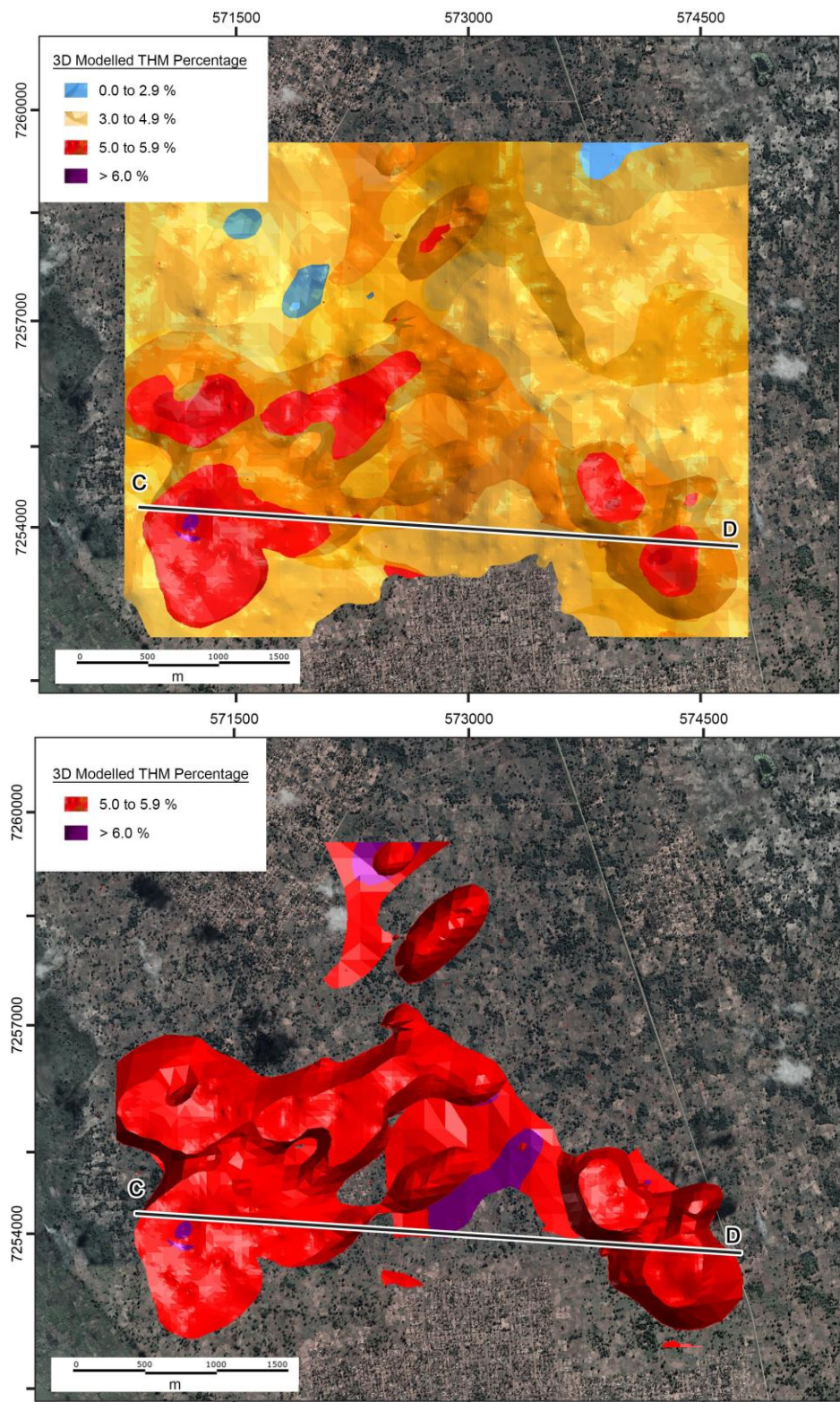


Figure 5: Nhacutse Model showing all THM grades (assay and VIS EST) at surface within the modelled area; as well as the same area showing the high and very high grade sands only.

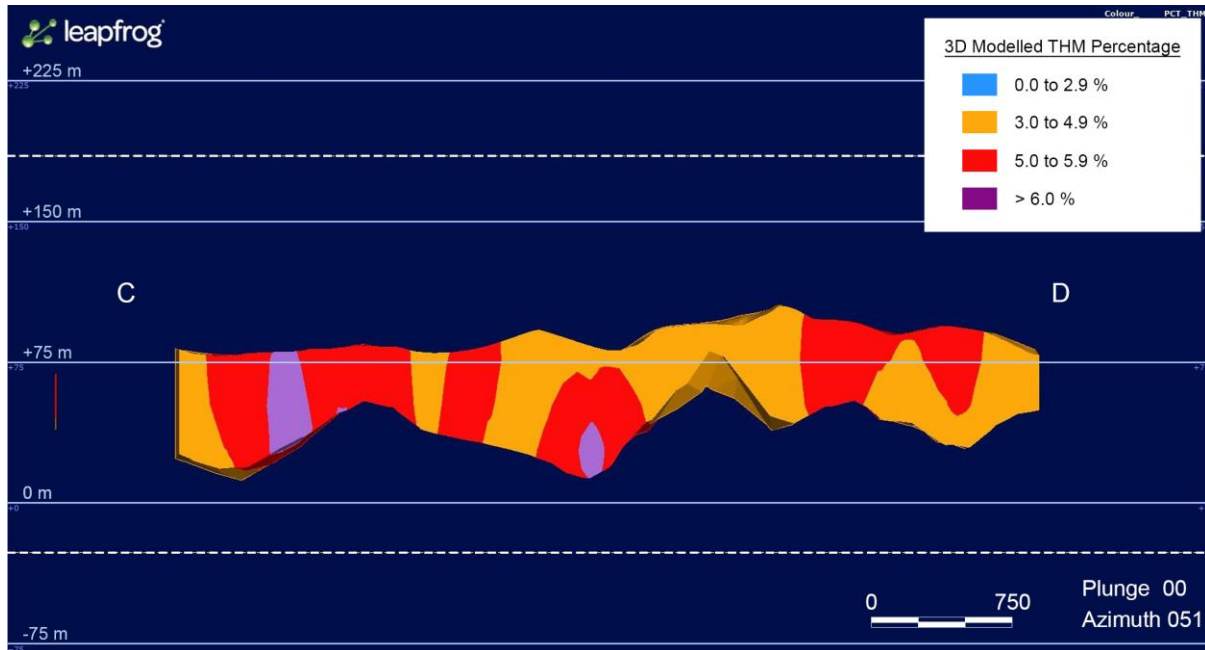


Figure 6: Section through Nhacutse deposit from the recent infill aircore drilling in the very high grade mineralised area.

Poiombo Leapfrog Model

A recent aircore drilling program was undertaken at the very high grade zone west of the towns of Poiombo (refer ASX Announcement 17 May 2021). The analytical results for this drilling program are awaited, while the drilling here also returned excellent VIS EST THM results from surface for this zone. The Leapfrog modelling clearly confirmed this area has excellent strike (approximately 1.8km) and width (approximately 0.7km); Figures 7 and depth up to 60m from surface; Figures 8 continuity of high to very high grade mineralisation (>5% THM). The modelling showed encouraging tonnages associated with this zone within the Poiombo deposit (Table 1). Mineralisation from surface is, apart from the high and very high grades at surface, exclusively in the 3-5% THM range in this area (Figure 7).

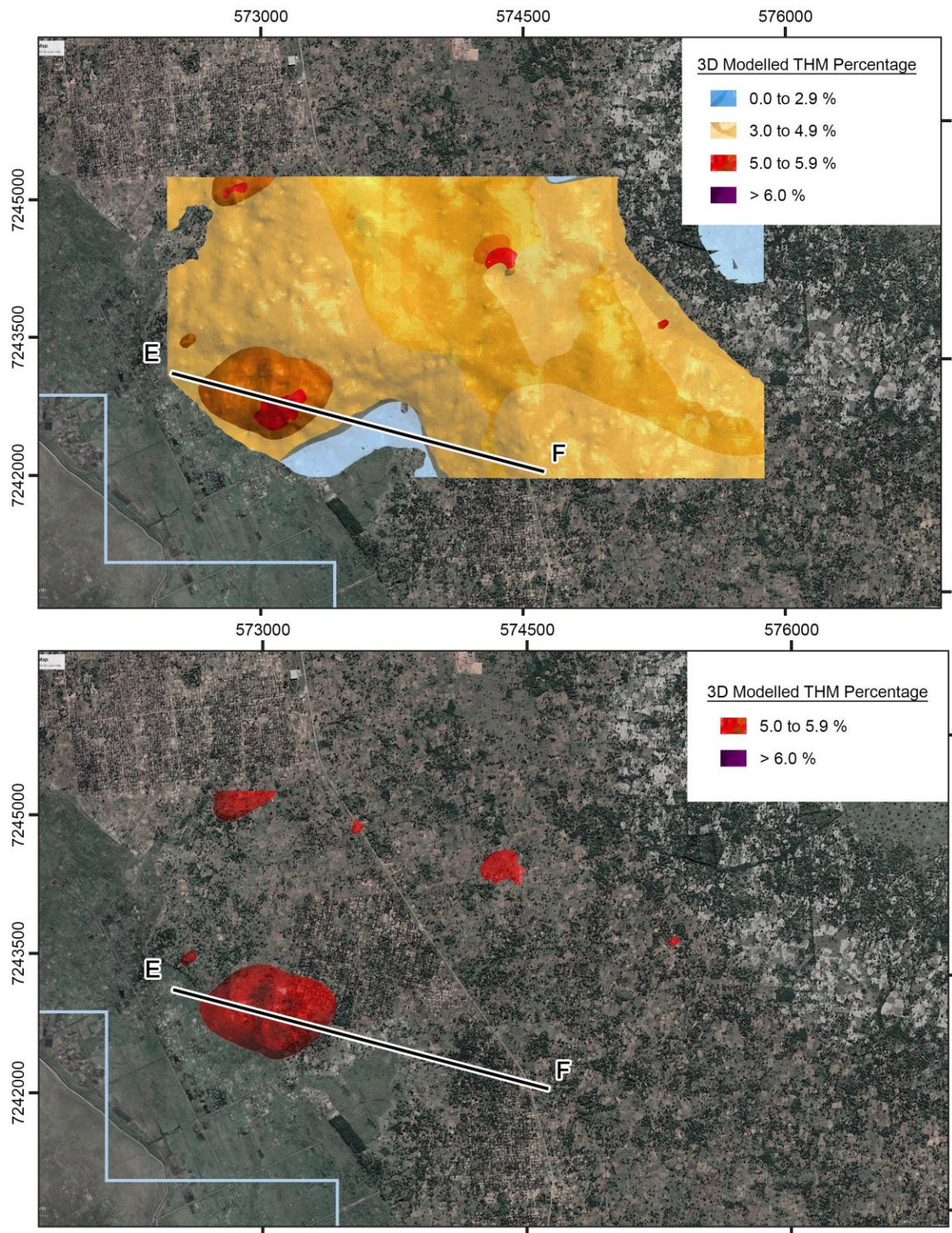


Figure 7: Poiombo Model showing all THM grades (assay and VIS EST) at surface within the modelled area; as well as the same area showing the high and very high grade sands only.

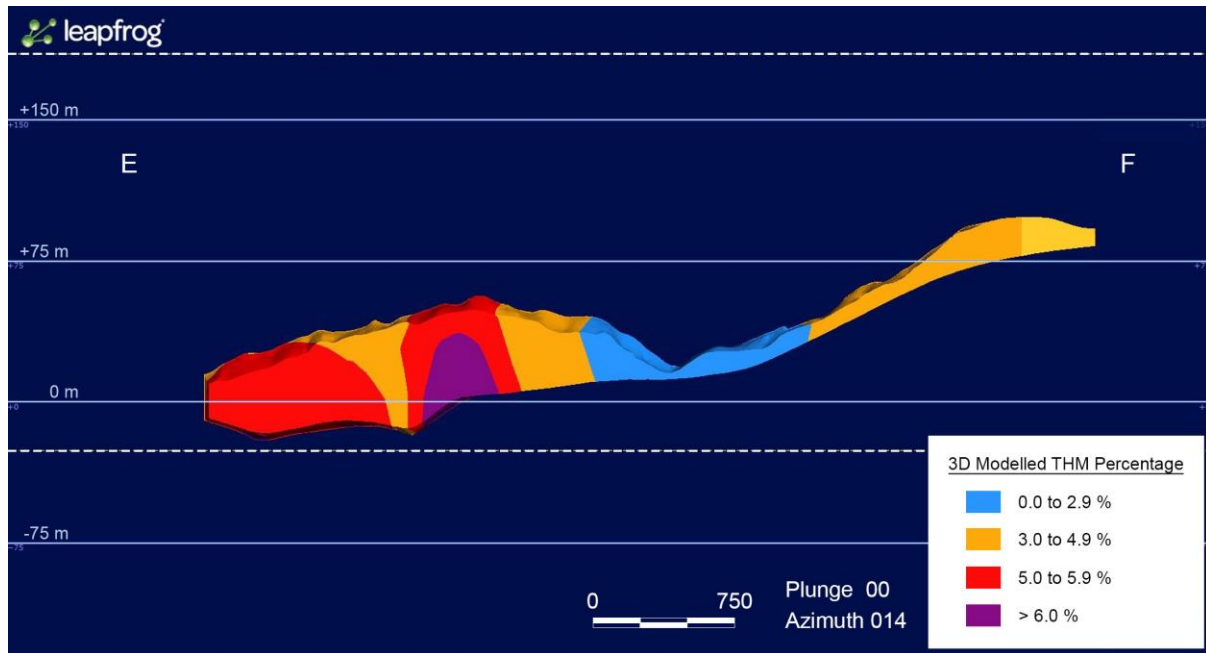


Figure 8: Section through Poiombo deposit from the recent infill aircore drilling in the very high grade mineralised area.

Table 1: Summary THM % grades and volumes for the Koko Massava, Nhacutse and Poiombo deposits from 3D Leapfrog models. Model cut to base of drilling, assay and VIS EST THM grades used.

Koko Massava			Nhacutse			Poiombo		
Lith	PCT_THM	m³	Lith	PCT_THM	m³	Lith	PCT_THM	m³
Re	<3%	12,023,000	Re	<3%	434,450	Re	<3%	-
	3-5%	868,140,000		3-5%	228,730,000		3-5%	72,172,000
	5-6%	103,820,000		5-6%	90,760,000		5-6%	105,910
	>6%	21,461,000		>6%	2,352,100		>6%	-
Br	<3%	60,358,000	Br	<3%	3,123,400	Br	<3%	14,702,000
	3-5%	410,750,000		3-5%	107,440,000		3-5%	285,820,000
	5-6%	98,824,000		5-6%	38,509,000		5-6%	26,962,000
	>6%	25,914,000		>6%	8,385,900		>6%	9,255,600
Gr	<3%	4,172,300	Gr	<3%	6,388,800	Gr	<3%	-
	3-5%	23,386,000		3-5%	5,635,900		3-5%	-
	5-6%	21,620,000		5-6%	-		5-6%	-
	>6%	20,534,000		>6%	-		>6%	-
Sub total			Sub total			Sub total		
Total <3%		76,553,300	Total <3%		9,946,650	Total <3%		14,702,000
Total 3-5%		1,302,276,000	Total 3-5%		341,805,900	Total 3-5%		357,992,000
Total 5-6%		224,264,000	Total 5-6%		129,269,000	Total 5-6%		27,067,910
Total >6%		67,909,000	Total >6%		10,738,000	Total >6%		9,255,600
Total Volume		1,671,002,300	Total Volume		491,759,550	Total Volume		409,017,510
*Visual Estimate used if no assay available								

Competent Persons' Statement

The information in this report, as it relates to Mozambique Exploration Results is based on information compiled and/or reviewed by Mr JN Badenhorst, who is a member of the South African Council for Natural Scientific Professions (SACNASP) and the Geological Society of South Africa (GSSA). Mr Badenhorst is a contracted 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". Mr Badenhorst



consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

This release is authorized by the Board of MRG Metals Ltd.

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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	<ul style="list-style-type: none"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Aircore drilling was used to obtain samples at 1.5m intervals. • The larger 1.5m interval aircore drill samples were homogenized by rotating the sample bag prior to being grab sampled for panning. • 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). • Images of pan concentrate samples with associated laboratory THM results are used in the field as comparisons to further refine visual estimation of THM. • Geologists enter the laboratory THM results for each sample on field log sheets against the visual estimation of THM to refine and further calibrate field visual estimation of THM. • Geotagged photographs are taken of each panned sample with the corresponding sample bag to enable easy reference at a later date. • A sample ledger is kept at the drill rig for recording sample intervals and sample mass, and photographs are taken of samples for each hole to cross-reference with logging. • The large 1.5m drill samples have an average of about 7kg, range 1-21kg, and are being split down in Mozambique to approximately 300-600g using a three tier riffle splitter for export to the Primary processing laboratory. • At the 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 (THM) content.

Criteria	JORC Code explanation	Commentary
Drilling techniques	<ul style="list-style-type: none"> • <i>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).</i> 	<ul style="list-style-type: none"> • Reverse Circulation 'Aircore' drilling with inner tubes for sample return was used. • Aircore drilling is considered a standard industry technique for heavy mineral sand (HMS) mineralization. Aircore drilling is a form of reverse circulation drilling where the sample is collected at the face and returned inside the inner tube. • Aircore drill rods used were 3m long. • Drill rods used were 76mm in diameter and NQ diameter (80mm) Harlsan aircore drill bits were used. • All drill holes were drilled vertical. • The drilling onsite is governed by an Aircore Drilling Guideline to ensure consistency in application of the method between geologists.
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Drill sample recovery is monitored by measuring and recording the total mass of each 1.5m sample at the drill rig with a standard spring balance. • While initially collaring the hole, limited sample recovery can occur in the initial 0.0m to 3.0m sample intervals owing to sample and air loss into the surrounding loose soil. • The initial 0.0m to 3.0m sample intervals are drilled very slowly in order to achieve optimum sample recovery. • The entire 1.5m sample is collected at the drill rig in large numbered plastic bags for dispatch to the onsite initial split preparation facility. • At the end of each drill rod, the drill string is cleaned by blowing down with air to remove any clay and silt potentially built up in the sample pipes and cyclone. • The twin-tube aircore drilling technique is known to provide high quality samples from the face of the drill hole. • Wet and moist samples are placed into large plastic basins to dry prior to splitting.
Logging	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections</i> 	<ul style="list-style-type: none"> • The 1.5m aircore drill intervals are logged onto paper field log sheets at the drill site prior to transcribing into a Microsoft Excel spreadsheet at the field office. Field paper logs are scanned and archived digitally on a cloud storage site with the broader geological database. • The aircore samples were logged for lithology, colour, grainsize, rounding, sorting, estimated %THM, estimated %slimes and any

Criteria	JORC Code explanation	Commentary
	<i>logged.</i>	<p>relevant comments, such as slope and vegetation.</p> <ul style="list-style-type: none"> • A representative portion of every sample interval is collected in a chip-tray and archived at the field base for any additional logging. A photograph is collected of the chip tray related to each hole and is digitally archived on a cloud storage site. • Geological logging is governed by an Aircore Drilling Guideline document with predefined log codes and guidance of what to include in data fields to ensure consistency between individuals logging data. • Data is backed-up each day at the field office 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.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • The entire 1.5m aircore drill sample collected at the rig was dispatched to a sample preparation facility to split with a three tier riffle splitter to reduce sample mass. • The water table depth was noted in all geological logs if intersected. • Employees undertaking the primary sampling and splitting are closely monitored by a geologist to ensure sampling quality is maintained. • Almost all of the samples are sand, silty sand, sandy silt, clayey sand or sandy clay and this sample preparation method is considered appropriate. • The sample sizes were deemed suitable to reliably capture THM, slime, and oversize characteristics, based on industry experience of the geologists involved and consultation with laboratory staff. • Field duplicates of the samples are completed at a frequency of 1 per 25 primary samples. • Standard Reference Material (SRM) samples are inserted into the sample stream at a frequency of 1 per 50 samples.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks,</i> 	<ul style="list-style-type: none"> • The wet panning of samples provides an estimate of the %THM content within the sample which is sufficient for the purpose of determining approximate concentrations of %THM. • The field derived visual panned THM estimates are compared to a range of laboratory derived THM images of pan concentrates. This allows the field geologists to calibrate the field panned visual estimated THM with known laboratory measured THM grades.

Criteria	JORC Code explanation	Commentary
	<i>duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • Selected visual estimated THM field data are checked by the Chief Geologist. • Significant visual estimated THM >5% are verified by the Chief Geologist. This is done either in the field or via field photographs of the pan sample. • The Chief Geologist has made numerous visits to the field drill sites to train and embed process and procedure with field staff. • The geologic field data is manually transcribed into a master Microsoft Excel spreadsheet which is appropriate for this stage in the exploration program. • The raw field data is checked in the Microsoft Excel format first to identify any obvious errors or outlier data. The data is then imported into a Microsoft Access database where it is subjected to various validation queries. • Test work is taking place at a Secondary laboratory to check the veracity of the Primary laboratory data. This work is 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Downhole surveys for these aircore holes are not required due to the relatively shallow nature. • A handheld 16 channel Garmin GPS is used to record the positions of the aircore holes in the field. • The handheld Garmin GPS has an accuracy of +/- 5m in the horizontal. • 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	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Hole spacing on completion of this drill program brought the spacing in the main target areas to 250m - 500m. • The spacing between aircore holes and between lines combined with that of the previously drilled auger holes is sufficient to provide

Criteria	JORC Code explanation	Commentary
	<p><i>classifications applied.</i></p> <ul style="list-style-type: none"> <i>Whether sample compositing has been applied.</i> 	<p>a good degree of confidence in geological models and grade continuity between holes for aeolian style HMS deposits.</p> <ul style="list-style-type: none"> Each aircore drill sample is a single 1.5m sample of sand intersected down the hole. No compositing has been applied to values of THM, slime and oversize. The drillhole and sample spacing is sufficient for a preliminary geological model 3D modelling in Leapfrog has now enabled all the drill data to be utilised and visualised The preliminary model is primarily been to determine the lithological controls and the distribution of mineralisation. This work will form the basis for further exploration to determine the extension of the mineralisation
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>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.</i> 	<ul style="list-style-type: none"> The aircore drilling was located at selected sites along the interpreted strike of mineralization defined by reconnaissance auger drill data and geophysical data interpretation. Drill holes were vertical and the nature of the mineralisation is relatively horizontal. The orientation of the drilling is considered appropriate for testing the lateral and vertical extent of mineralization without any bias.
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Field photographs are taken of each sample bag with corresponding sample number and panned sample in order to track numbers of samples per hole and per batch. Aircore samples remained in the custody of Company representatives while they were transported from the field drill site to Chibuto field camp for splitting and other processing. Aircore 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 or DHL, to ship samples from Mozambique to Perth.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> 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
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. An application for renewal of tenement 6621L was submitted in 23 September 2019 and is under review. Traditional landowners and village Chiefs within the areas of influence were consulted prior to the aircore drilling programme and were supportive of the programme. Representatives from the Provincial Directorate of Mineral Resources and Directorate of Lands, Environment and Rural Development, and District Planning and Infrastructure Departments are also part of the consent and consultation process. An Environment Management Plan was prepared by an independent consultant and submitted to the Gaza Provincial Directorate of Lands, Environment and Rural Development in accordance with Mining Law and Regulations. An Environmental License has been obtained by the Company.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> 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.
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Two types of heavy mineral sand mineralisation styles are possible along coastal Mozambique: <ol style="list-style-type: none"> Thin but high grade strandlines which may be related to marine or fluvial influences, and Large but lower grade deposits related to windblown sands.

Criteria	JORC Code explanation	Commentary																																																												
		<ul style="list-style-type: none">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	<ul style="list-style-type: none">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:<ul style="list-style-type: none">easting and northing of the drill hole collarelevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collardip and azimuth of the holedown hole length and interception depthhole 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.	<ul style="list-style-type: none">Summary drill hole information is presented within Table 1 of the main body of text of this announcement.																																																												
Data aggregation methods	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">No cut-offs were used in the downhole averaging of results.The visual estimated THM% averaging is grade-weighted.An example of data averaging is shown below. <table><tr><th>HOLE_ID</th><th>FROM</th><th>TO</th><th>PCT VIS THM</th><th>Average visTHM</th><th>Average visTHM</th></tr><tr><td>19CCAC104</td><td>0.0</td><td>3.0</td><td>6.0</td><td rowspan="13">37.5m @ 4.9%</td><td rowspan="13">27m @ 6.3%</td></tr><tr><td>19CCAC104</td><td>3.0</td><td>6.0</td><td>6.0</td></tr><tr><td>19CCAC104</td><td>6.0</td><td>9.0</td><td>6.0</td></tr><tr><td>19CCAC104</td><td>9.0</td><td>12.0</td><td>8.0</td></tr><tr><td>19CCAC104</td><td>12.0</td><td>15.0</td><td>6.2</td></tr><tr><td>19CCAC104</td><td>15.0</td><td>18.0</td><td>6.6</td></tr><tr><td>19CCAC104</td><td>18.0</td><td>21.0</td><td>5.5</td></tr><tr><td>19CCAC104</td><td>21.0</td><td>24.0</td><td>8.0</td></tr><tr><td>19CCAC104</td><td>24.0</td><td>27.0</td><td>4.0</td></tr><tr><td>19CCAC104</td><td>27.0</td><td>30.0</td><td>2.5</td></tr><tr><td>19CCAC104</td><td>30.0</td><td>33.0</td><td>2.0</td></tr><tr><td>19CCAC104</td><td>33.0</td><td>36.0</td><td>1.7</td></tr><tr><td>19CCAC104</td><td>36.0</td><td>37.5</td><td>1.5</td></tr></table>	HOLE_ID	FROM	TO	PCT VIS THM	Average visTHM	Average visTHM	19CCAC104	0.0	3.0	6.0	37.5m @ 4.9%	27m @ 6.3%	19CCAC104	3.0	6.0	6.0	19CCAC104	6.0	9.0	6.0	19CCAC104	9.0	12.0	8.0	19CCAC104	12.0	15.0	6.2	19CCAC104	15.0	18.0	6.6	19CCAC104	18.0	21.0	5.5	19CCAC104	21.0	24.0	8.0	19CCAC104	24.0	27.0	4.0	19CCAC104	27.0	30.0	2.5	19CCAC104	30.0	33.0	2.0	19CCAC104	33.0	36.0	1.7	19CCAC104	36.0	37.5	1.5
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Relationship between mineralisation widths and	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">The nature of the mineralisation is broadly horizontal, thus vertical aircore holes are thought to represent close to true thicknesses of the mineralisation.																																																												

Criteria	JORC Code explanation	Commentary
<i>intercept lengths</i>	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> Downhole widths are reported.
<i>Diagrams</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Figures are displayed in the main text.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> A summary of the visual estimated THM% 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.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> 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, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Using Leapfrog Geo 4.2.3. software, a preliminary 3D geological model was developed for visualisation and mineralisation interpretation, The model is to assist in the simplification and interpretation of the lithological controls on the THM mineralisation, The modelling combines lithological logging with grade from assays and visual estimation where laboratory results are not yet received Digital Terrain Model (DTM) data was used for the collar elevation of the boreholes; The model is a volumetric model; The modelling used all geological information collected but, to date, the colour of the units is the best lithological unit indicator The modelling clearly demonstrated the strike, width and depth continuity of grade and mineralisation No other material exploration information has been gathered by the Company.
<i>Further work</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Further work will include heavy liquid separation analysis for quantitative THM% data. 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.