

## ASX ANNOUNCEMENT

17 March 2022

### ENGINEERING SCOPING STUDY AND PRELIMINARY ECONOMIC ASSESSMENT COMMISSIONED FOR IMMEDIATE START ON CORRIDOR PROJECTS

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#### Key Highlights

- MRG has commissioned IHC Mining to immediately commence an Engineering Scoping Study and Preliminary Economic Assessment for its Corridor Projects in Mozambique, focused on the Koko Massava, Nhacutse and Poiombo deposits. The Study will be completed in July 2022.
- The study is augmented by the following ongoing Scoping Level geology and project development studies:
  - An updated Mineral Resource estimate (MRE) for Koko Massava deposit (Joint Ore Reserves Committee - JORC), refer ASX Announcement 16 December 2021.
  - A maiden MRE for Nhacutse and Poiombo deposits (JORC), refer ASX Announcement 2 February 2022.
  - Initial Pit Optimisation studies of high grade (+6% THM) at-surface tonnages at Koko Massava, Nhacutse and Poiombo deposits by IHC Mining.
  - Metallurgical process development studies comprising a 6.5 tonne bulk sample currently processed by IHC Mining, refer ASX Announcement 16 December 2021.
  - A Heavy Mineral Sand market study in progress by TZMI, refer ASX Announcement 27 January 2022.
  - An updated MRE to be undertaken for Nhacutse and Poiombo deposits to establish JORC Indicated Resource, incorporating new mineralogy data, to be announced shortly.
- MRG is continuing aircore drilling exploration at Marao Project before moving to Corridor to test previously reported, substantially elevated valuable heavy mineral (VHM) occurrences there, to be announced shortly.

MRG Metals Limited (“MRG” or “the Company”) (ASX Code: MRQ) is pleased to announce the commencement of an Engineering Scoping Study and Preliminary Economic Assessment (PEA) in March 2022 by IHC Mining for the Corridor Central (6620L) and Corridor South (6621L, Figure 1) Projects, specifically the Koko Massava, Nhacutse and Poiombo deposits.

The Engineering Scoping Study and Financial Model follows up on the Scoping Level ongoing geological, mining and testwork (Bulk sample). The geological study culminated in the updated Koko Massava JORC Mineral Resource estimate (Tables 1A for Global Area and 1B for High Grade Area; refer ASX Announcement 16 December 2021) and the maiden Nhacutse and Poiombo deposits JORC Mineral Resource estimate (Table 2; refer ASX Announcement 2 February 2022). The Bulk Sample is currently being tested by IHC Mining at their Metallurgical Test Facility, Yatala, Queensland (Figure 2).

MRG's current total Mineral Resource across the Corridor Projects is shown in Tables 1A, 1B and 2.

**Table 1A:** Summary of the updated JORC Mineral Resource estimate for the Global Koko Massava deposit area.

Summary of Mineral Resources <sup>(1)</sup>							THM Assemblage <sup>(2)</sup>									
Mineral Resource Category	Material (Mt)	In Situ					OS (%)	ILM (%)	RUT (%)	ZIR (%)	TIMAG (%)	HEMA (%)	CHROM (%)	MOTH (%)	ANDA (%)	NMOTH (%)
		THM (Mt)	BD (gcm3)	THM (%)	SLIMES (%)	OS (%)										
Indicated	557	28	1.7	5.1	17	1	39	1	1	32	9	4	4	8	3	
Inferred	977	49	1.7	5.0	16	1	38	1	1	32	9	4	4	8	3	
<b>Grand Total</b>	<b>1,534</b>	<b>78</b>	<b>1.7</b>	<b>5.1</b>	<b>17</b>	<b>1</b>	<b>38</b>	<b>1</b>	<b>1</b>	<b>32</b>	<b>9</b>	<b>4</b>	<b>4</b>	<b>8</b>	<b>3</b>	

**Notes:**

(1) Mineral resources reported at a cut-off grade of 4% THM

(2) Mineral assemblage is reported as a percentage of in situ THM content.

Summary of Exploration Target <sup>(1)</sup>							THM Assemblage <sup>(2)</sup>									
Target	Material (Mt)	In Situ					OS (%)	ILM (%)	RUT (%)	ZIR (%)	TIMAG (%)	HEMA (%)	CHROM (%)	MOTH (%)	ANDA (%)	NMOTH (%)
		THM (Mt)	BD (gcm3)	THM (%)	SLIMES (%)	OS (%)										
Exploration Target	120 - 630	7 - 30	1.74	4.5 - 6.0	15	1	38	1	1	31	9	4	4	9	3	
<b>Grand Total</b>	<b>120 - 630</b>	<b>7 - 30</b>	<b>1.74</b>	<b>4.5 - 6.0</b>	<b>15</b>	<b>1</b>	<b>38</b>	<b>1</b>	<b>1</b>	<b>31</b>	<b>9</b>	<b>4</b>	<b>4</b>	<b>9</b>	<b>3</b>	

**Notes:**

(1) Exploration Target reported at a cut-off grade of 3% - 5% THM

(2) Mineral assemblage is reported as a percentage of in situ THM content.

**Table 1B:** Summary of the JORC Mineral Resource estimate for the infill drilled High Grade Zone within the Global Koko Massava deposit area.

Summary of Mineral Resources <sup>(1)</sup>							THM Assemblage <sup>(2)</sup>									
Mineral Resource Category	Material (Mt)	In Situ					OS (%)	ILM (%)	RUT (%)	ZIR (%)	TIMAG (%)	HEMA (%)	CHROM (%)	MOTH (%)	ANDA (%)	NMOTH (%)
		THM (Mt)	BD (gcm3)	THM (%)	SLIMES (%)	OS (%)										
Indicated	58	4	1.8	6.4	15	1	39	1	1	33	9	4	3	7	3	
Inferred	45	3	1.8	6.8	12	1	39	1	1	34	10	4	4	5	2	
<b>Grand Total</b>	<b>103</b>	<b>7</b>	<b>1.8</b>	<b>6.6</b>	<b>14</b>	<b>1</b>	<b>39</b>	<b>1</b>	<b>1</b>	<b>33</b>	<b>9</b>	<b>4</b>	<b>3</b>	<b>6</b>	<b>3</b>	

**Notes:**

(1) Mineral resources reported at a cut-off grade of 5.5% THM

(2) Mineral assemblage is reported as a percentage of in situ THM content.

**Table 2: Summary of the JORC Mineral Resource estimate for the Nhacutse and Poiombo deposit areas.**

Summary of Mineral Resources <sup>(1)</sup>			Mineral Assemblage													
Deposit	Mineral Resource Category	Material (Mt)	In Situ			THM (%)	SLIMES (%)	OS (%)	ILM (%)	RUT (%)	ZIR (%)	TIMAG (%)	CHRM (%)	MOTH (%)	ANDA (%)	NMOTH (%)
			THM (Mt)	BD (gcm <sup>3</sup> )	THM (%)											
Nhacutse	Inferred	535	26	1.74	4.9	21	1	41	1	2	32	4	6	6	2	
Poiombo	Inferred	325	16	1.74	4.8	19	1	37	1	1	29	4	9	9	3	
<b>Grand Total</b>		<b>860</b>	<b>42</b>	<b>1.74</b>	<b>4.9</b>	<b>20</b>	<b>1</b>	<b>39</b>	<b>1</b>	<b>2</b>	<b>31</b>	<b>4</b>	<b>7</b>	<b>8</b>	<b>2</b>	

**Notes:**

- (1) Mineral resources reported at a cut-off grade of 4% THM  
(2) Mineral assemblage is reported as a percentage of in situ THM content.

Summary of Exploration Target <sup>(1)</sup>		Mineral Assemblage														
Classification	Material (Mt)	In Situ			THM (%)	SLIMES (%)	OS (%)	ILM (%)	RUT (%)	ZIR (%)	TIMAG (%)	HEMA (%)	CHRM (%)	MOTH (%)	ANDA (%)	NMOTH (%)
		THM (Mt)	BD (gcm <sup>3</sup> )	THM (%)												
Exploration Target	50 - 500	3 - 20	1.74	4.2 - 5.4	18	1	37	1	1	30	6	4	9	8	3	
<b>Grand Total</b>	<b>50 - 500</b>	<b>3 - 20</b>	<b>1.74</b>	<b>4.2 - 5.4</b>	<b>18</b>	<b>1</b>	<b>37</b>	<b>1</b>	<b>1</b>	<b>30</b>	<b>6</b>	<b>4</b>	<b>9</b>	<b>8</b>	<b>3</b>	

**Notes:**

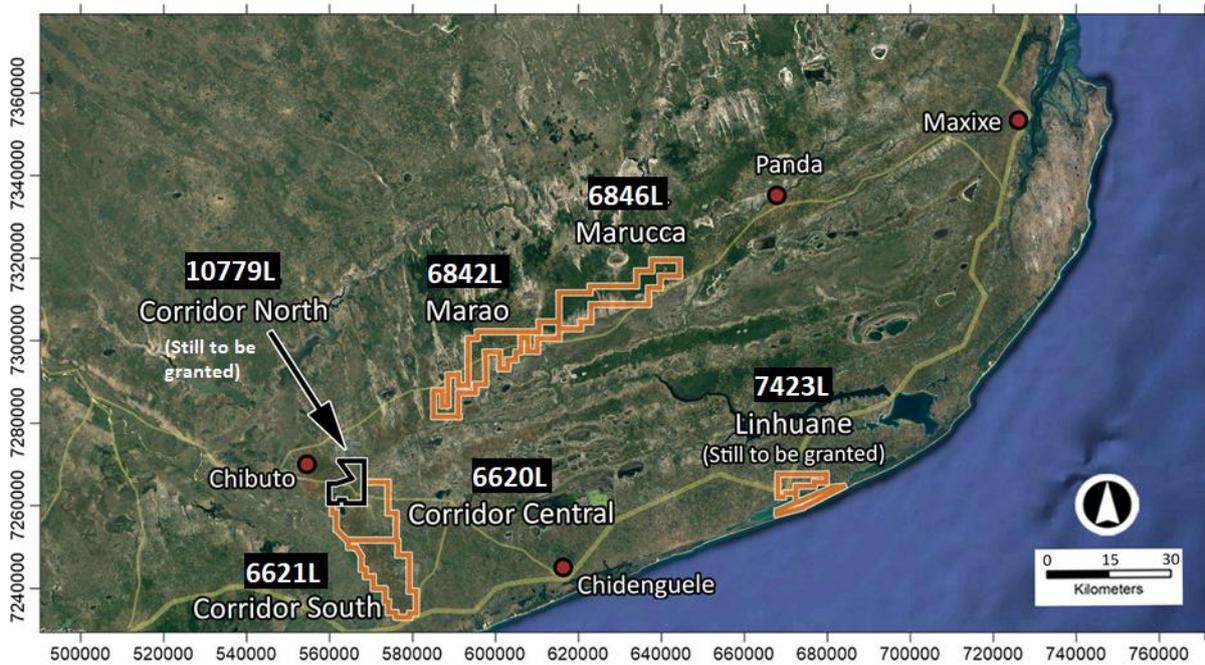
- (1) Exploration Target reported at a cut-off grade of 3% - 5% THM  
(2) Mineral assemblage is reported as a percentage of in situ THM content.

An updated MRE to be undertaken for Nhacutse and Poiombo deposits to establish JORC Indicated Resource, incorporating new mineralogy data is to be announced shortly.

**MRG Metals Chairman, Mr Andrew Van Der Zwan said:** *“The continued excellent results from our exploration program in Mozambique has enabled us to achieve the objective of identifying high grade resource from surface of sufficient scale to proceed to Scoping Study.*

*“We are confident that the Scoping Study will support the mine development at Corridor and as such, we have approached the Director of Mines at INAMI for the transition of our exploration licences to Mining permits in anticipation.*

*“We are in the great position now that we can progress with what we know, whilst continuing our exploration program with the ongoing aim of enhancement via identification of pockets of higher grade/ higher in-situ value per tonne resource.”*



**Figure 1:** Map of the location of the Corridor Central (6620L) and Corridor South (6621L) projects in relation to other MRG licences.



**Figure 2:** Bulk sample from Koko Massava deposit of 6.5 t pre-desliming and post desliming, work currently taking place by IHC Mining at their Metallurgical Test Facility, Yatala, Queensland.



## 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 consultant 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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