

ASX ANNOUNCEMENT

17 January 2022

SUCCESSFUL \$1.6M PLACEMENT COMPLETED TO FACILITATE SCOPING STUDY/PEA AT CORRIDOR SANDS HMS DISCOVERY AND TO DRIVE FURTHER HMS DRILLING PROGRAMS

MRG Metals Limited (“**MRG**” or “**the Company**”) (ASX Code: MRQ) is pleased to announce that it has successfully completed a \$1,600,000 Placement (the “**Placement**”), through the issue of 200 million fully paid ordinary shares at \$0.008 per share, together with 100 million attaching options, exercisable at \$0.025 (expiring 30 June 2023) (“**MRQOC**”) to sophisticated and professional investors.

Proposed Use of Funds:

- MRG recently confirmed the potential at the Koko Massava deposit in the Corridor Central Tenement, with an updated MRE, including a significant, at-surface high grade zone of **103M Tonnes at 6.6 % THM (Indicated 58M and Inferred 45M) (refer ASX announcement 16 December 2021)**.
- The Company is continuing its Mineral Resource Estimate (MRE) work within Corridor South and **expects maiden MRE’s for Poiombo and Nhacutse targets** within Corridor South, to be completed in January 2022.
- **This placement will assist the Company** to complete development analysis at Corridor Central and Corridor South (collectively Corridor Sands), while expanding its exploration programs.
- The Development focus will remain within Corridor Central and Corridor South, including a **Scoping Study/PEA, then infill drilling** as required to facilitate a planned PFS later this year, while also looking to identify additional high-grade early mine life resource to enhance the project economics.
- The **Exploration focus will include new drill targets at Marao** and hopefully the recently applied for Corridor North tenement adjoining the Corridor Central tenement, which has potential to deliver further HMS discoveries, including the northern extension of the Koko Massava deposit.
- MRG is also looking to expand its footprint in Mozambique and **has identified several new opportunities**, which the Company is looking to take advantage of with additional funding.

MRG Chairman, Mr Andrew Van Der Zwan, said: *"We are pleased to have received such strong shareholder support to move Corridor Sands into the development phase, with a Scoping Study / PEA to commence in January and if successful, a Feasibility study to follow later in 2022. In addition to this development work we wish to continue to leverage our exploration activities with 4 key areas of focus and working capital:*

- 1) Fund the necessary infill and expansion drilling needed in Corridor Sands to augment the existing and new MRE's at Koko Massava and Nhacutse / Poiombo respectively;*
- 2) Undertake Aircore drilling at Marao on the 2 high grade targets already identified by previous Auger drill programs in 2021;*
- 3) Commence first-pass exploration with a focus on early scout drilling, immediately upon grant of the Corridor North Tenement; and*
- 4) Acquisition of assets in Mozambique to complement the existing portfolio and drill target inventory.*

This Placement provides MRG with the financial flexibility to aggressively extend exploration activities across its entire HMS project suite in Mozambique and we would like to thank Investors, both new and existing, for their continued support. With Mineral Sands prices on the rise and current Ilmenite prices in excess of USD\$400/Tonne, it is a favourable time to be discovering and developing HMS deposits. The current commodity prices represent more than double the prices achievable when we commenced HMS exploration."

Proposed timetable¹ and equity raise details:

| Event | Date/Time (AEST) |
|--|--|
| Announcement of the results of the Placement and Trading Halt lifted | Monday 17 th January 2022 |
| Settlement of funds under Placement | Tuesday 18 th January 2022 |
| Allotment and trading of new shares and options issued under Placement | Thursday 20 th January 2022 |

¹The above timetable is indicative only and subject to change. MRG reserves the right to amend any or all of these events, dates and times, subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws or regulations.

Details of the Equity Raise

The Placement was undertaken using the Company's existing 15% placement capacity under ASX Listing Rule 7.1 (52 million shares and 119 million MRQOC options) and via its additional 10% placement capacity as per ASX Listing Rule 7.1A (154 million shares).

The offer price of \$0.008 (0.8 cents) is 20% below the 15 day volume weighted average price of MRG's shares.

Melbourne based Pinnacle Equities Pty Ltd and Peak Asset Management were Joint Managers to the Placement. Details of their fees are set out in the Appendix 3B lodged separately with the ASX.

Proposed Rights Issue

The Company intends to undertake a Rights Issue offer of MRQOC Options in the next three months. The Company notes that details and terms of the proposed Rights Issue are yet to be finalised and remain under discussion. The Company will provide further announcement(s) on the proposed Rights Issue in due course.

Trading Halt

This is the announcement that was referred to in the Company's request for a Trading Halt on 13 January 2022 and that Trading Halt can now be lifted.

-ENDS-

Authorised by the Board of MRG Metals Ltd.

For more Information please contact:

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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.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned exploration program and corporate activities. When used in this document, the words such as "could", "plan" "estimate", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results, events and outcomes achieved will be consistent with these forward looking statements.