MOZAMBIQUE HEAVY MINERAL SANDS PROJECT

- **EXECUTION OF FORMAL AGREEMENTS COMPLETED**
- **NOTICE OF MEETING AND INDEPENDENT EXPERTS REPORT BEING FINALISED**
- **GENERAL MEETING TO APPROVE ACQUISITION AS SOON AS POSSIBLE**

As announced on 7 November 2018, MRG re-established negotiations and reached agreement on revised terms to acquire Sofala Resources Pty Ltd and Trophosys Pty Ltd. Execution of the formal sale agreement has now been completed.

Key Terms of the Sale Agreement are:

1. MRG will purchase:
   (a) all of the shares in Trophosys Pty Ltd (**Trophosys**) from its shareholders (**Trophosys Purchase**); and
   (b) all of the shares in Sofala Resources Pty Ltd (**Sofala**) from its shareholders (**Sofala Purchase**), which includes the Mozambique Company holding the agreed heavy mineral sands assets in Mozambique.
2. The total consideration for the Sofala Purchase and the Trophosys Purchase will be:
   (a) 90,000,000 quoted ordinary shares in MRG Metals Limited (**MRG Share**), together with one free attaching MRQOB Option for each MRG Share issued (**Consideration Shares and Options**);
   (b) 160,000,000 Class A Performance Rights in MRG Metals Limited (**MRG**), each convertible to 1 fully paid MRG Share on the publishing of a JORC 2012-compliant Mineral Resource suitable for a scoping study of greater than 350,000,000 tonnes at a minimum of 5% Total Heavy Mineral (THM) within two years of completion of the Sofala Purchase and the Trophosys Purchase (**Completion**); and
   (c) 320,000,000 Class B Performance Rights in MRG, each convertible to 1 fully paid MRG Share following completion of a Scoping Study on the HMS Projects showing positive economics combined with a MRG Board decision to commence a PFS within 60 days following completion of the Scoping Study
   (d) If the HMS Projects are sold at a valuation greater than $100 million cash or based on consideration that is valued by an Independent Expert's Report, prior to the completion of (b) or (c), then all shares under (b) and (c) will be issued.
   (e) Reimburse Sofala loans (not to exceed US$100,000).
3. MRG will be responsible for payment of any tax payable by the Sofala shareholders and the Trophosys shareholders to the Mozambique Authorities directly arising from the Sofala Purchase.
4. All Consideration Shares and Options will be subject to voluntary escrow for a period of 12 months from date of issue. The shares to be issued pursuant to the Class A Performance Rights and Class B Performance Rights will be subject to voluntary escrow for a period of 3 months from the date of issue. If MRG sells the HMS Projects, then any period of voluntary escrow on foot will cease on the date of completion of that sale.

MRG Chairman, Andrew Van Der Zwan commented "This is an exciting time for our Company. We look forward to approval of the acquisition at our upcoming General Meeting and to commencing exploration in a World Class Heavy Mineral Sands location."

Andrew Van Der Zwan
Chairman