4 April 2019

Market Announcements Platform
Australian Stock Exchange

PERMITS GRANTED & AIRBORNE SURVEY HAS COMMENCED

Magnetic and radiometric airborne survey over Corridor Central and Corridor South tenements has commenced together with shallow hand auger drilling on the Corridor Central (6620L) tenement.

Local government and community stakeholder engagement activity was completed in the Corridor Central (6620L) tenement, with similar engagement progressing for Corridor South (6621L).

Highlights:

- **Geophysical contractor, Geotech Limited ('Geotech'), received permits and mobilized to the project area in late March. Production flights for the airborne survey commenced on 1 April 2019**
- **Hand auger drilling of selected traverses over high grade heavy mineral sand (HMS) zones defined by historic drilling, together with reconnaissance of other areas has commenced in Corridor Central**
- **Stakeholder engagement with various levels of local government together with local community participation has been completed within the Corridor Central tenement. Additional engagement is progressing for the Corridor South tenement**
- **The Mozambican Ministry of Mineral Resources and Energy re-opened their cadastre office for processing mineral tenure work on 1 April 2019 and the Company can now begin proactively following up its Marão, Marruca and Linhuane mineral rights applications**
- **Cyclone Idai, which made landfall in central Mozambique in mid March has not impacted MRG's operations on Corridor Central and Corridor South, which are located in southern Mozambique**

Details:

Airborne magnetic and radiometric survey

The airborne survey permit process was commenced by the contractor, Geotech, in early March and the permit was granted on 25 March 2019. The Geotech aircraft was mobilised to the project area on 27 March 2019 and after safety and health procedure checks, reconnaissance flights over the survey area and calibration of equipment, data production flights commenced on 1 April 2019 (Figure 1).

The airborne survey, including both Corridor Central and Corridor South, is expected to take approximately 10 days to complete.

Hand auger drilling

A programme of hand auger drilling has commenced in Corridor Central with the objectives of:

(i) obtaining data over the high grade HMS zones to correlate with any anomalism generated from geophysics data, and
(ii) reconnaissance exploration of areas in the east of the tenement that will supplement the targeting of the planned aircore drill programme.

The auger holes (Figure 2) are planned to be 10.5m to 15m deep, dependent on visual total heavy mineral percent (THM%) grades estimated from sample panning. Samples will be collected at 1.5m intervals and split to smaller sub-samples for export to an Australian laboratory for heavy liquid separation analysis.

As visual estimate THM% data becomes available for the hand auger drilling, further updates will be provided.

Stakeholder engagement

The Company's field team spent the final week of March presenting the proposed field activities to various stakeholders in the areas of influence in Corridor Central (6620L). Government stakeholders included those from provincial, district and village post levels, who were provided with a presentation of the nature of the airborne survey plus different drilling activities planned for the project (Figure 3). Community members from local villages also participated in the engagement. The information was received very positively with the Company commended for its proactive approach to the engagement prior to initiation of any field activity.

The same stakeholder engagement presentation is progressing for Corridor South (6621L).

Tenement applications

The Mozambican Ministry of Mineral Resources and Energy had closed its cadastre office for external business between 1 January 2019 and 29 March 2019, to allow time to process backlogs. The Company will now begin proactively pursuing the application process of three tenement applications, known as the Marão, Marruca and Linhuane projects, which had not been actively followed while there was a focus on other granted tenure. However, the Company has recommenced its project generation activity and has preliminary plans in place to explore these additional tenements.

Cyclone Idai

Tropical cyclone Idai made landfall in central Mozambique on 15 March 2019 very close to the port city of Beira, the capital of Sofala Province. Beira is located at the mouth of the Pungwe River and is the fourth largest city in Mozambique, serving as the key transport corridor for Zimbabwe and Malawi. Beira is approximately 1,000 km north of the Company's field activities near the city of Xai Xai in Gaza Province.

Cyclone Idai caused widespread destruction in Mozambique, Zimbabwe and Malawi to personal property and all types of government infrastructure, together with significant loss of life as a result of the cyclone as well as the subsequent public health crisis. The Company is supporting the relief effort by way of a donation to local aid agencies.

The Company's activities in the south of Mozambique have not been impacted by cyclone Idai.



Figure 1: Geotech's plane at Inhambane Airport prior to commencing the airborne survey.



Figure 2: Field photographs of hand auger drilling underway in the Corridor Central tenement.





Figure 3: Photographs of the Company's field team presenting information on planned activities to local government and community people in the Corridor Central tenement.