AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE

13 FEBRUARY 2020

HAND AUGER DRILLING DELIVERING GOOD RESULTS AT KOKO MASSAVA AND POIOMBO; PLANNING UNDERWAY FOR NEXT AIRCORE DRILLING

Key Highlights:

KOKO MASSAVA:

- **HAND AUGER DRILLING AT KOKO MASSAVA HAS EXPANDED THE HIGH GRADE HEAVY MINERAL SAND (HMS) MINERALISED FOOTPRINT TO THE EAST AND SOUTHEAST.**
  ELEVEN OF THE 17 AUGER HOLES DRILLED (TOTAL 174.2 METRES) CONTAIN AVERAGE DOWNHOLE VISUAL ESTIMATED GRADES OF >3.0% TOTAL HEAVY MINERAL (THM).

POIOMBO:

- **A ZONE (4KM X 3KM) OF POTENTIAL HIGH GRADE HMS HAS BEEN IDENTIFIED IN THE INITIAL HAND AUGER DRILLING PROGRAM.**
- **THE BEST RESULTS INCLUDE:**
  - **HOLE 20CSHA254: 12M @ 5.8% VISUAL ESTIMATED THM**
  - **HOLE 20CCHA259: 12M @ 4.9% VISUAL ESTIMATED THM**
  - **HOLE 19CCSHA56 : 9M @ 6.63 % VISUAL ESTIMATED THM**
    - **SAMPLES NOW BEING PROCESSED FOR ASSESSMENT IN PERTH LABS**
- **PLANNING NOW TO EXPAND THE SOIL AUGER GRID TO COVER NHACUTSE TARGET.**

AIRCORE:

- **A NEW AIRCORE PROGRAM WILL BE FINALISED IN THE COMING DAYS.**

Koko Massava Prospect Hand Auger Drilling

MRG Metals (ASX Code: MRQ) is pleased to provide an update of the shallow hand auger drilling that commenced in early January 2020. The program is designed to explore for extensions of the high grade mineralisation already defined at Koko Massava, with holes drilled at 500m stations on lines spaced at 1000m apart. Samples were collected at 1.5m intervals downhole, with each sample interval panned to estimate a visual total heavy mineral (THM) grade.

A total of 32 holes were planned and all (20CCHA186–197;199-216;222-223) have now been completed, mainly on the northeast and southwest portions of the Koko Massava area (Figure 1). Average downhole visual estimate THM grades range between 0.6–4.7%. Hole depths range from 1.7–13m deep, with an average depth of 10.9m (Table 1). A total of 245 samples, including QAQC samples, have been collected in the 32 holes.

In the southeast, four holes (20CCHA195;197;213;222) contain downhole average visual THM grades >4.2%, with maximum individual sample intervals of up to 5.9% visual estimated THM. At least three of the auger drill lines shows visual estimated high grade is still open in the southwest at >3% THM, whereas on the western-most drill line the higher grade, near surface, mineralisation appears to be waning with several holes returning average downhole grades of 1–3% visual estimated THM (Figure 1).

In the northwest, the new auger drillholes have downhole averages 2–3.3% visual THM and this is largely related to the holes being collared in the lower elevations nearby Lake Lungue.

MRG Chairman, Mr Andrew Van Der Zwan, said "This soil auger program at Koko Massava has again been successful in increasing the already very large HMS mineralized footprint to the east and southeast directions, still open. Timing of follow-up aircore drilling to test the depth persistence of these auger results will be a process of prioritization against other opportunities. We are fortunate to be in this position of ranking such high calibre use of funds. The reconnaissance auger drilling at Poiombo is suggesting the identification of another significant, high grade HMS mineralized footprint to occur there. We will review drilling priorities as the final aircore drilling assays are received and assessed from Koko Massava."

Table 1: Summary collar and visual estimated % THM data for recent (to 10 February 2020) hand auger drilling at the Koko Massava prospect.

HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	DRILL TYPE	EOH (M)	ELEV'N (M)	DOWNHOLE AVG % VIS EST THM	MIN OF % VIS EST THM	MAX OF % VIS EST THM
20CCHA186	565577	7261352	HAND AUGER	2	15	0.6	0.2	1.0
20CCHA187	565910	7262546	HAND AUGER	10.5	33	3.5	2.2	4.5
20CCHA188	566213	7262153	HAND AUGER	1.7	21	2.0	1.9	2.1
20CCHA189	566513	7261753	HAND AUGER	3	26	2.9	2.3	3.6
20CCHA190	568977	7260177	HAND AUGER	10.5	76	3.6	3.2	4.3
20CCHA191	569285	7259779	HAND AUGER	12	71	3.5	2.8	4.2
20CCHA192	569595	7259377	HAND AUGER	10.5	74	3.0	2.6	3.3
20CCHA193	569892	7258983	HAND AUGER	12	63	2.7	1.9	3.7
20CCHA194	570192	7258580	HAND AUGER	12	62	3.0	2.2	3.6
20CCHA195	570956	7257595	HAND AUGER	13	64	4.2	3.9	4.8
20CCHA196	571548	7256797	HAND AUGER	12	69	2.9	2.2	3.8
20CCHA197	570150	7256982	HAND AUGER	13	58	4.2	3.8	4.6
20CCHA199	569847	7257379	HAND AUGER	13	67	3.9	3.4	4.6
20CCHA200	569549	7257773	HAND AUGER	13	77	3.1	2.4	3.6
20CCHA201	568937	7258580	HAND AUGER	12	80	3.4	2.8	4.0
20CCHA202	569241	7258180	HAND AUGER	12	75	2.8	2.0	3.5
20CCHA203	568635	7258967	HAND AUGER	12	83	3.4	2.9	3.9
20CCHA204	569359	7256376	HAND AUGER	13	63	3.1	2.0	3.7
20CCHA205	568570	7255768	HAND AUGER	12	66	3.5	2.4	4.7
20CCHA206	569961	7255580	HAND AUGER	12	53	3.3	2.7	3.7
20CCHA207	568866	7255379	HAND AUGER	12	69	3.5	2.8	4.1
20CCHA208	569166	7254974	HAND AUGER	12	58	2.8	2.0	3.7
20CSHA209	569620	7254377	HAND AUGER	10.5	23	3.6	2.1	6.2
20CSHA210	569918	7253975	HAND AUGER	12	53	2.2	1.8	2.5
20CCHA211	567577	7253764	HAND AUGER	12	33	2.2	1.2	2.9
20CCHA212	566936	7252957	HAND AUGER	12	55	4.0	3.6	4.5
20CCHA213	567232	7252558	HAND AUGER	12	34	4.2	3.6	4.6
20CSHA214	570228	7253581	HAND AUGER	12	57	2.3	2.0	2.8
20CSHA215	568980	7253568	HAND AUGER	12	62	3.9	3.0	6.4
20CSHA216	570567	7254784	HAND AUGER	12	52	4.0	3.6	4.4
20CCHA222	566026	7254157	HAND AUGER	10.5	42	4.7	4.1	5.9
20CSHA223	568535	7254168	HAND AUGER	10.5	44	3.3	2.7	3.8

Note: VIS EST= visual estimated; All data averages are grade weighted and uncut from surface. Dip for all holes if -90° and azimuth is 360°.

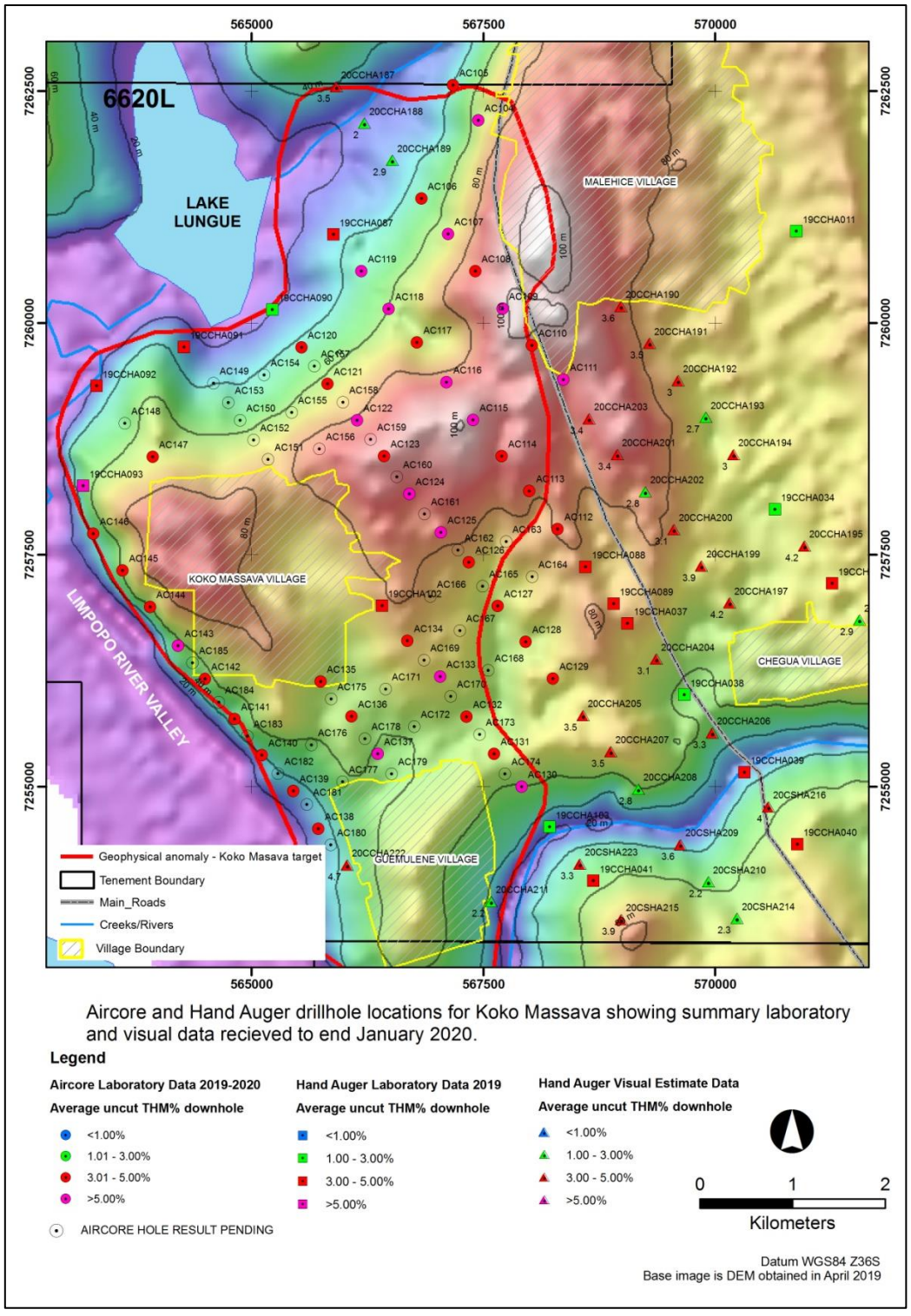


Figure 1: Location map of Koko Massava aircore and hand auger drillholes reported previously and in this update, showing summary laboratory and visual data for THM grades. Where drillhole names are shortened for map presentation, they are all prefixed by '19CC'.

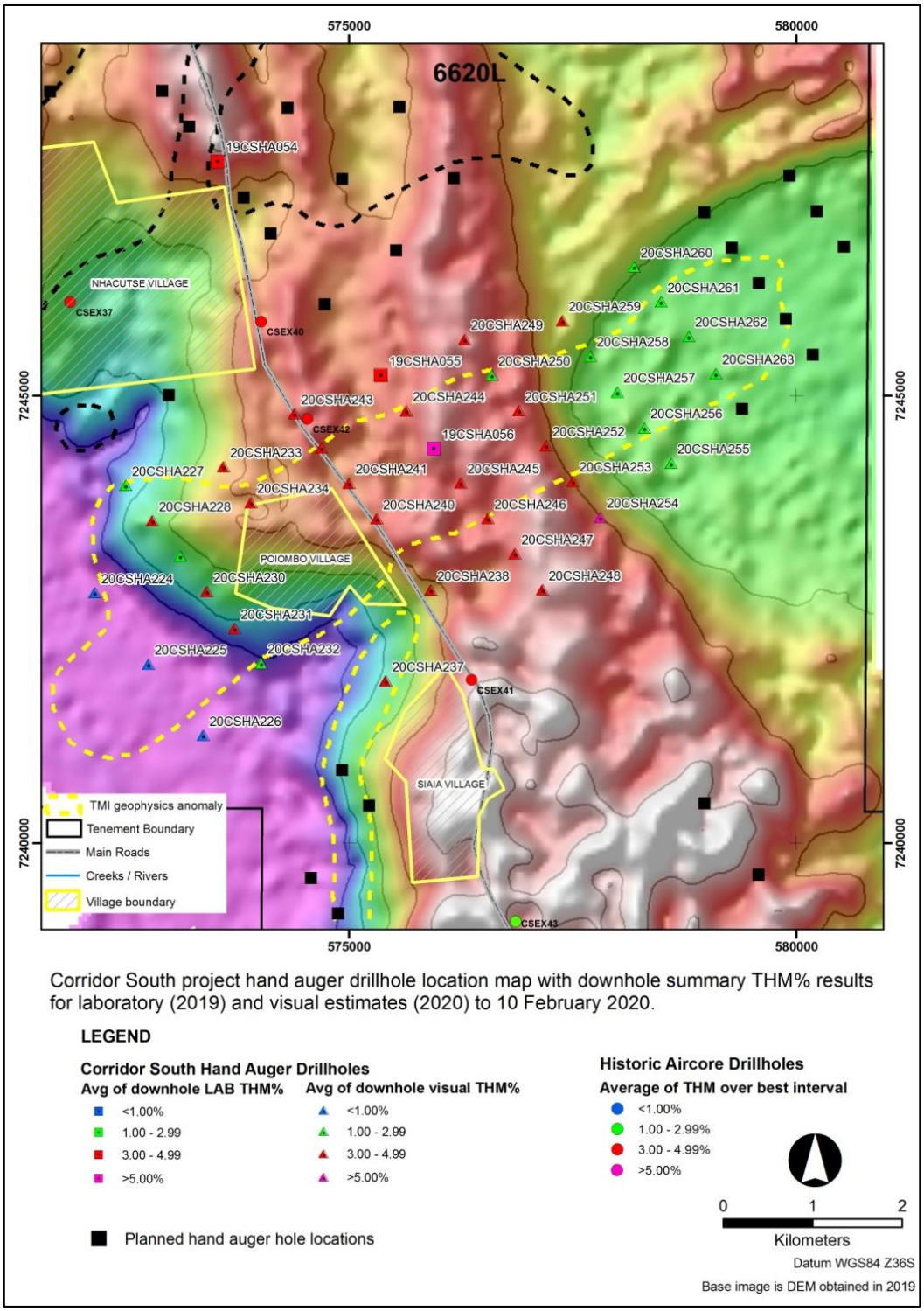
Poiombo Target Reconnaissance Hand Auger Drilling

A reconnaissance hand auger drill program is underway at the Poiombo target (TMI magnetic anomaly 10).

This program is designed to explore the extent of high grade mineralisation previously identified in reconnaissance auger holes. This phase of drilling will likely be completed by mid February 2020. Drillholes in this phase are spaced at 500m stations along lines 1000m apart. The exploration results reported here are visual estimates of down hole grade. Hole depths range from 1.5–12m deep, with an average depth of 9.4m (Table 2). Samples were collected at 1.5m intervals downhole, with each sample interval panned to estimate a visual THM grade.

A total of 40 auger holes (20CSHA224–263) have now been completed, (Figure 2). Average downhole visual estimated THM grades range between 1.5–5.8%, excluding three holes (CSHA224-226) drilled in the Limpopo river flood plain. A total of 261 samples, including QAQC samples, have been collected in the 40 holes.

A zone of heavy mineral sand (HMS) mineralisation >3% visual estimate THM approximately 4km X 3km occurs in the central part of the Poiombo target, with an auger hole drilled in 2019 at its centre containing a laboratory assay result of 9m @ 6.63% THM. The highest average downhole estimated visual grade is 5.8% THM from hole CSHA254 and the zone is open both to the north and south at >3% visual estimated THM. On the western side the Poiombo target is bounded by the Limpopo river flood plain and it appears to be constrained in the east by a drainage basin (Figure 2). Given the linear magnetic geophysical anomaly that represents the Poiombo target continues northeast into the drainage basin, the HMS mineralisation possibly lays beneath recent alluvial material in the basin.



Corridor South project hand auger drillhole location map with downhole summary THM% results for laboratory (2019) and visual estimates (2020) to 10 February 2020.

LEGEND

Corridor South Hand Auger Drillholes

Avg of downhole LAB THM%	Avg of downhole visual THM%
<1.00%	<1.00%
1.00 - 2.99	1.00 - 2.99
3.00 - 4.99	3.00 - 4.99
>5.00%	>5.00%

Historic Aircore Drillholes

Average of THM over best interval

- <1.00%
- 1.00 - 2.99%
- 3.00 - 4.99%
- >5.00%

Planned hand auger hole locations

0 1 2

Kilometers

Datum WGS84 Z36S

Base image is DEM obtained in 2019

Figure 2: Location map of the Poiombo target hand auger drillholes reported previously and in this update, showing summary laboratory and visual data for THM grades.

Table 2: Summary collar and visual estimated % THM data for recent (to 10 February 2020) hand auger drilling at the Poiombo target.

HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	EOH (M)	ELEV'N (M)	DRILL TYPE	DOWNHOLE AVG % VIS EST THM	MIN OF % VIS EST THM	MAX OF % VIS EST THM
20CSHA224	572159	7242795	1.5	-1	HAND AUGER	0.0	0.0	0.0
20CSHA225	572756	7242000	1.5	1	HAND AUGER	0.0	0.0	0.0
20CSHA226	573368	7241204	1.5	3	HAND AUGER	0.0	0.0	0.0
20CSHA227	572500	7243995	10.5	28	HAND AUGER	2.3	2.0	2.5
20CSHA228	572803	7243600	12.0	30	HAND AUGER	3.7	3.2	4.2
20CSHA229	573110	7243206	10.5	32	HAND AUGER	2.6	1.8	3.2
20CSHA230	573410	7242810	10.5	42	HAND AUGER	4.0	3.2	4.3
20CSHA231	573718	7242396	10.5	29	HAND AUGER	4.3	3.3	4.6
20CSHA232	574017	7242011	7.5	15	HAND AUGER	2.8	1.9	4.0
20CSHA233	573597	7244205	10.5	67	HAND AUGER	3.2	2.5	3.5
20CSHA234	573900	7243804	10.5	75	HAND AUGER	3.1	2.1	3.4
20CSHA235	574204	7243393	10.5	66	HAND AUGER	3.5	2.1	4.0
20CSHA236	574807	7242617	7.5	22	HAND AUGER	2.3	2.0	2.5
20CSHA237	575409	7241812	10.5	44	HAND AUGER	3.9	3.4	4.4
20CSHA238	575912	7242826	10.5	70	HAND AUGER	4.1	2.7	4.9
20CSHA239	575608	7243229	10.5	80	HAND AUGER	4.4	3.9	5.0
20CSHA240	575305	7243623	10.5	80	HAND AUGER	4.1	3.6	4.4
20CSHA241	574999	7244019	10.5	78	HAND AUGER	4.1	3.4	5.0
20CSHA242	574688	7244415	10.5	79	HAND AUGER	4.0	3.6	4.4
20CSHA243	574390	7244796	12.0	80	HAND AUGER	4.6	2.9	5.2
20CSHA244	575639	7244828	10.5	81	HAND AUGER	4.2	3.5	4.5
20CSHA245	576246	7244023	10.5	84	HAND AUGER	3.5	2.8	4.1
20CSHA246	576548	7243626	10.5	82	HAND AUGER	3.8	2.5	4.5
20CSHA247	576851	7243231	10.5	82	HAND AUGER	4.0	3.5	4.3
20CSHA248	577158	7242829	10.5	88	HAND AUGER	3.4	2.9	3.9
20CSHA249	576289	7245627	10.5	88	HAND AUGER	3.8	3.2	4.3
20CSHA250	576592	7245226	10.5	81	HAND AUGER	2.8	2.3	3.6
20CSHA251	576893	7244831	10.5	84	HAND AUGER	3.9	2.8	4.5
20CSHA252	577200	7244439	10.5	84	HAND AUGER	4.5	3.7	5.3
20CSHA253	577498	7244042	10.5	78	HAND AUGER	3.9	3.0	4.5
20CSHA254	577803	7243639	12.0	79	HAND AUGER	5.8	4.7	6.7
20CSHA255	578595	7244243	10.5	49	HAND AUGER	1.5	1.0	1.9
20CSHA256	578294	7244639	10.5	53	HAND AUGER	1.7	1.3	2.0
20CSHA257	577993	7245037	7.0	51	HAND AUGER	1.9	1.7	2.1
20CSHA258	577692	7245439	10.5	56	HAND AUGER	1.9	1.3	2.5
20CSHA259	577381	7245834	12.0	66	HAND AUGER	4.9	3.4	5.8
20CSHA260	578181	7246437	10.5	62	HAND AUGER	1.7	1.0	2.4
20CSHA261	578482	7246046	5.5	55	HAND AUGER	1.6	1.5	1.8
20CSHA262	578791	7245660	4.5	53	HAND AUGER	2.3	2.1	2.5
20CSHA263	579094	7245243	7.0	58	HAND AUGER	2.1	1.6	2.3

Note: VIS EST= visual estimated; All data averages are grade weighted and uncut from surface. Dip for all holes if -90° and azimuth is 360°. Holes -224 to 226 were drilled within the river valley flood plain.

Koko Massava Aircore Drill Results

Laboratory results for the final aircore drill sample batch are expected to be received by Friday 14th February 2020 and will be reported as soon as possible after that.

Competent Persons' Statement

The information in this report, as it relates to Mozambique Exploration Results is based on information compiled and/or reviewed by Dr Mark Alvin, who is a member of The Australasian Institute of Mining and Metallurgy. Dr Alvin is an 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". Dr Alvin consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

-ENDS-

On behalf of:

Mr Andrew Van Der Zwan
Chairman
MRG Metals Ltd

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	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *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.*	• A sample of sand, approximately 20gm, was scooped from the sample bag of each sample interval for wet panning • The same sample mass is used for every pan sample • The consistent sized pan sample is to ensure visual calibration is maintained for consistency in percentage visual estimation of total heavy mineral • Geotagged photographs are taken of each panned sample with it corresponding sample bag to enable easy reference at a later date • The larger auger 1.5m interval drill samples were homogenized prior to being split down in the field at the drill site to approximately 2-3kg sub-samples by the cone-and-quarter method and inserted into a pre-labeled calico sample bag with metal tag and corresponding sample number. Sample mass is weighed on site with a simple spring balance • A sample book is kept at the drill site to record sub-sample split mass and ensure correlation with log sheets • At the field base, the samples were homogenized within the calico bag by rotating it and then fed through a single tier riffle splitter, that is placed on a hard surface and leveled, to reduce samples to 300-600gm for export to the processing laboratory • Sub-samples produced from the riffle splitter are weighed on a digital scale tared for sample bag mass and details recorded in the 'split sample' book
Drilling techniques	• *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).*	• Auger drilling using a manual hand operated system produced by Dormer Engineering in Australia • Drill rods and drill bits are 1m long • 62mm open hole drilling technique • All holes have been drilled vertically • The drilling onsite is governed by a Hand Auger Drilling Guideline to

Criteria	JORC Code explanation	Commentary
		ensure consistency in application of the method • A wooden surface collar is placed on the ground at the beginning of each hole to prevent widening of the collar and material falling into the hole
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Auger drilling is considered to be an early stage relatively unsophisticated technique of drilling • The auger drill used is an open hole method and drill recoveries are estimated according to the volume of sample extracted from the holes • No significant losses of sample were observed due to the shallow depths of drilling (<13m) • The initial 0 – 1.5m interval in each hole is drilled with care to maximize sample recovery • Auger drilling is stopped when the drill string begins to get stuck down the hole or when no additional rods are available to advance further • There is potential for contamination in open hole drilling techniques but sample bias is not likely due to the shallow drill hole depths
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The 1.5m auger drill intervals were logged onto paper field log sheets prior to transcribing into a Microsoft Excel spreadsheet • The auger samples were logged for lithology, colour, grainsize, rounding, sorting, estimated %THM, estimated %slimes and any relevant comments, such as slope and vegetation • Geological logging is governed by a Drilling Guideline with predefined codes and guidance of what to include in log fields to ensure consistency between individuals logging data • Data is backed-up each day at the field base 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
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in*	• The 1.5m drill sample composites were homogenized at the drill site and then cone-and-quarter split onsite according to the Drilling Guideline • At the field base, the samples were homogenized within the calico bag by rotating it and then fed through a single tier riffle splitter, that is placed on a hard surface and leveled, to reduce samples to 300-600gm for export to the processing laboratory • The 300-600gm sub-sample was deposited into labeled calico sample bags with metal sample tag and prepared to be sent to the laboratory

Criteria	JORC Code explanation	Commentary
	situ material collected, including for instance results for field duplicate/second-half sampling. • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	for analysis • No samples from this programme were wet when sampled • All of the samples collected have been sand or silty-sand and the preparation techniques are considered appropriate this sample type • The sample sizes were deemed suitable based on industry experience of the geologists involved and consultation with laboratory staff • Field duplicates of the samples were completed at a rate of 5%, or at a frequency of approximately 1 per 25 primary samples • A geologist supervises both the sample splitting processes
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The wet panning of samples provides an estimate of the %THM content within the sample which was sufficient for the purpose of determining approximate concentrations of THM at this stage • The field derived visual panned HM estimates are compared to a range of laboratory derived THM images of pans. This allows the field geologists to calibrate the field panned visual estimate with known THM grades. **Auger Composites:** • The individual 1.5m auger samples will be dispatched to a primary laboratory in Australia • The auger samples will be analysed for %Total Heavy Mineral (-1mm to +45µm), %Slimes (-45µm), %Oversize (+1mm), Float (-1mm to +45µm) and a mass balance check • This is an industry standard technique known as heavy liquid separation analysis • Field duplicates of the samples were completed at a rate of 5% or at a frequency of approximately 1 per 25 primary samples • The adopted QA/QC protocols are acceptable for this early stage exploratory testwork
Verification of sampling and assaying	• *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.*	• Selected visual estimated field data are checked by the Chief Geologist • Significant visual estimated THM >6% are verified by the Chief Geologist • The Chief Geologist makes regular visits to the field drill sites to check on process and procedure • No twinned holes have been completed due to the early nature of the auger drilling technique

Criteria	JORC Code explanation	Commentary
		• The data has been manually transcribed into a master Microsoft Excel spreadsheet which is appropriate for this early stage in the exploration program. Data is then imported into an Microsoft Access database where it is subjected to various validation queries
Location of data points	• *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.*	• Downhole surveys for shallow auger holes are not required due to the very shallow nature • A handheld 16 channel Garmin GPS was used to record the positions of the auger holes in the field • The handheld Garmin GPS has an accuracy of +/- 5m • The datum used is WGS84 zone 36S • The accuracy of the drillhole locations is sufficient for this early stage exploration
Data spacing and distribution	• *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 classifications applied.* • *Whether sample compositing has been applied.*	• Grid spacing used in the auger program was 1000 x 500m • The auger hole spacing is sufficient to provide a moderate degree of confidence in geological models and grade continuity within the top 10.5-13m • Closer spaced drilling will be undertaken at the appropriate stage of exploration to increase confidence • The data has not been used for resource estimation
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• The auger drilling was oriented perpendicular to the orientation of interpreted palaeo-shorelines and palaeo-dunal structures
Sample security	• *The measures taken to ensure sample security.*	• Auger samples remain in the custody of Company representatives until they are transported to Maputo for final packaging and securing • The samples will be sent using Devgro to Perth, Australia, and will be delivered directly to the laboratory • The laboratory will inspect the samples for any evidence of tampering or being compromised.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• 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
Mineral tenement and land tenure status	• *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.*	• The exploration work was completed on the Corridor Central tenement (6620L) and Corridor South tenement (6621L) which are 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 • Traditional landowners and village Chiefs within the areas of influence were consulted prior to the auger programme and were supportive of the program
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historic exploration work was completed by Corridor Sands Limitada, a subsidiary of Southern Mining Corporation and subsequently Western Mining Corporation, in 1999 • 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
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Two types of heavy mineral sand mineralisation styles are possible along coastal Mozambique: 1. Thin but high grade strandlines which may be related to marine or fluvial influences 2. Large but lower grade deposits related to windblown sands • 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	• *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:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	• Drill hole information is presented in Table 1.

Criteria	JORC Code explanation	Commentary
	○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole 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.*	
Data aggregation methods	• *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.*	• No cut-offs were used in the downhole averaging of results.
Relationship between mineralisation widths and intercept lengths	• *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.* • *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').*	• Auger holes are thought to represent close to true thicknesses of the mineralisation • Downhole widths are reported
Diagrams	• *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.*	• Figures are displayed in the main text
Balanced reporting	• *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.*	• A summary of the drill data is presented in Table 1 and Table 2 comprising downhole visually estimated averages, maximum and minimum values in each hole
Other substantive exploration data	• *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.*	• No other material exploration information has been gathered by the Company
Further work	• *The nature and scale of planned further work (eg tests for lateral*	• Further work will include additional auger drilling and sampling, infill

Criteria	JORC Code explanation	Commentary
	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.*	auger sampling and heavy liquid separation analysis • High quality targets generated from reconnaissance work are planned to be drilled with aircore techniques • 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