ASX ANNOUNCEMENT

7 April 2022

AIRCORE DRILLING NOW UNDERWAY TO TEST NEW TARGETS WITH HIGH THM AND CORRESPONDING HIGH VHM WITHIN CORRIDOR TENEMENTS

Key Highlights

- **A 2,000m aircore drilling program is underway at the Corridor tenements to test 11 targets that demonstrate high Valuable Heavy Mineral (VHM) content corresponding with high Total Heavy Mineral (THM) content.**

- **These targets sit in a newly identified north-south trending prominent zone, a lithological boundary with very high THM% red sand (Type 1 sand) on the western side and very high VHM % white sand (Type 2 sand) on the eastern side (Figure 2).**

- **The substantially higher VHM values encountered closer to this lithological boundary have delivered higher potential in-ground per tonne material in Nhacutse and Poiombo MRE's, while now allowing MRG to identify and test these 11 targets with over 50 aircore holes.**

- **Ongoing mineralogical studies have identified:**
  - **The VHM content (Rutile + Leucoxene + Altered Ilmenite + Ilmenite + Zircon) of the Heavy Mineral Concentrate (HMC) increases significantly across the red sand/grey white sand lithological boundary, with VHM% as high as 73.37% in the grey white sand (refer ASX Announcement 31 July 2020);**
  - **A clear increase in the VHM content of the HMC occurs within the red sand from west to east and from north to south, in both cases to over 50% VHM in places (Figures 3 and 4); and**
  - **MRG's Koko Massava, Nhacutse and Poiombo deposits all sit within the red sand lithology, with Nhacutse and Poiombo located further east and south of Koko Massava.**

- **The drilling program aims to augment the existing Koko Massava, Nhacutse and Poiombo MRE resource inventory (Tables 1, 2 and 3) with smaller, higher insitu value per tonne material that may play a role in optimising potential mine start up economics.**

MRG Metals Limited ("**MRG**" or "**the Company**") (**ASX Code: MRQ**) is pleased to announce the commencement of an approximate 2,000m aircore drilling program at the Corridor Central (6620L) and Corridor South (6621L) HMS projects (**Figure 1**). The drilling is specifically targeting 11 areas with higher VHM% than found at the Koko Massava, Nhacutse and Poiombo deposits (Table 1 the JORC Mineral Resource estimate (5.5% cut-off grade (COG)) of a High Grade Zone within Koko Massava at average 41% VHM, Table 2 the maiden Nhacutse and Poiombo JORC Mineral Resource estimate (4 % cut-off grade) at average 42% VHM and Table 3 the maiden Nhacutse and Poiombo JORC Mineral Resource estimate (5% cut-off grade) at average 42% VHM ; **refer ASX Announcements 16 December 2021 and 2 February 2022**), thus where higher VHM% of the HMC meets high THM grade.

Ongoing mineralogical studies have identified a very strong lithological boundary in the eastern side of the Corridor licences (yellow dotted line, **Figure 2**), with red/red-brown coloured sand to the west of the boundary (Type 1 sand) and white/grey coloured sand to the east of the boundary (Type 2 sand; **refer ASX Announcements 11 August 2021 and 1 April 2022**). The VHM% in the Type 2 sand is as high as 73.37% **(Figure 4, refer ASX Announcement 31 July 2020)**. A clear increase in the VHM content of the HMC has also been identified within the Type 1 sand of the HMC from west to east and from north to south in both the Corridor Central and Corridor South licences (**Figures 3 and 4**), in both cases to over 50% VHM in places (**Figure 4, refer ASX Announcement 11 August 2021**). This lithological boundary with the very high VHM Type 2 sand to the east and the higher than average VHM Type 1 sand directly to the west, has a strike of approximately 40km across the Corridor Projects and thus represents a significant opportunity for MRG to increase the value of the resources at the Corridor projects by adding higher VHM% HMS to the inventory.

Within the Corridor Central licence the drilling program is taking place outside the Koko Massava MRE outline (**Figure 2**), with the aim of obtaining mineralogical data towards the west of the Koko Massava deposit where no data is currently available but where significant THM gardes are present (**Figure 3**). Most of the drilling will therefore be focusing on the eastern edge of the red/red-brown sand and into lighter coloured sand (**Figure 2 and 3**). At the Corridor South licence some drilling is taking place within the eastern edges of the Nhacutse and Poiombo MRE outlines where limited information is available (**Figures 2 and 4**), drilling will also take place in other targets outside the Nhacutse and Poiombo resource areas.

MRG Metals Chairman, Mr Andrew Van Der Zwan said: "This aircore drilling program is specifically targeting 11 areas with higher VHM% than found at the Koko Massava, Nhacutse and Poiombo deposits. Demonstrating a strike of approximately 40km across the Corridor Projects, these new higher VHM% targets represent a significant opportunity for MRG to further increase the value of its total MRE Resource Inventory at the Corridor Projects by adding smaller, higher insitu value per tonne material that may play a role in optimising potential mine start up economics."

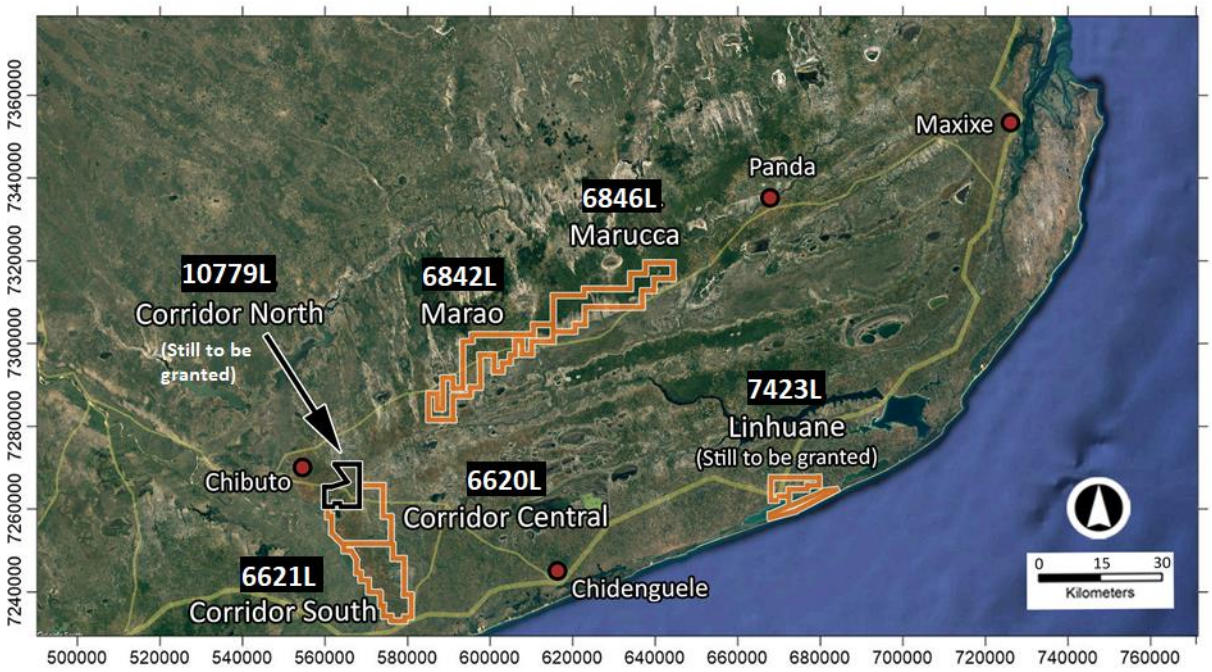

Figure 1: *Map of the location of the Corridor Central (6620L) and Corridor South (6621L) projects in relation to other MRG licences.*

***Table 1**: JORC Mineral Resource estimate of a High Grade Zone within Koko Massava (5.5% COG).*

Summary of Mineral Resources[1]							THM Assemblage[2]								
Mineral Resource Category	Material (Mt)	In Situ THM (Mt)	BD (gcm3)	THM (%)	SLIMES (%)	OS (%)	ILM (%)	RUT (%)	ZIR (%)	TIMAG (%)	HEMA (%)	CHROM (%)	MOTH (%)	ANDA (%)	NMOTH (%)
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
Grand Total	**103**	**7**	**1.8**	**6.6**	**14**	**1**	**39**	**1**	**1**	**33**	**9**	**4**	**3**	**6**	**3**

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**: Maiden JORC Mineral Resource estimate of Nhacutse and Poiombo (4% COG).*

Summary of Mineral Resources[1]								Mineral Assemblage							
Deposit	Mineral Resource Category	Material (Mt)	In Situ THM (Mt)	BD (gcm3)	THM (%)	SLIMES (%)	OS (%)	ILM (%)	RUT (%)	ZIR (%)	TIMAG (%)	CHRM (%)	MOTH (%)	ANDA (%)	NMOTH (%)
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
Grand Total		**860**	**42**	**1.74**	**4.9**	**20**	**1**	**39**	**1**	**2**	**31**	**4**	**7**	**8**	**2**

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.

***Table 3**: Maiden JORC Mineral Resource estimate of Nhacutse and Poiombo (5% COG).*

Mineral Resource Estimation 5% COG

Summary of Mineral Resources[1]															
Deposit	Mineral Resource Category	Material (Mt)	In Situ THM (Mt)	BD (gcm3)	THM (%)	SLIMES (%)	OS (%)	ILM (%)	RUT (%)	ZIR (%)	TIMAG (%)	CHRM (%)	MOTH (%)	ANDA (%)	NMOTH (%)
Nhacutse	Inferred	172	10	1.75	6.0	21	1	40	1	2	32	4	6	7	2
Poiombo	Inferred	84	5	1.75	6.1	19	1	38	1	1	30	4	8	8	2
Grand Total		**256**	**15**	**1.75**	**6.0**	**21**	**1**	**39**	**1**	**2**	**31**	**4**	**7**	**7**	**2**

Notes:

(1) Mineral resources reported at a cut-off grade of 5% THM

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

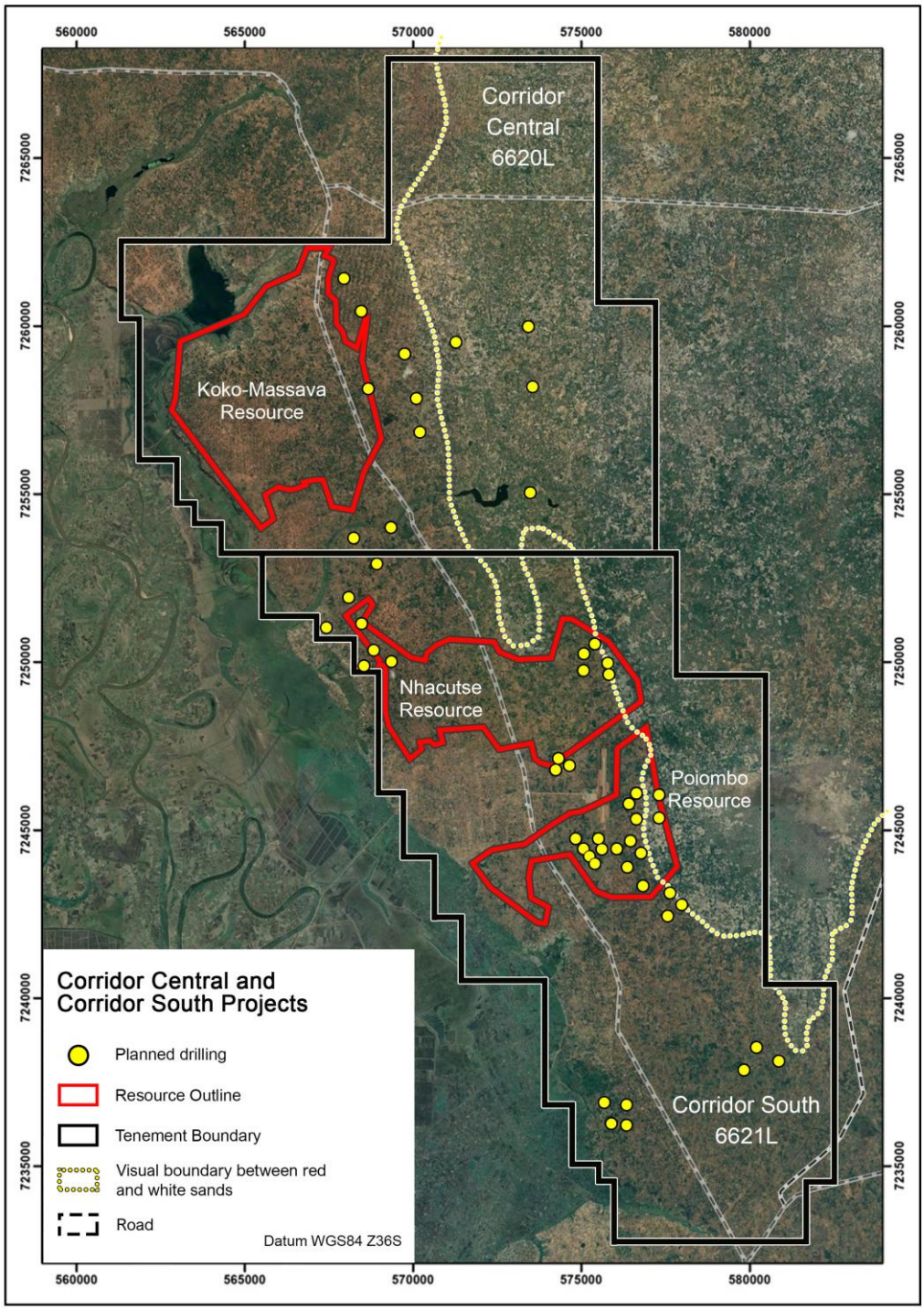

Figure 2: *Map showing the planned aircore drillholes within the Corridor Central (6620 L) and Corridor South (6621 L) Licences, as well as the Koko Massava, Nhacutse and Poiombo JORC Mineral Resource estimate areas in relation to the strong Type 1 (red/redbrown sand) vs Type 2 (white/gray sand) lithological boundary shown in yellow.*

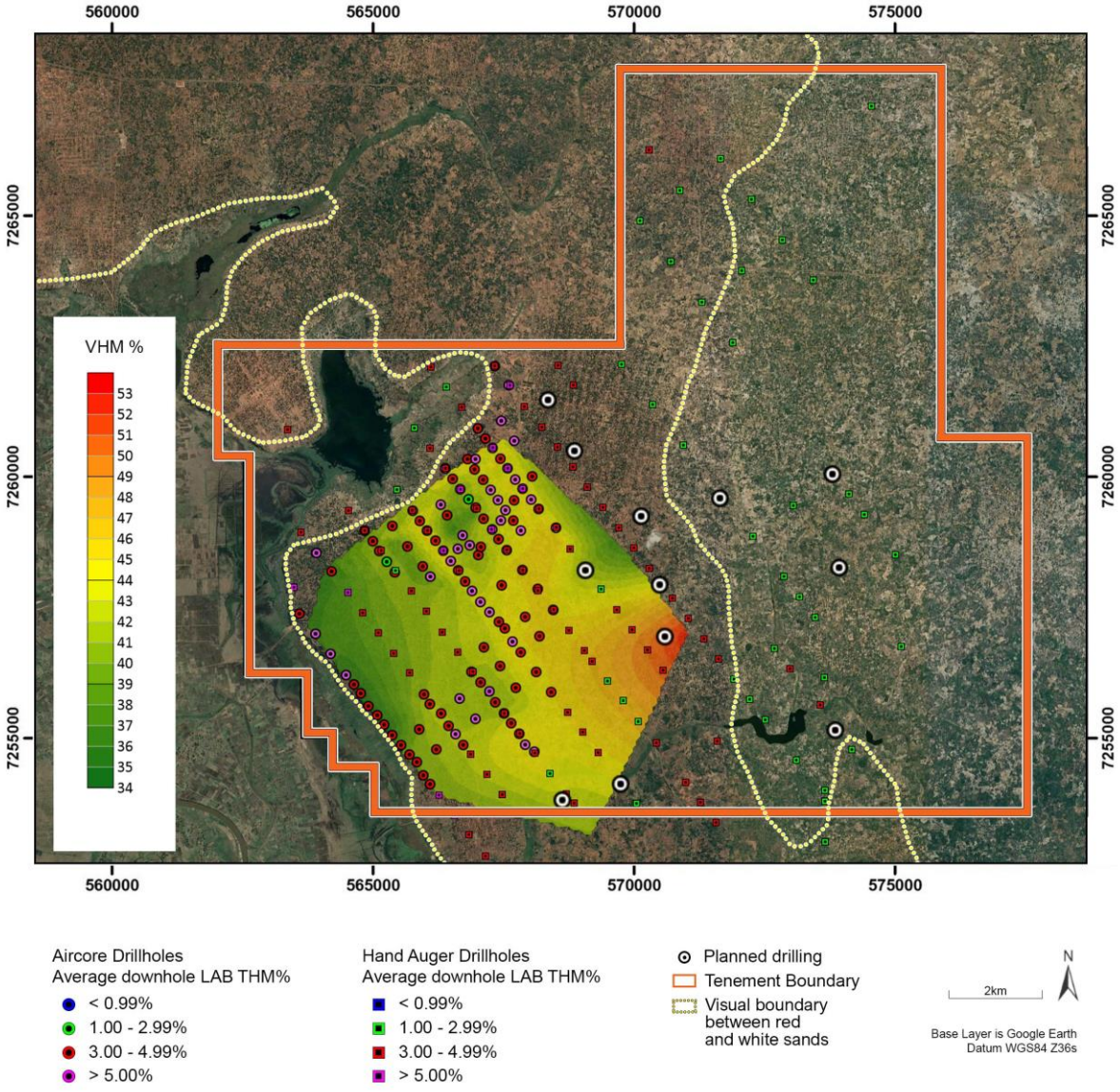

Figure 3: *Map of all laboratory obtained aircore and auger THM % drilling grades, the lithological boundary, the planned aircore holes and contoured VHM% data within the Corridor Central (6620L) licence.*

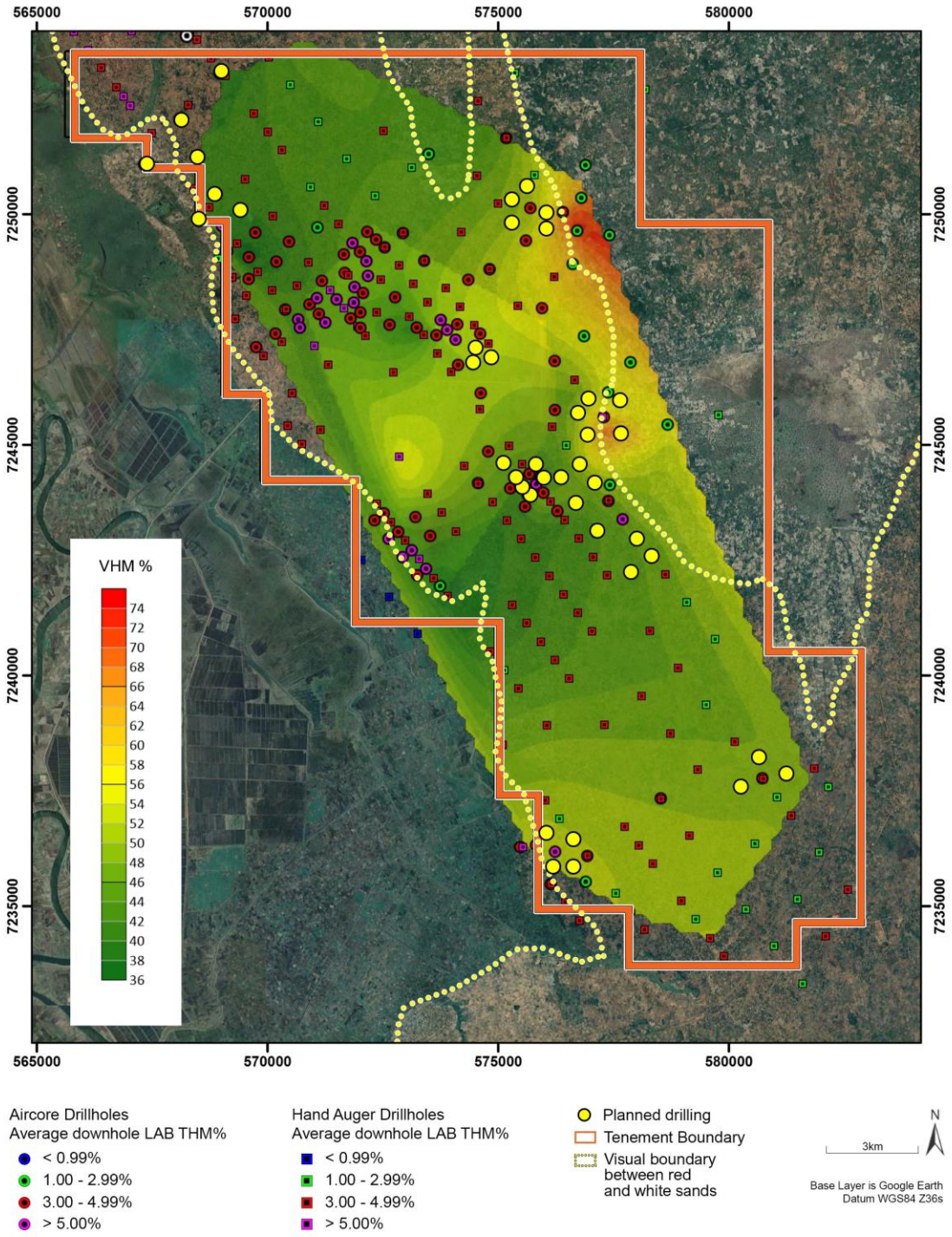

Figure 4: *Map of all laboratory obtained aircore and auger THM % drilling grades, the lithological boundary, the planned aircore holes and contoured VHM% data within the Corridor South (6621L) licence.*

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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