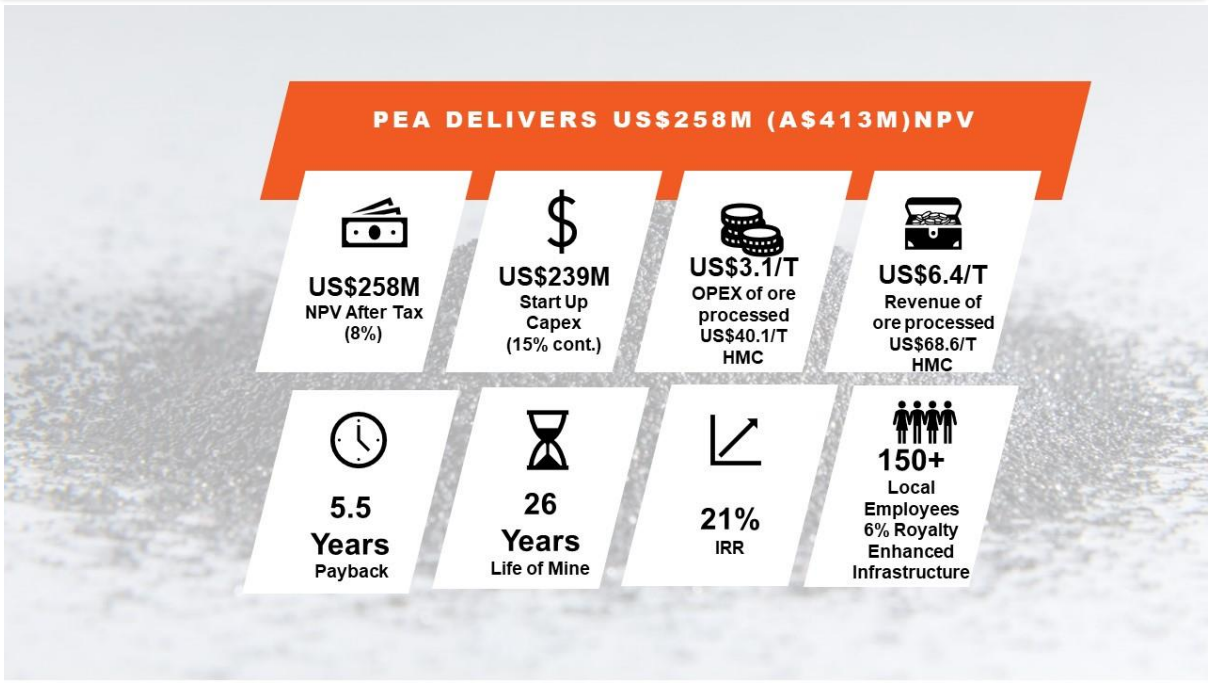
ASX ANNOUNCEMENT
3 November 2022

SCOPING STUDY AND PRELIMINARY ECONOMIC ASSESSMENT DELIVERS SIGNIFICANT NPV AT CORRIDOR SANDS PROJECT



Refer Financial Modelling section – Base Case, Scenario 4
USD/AUD Exchange Rate 20/10/22

Other Key Aspects:

- **Significant Net Present Value (NPV)- A$413M relative to MRQ market capitalisation- A$9M**
- **Significant potential to increase NPV in next stage(s)**
- **Significant mine life of 26 years with excellent potential to expand**
- **Plant relocation in Year 14 to be reviewed in PFS stage, in light of likely resource growth and pit optimisation over next 12 months**
- **PFS stage to commence with focus on optimising metallurgical process to increase NPV**
- **Mining license applications (MLAs) submitted for Corridor Central and Corridor South, licence numbers now 11142C and 11137C respectively, application in progress (refer ASX release 21 October 2022)**

MRG Metals Limited ("**MRG**" or "**the Company**") (**ASX Code: MRQ**) is pleased to announce the results of the Scoping Study and Preliminary Economic Assessment by IHC Mining for the Corridor Central (11142C) and Corridor South (11137C) Projects (**Figures 1 and 2**), specifically the Koko Massava, Nhacutse and Poiombo deposits.

MRG Metals Chairman, Mr Andrew Van Der Zwan said*: "IHC Mining was commissioned to undertake this Scoping Study and Preliminary Economic Assessment (PEA), incorporating realistic, conservative commodity pricing from TZMI. The result of this study gives the Board great confidence of an exceptional, robust mine development opportunity at the Corridor Projects.*

An NPV of A$413M is indicated, which, given the current market cap of MRG is highly exciting for MRG shareholders, and the Board is confident significant enhancement can be made in the next phase of project development.

This Scoping Study and PEA assumed mineral processing locally in the mining tenements to generate ilmenite, titanomagnetite and non-magnetic concentrates of the HMC prior to shipping.

As we progress to Pre-Feasibility stage (PFS), we have already identified a number of opportunities to substantially improve the NPV of the project, by:

- *Consideration of reduced CAPEX via different on-site processing options to optimize NPV (a less processed basic HMC product).*
- *The bulk sample utilized during the Metallurgical Study and Scoping Study/PEA was sourced from the Koko Massava deposit, which was the basis for the TZMI concentrate pricing. However, mine start-up is planned at Nhacutse/Poiombo where comprehensive mineralogy results show a higher value mineral assemblage. Further metallurgical study of a Nhacutse/Poiombo bulk sample is planned to review concentrate pricing.*
- *Further metallurgical testwork of the Non-Magnetic Concentrate is required, with the goal to increase its' currently low value per tonne contribution to the potential mine economics.*
- *New zones of very high VHM/high THM are situated east of the existing Koko Massava and Nhacutse/Poiombo pit-optimised Mineral Resources. These zones were not part of this Scoping Study/PEA. Infill/extension drilling and mineralogical study is planned in these zones with the goal to establish new MRE's that may significantly impact mine economics.*

We are confident the above factors will have a significant impact on the Pre-Feasibility Study (PFS) results and as per the recent market update have progressed the Mining License Applications for both Corridor Central and Corridor South.

In addition, we realign our focus to engage potential off-taker partners as we upgrade further exploration targets to feed into the PFS.

While we continue to develop the Corridor projects, the Company will look to leverage its resources in Mozambique to progress green field opportunities already identified in Rare Earths and Uranium while looking for opportunities to expand the HMS portfolio."

Cautionary Statement

The Scoping Study and Preliminary Economic Assessment referred to in this announcement has been undertaken to determine the potential viability of an open pit mine and ilmenite processing plant constructed onsite at the Corridor Sands project in Mozambique and to reach a decision to proceed with more definitive studies. The Scoping Study and Preliminary Economic Assessment has been prepared to an accuracy level of ±30-35%. The results should not be considered a profit forecast or production forecast.

The Scoping Study and Preliminary Economic Assessment is a preliminary technical and economic study of the potential viability of the Corridor Sands project. In accordance with the ASX Listing Rules, the Company advises it is based on low-level technical and economic assessments that are not sufficient to support the estimation of Ore Reserves. Further evaluation work including infill drilling and appropriate studies are required before MRG Metals Ltd (MRG) will be able to estimate any Ore Reserves or to provide any assurance of an economic development case.

82% of the scheduled throughput over the first 11 years of production, at Nhacutse and Poiombo deposits, is in the Indicated Mineral Resource category, with 18% in the Inferred Mineral Resource category. 50% of the scheduled throughput over years 12 to 25 of production, at Koko Massava deposit, is in the Indicated Mineral Resource category, with 50% in the Inferred Mineral Resource category. The Company has concluded that it has reasonable grounds for disclosing a production target which includes a modest amount of Inferred material. However, MRG, in consultation with IHC Mining, intends to conduct infill drilling to increase the confidence of the Inferred Mineral Resources to Indicated Mineral Resources and to increase the confidence of the Indicated Mineral Resources to Measured Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources, and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

The Scoping Study and Preliminary Economic Assessment is based on the material assumptions outlined elsewhere in the announcement. These include assumptions about the availability of funding. While MRG considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study and Preliminary Economic Assessment will be achieved.

To achieve the range of outcomes indicated in the Scoping Study Preliminary Economic Assessment, initial funding in the order of USD$239 million will likely be required. Investors should note that such funding may only be available on terms that dilute or otherwise affect the value of MRG's existing shares. Debt funding via offtake pre-funding will be investigated.

It is also possible that the Company could pursue other value realization strategies such as a sole, partial sale or joint venture of the project. If it does, this could materially reduce the Company's proportionate ownership of the project.

The Company has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement and believes that it has a reasonable basis to expect it will be able to fund the development of the Project. Given the uncertainties involved, Investors should not make any investment decisions based solely on the results of the Scoping Study Preliminary Economic Assessment.

No Ore Reserve has been declared. This ASX release has been prepared in compliance with the current JORC Code (2012) and the ASX Listing Rules. All material assumptions, including sufficient progression of all JORC Modifying Factors, on which the production target and forecast financial information are based have been included in this ASX release.

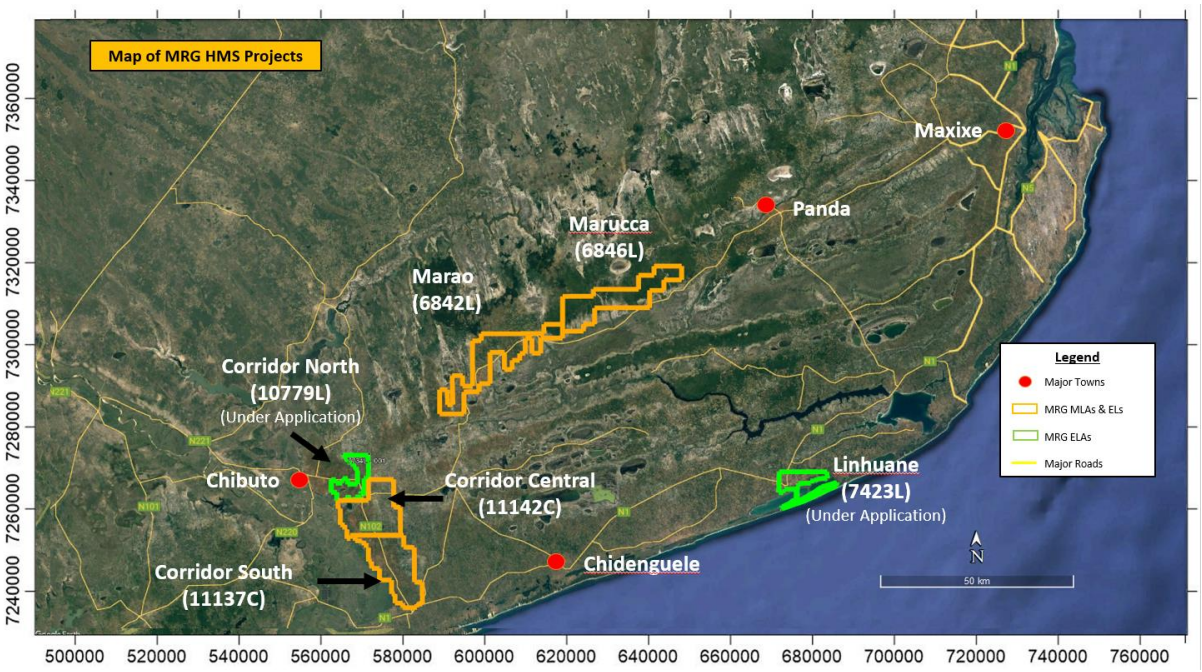


Figure 1: *Map of the location of the MRG HMS Projects, with MLA's Corridor Central (11142C) and Corridor South (11137C), the exploration licences Marao (6842L) and Marruca (6846L) and the ELA's Corridor North (10779L) and Linhuane (7423L).*

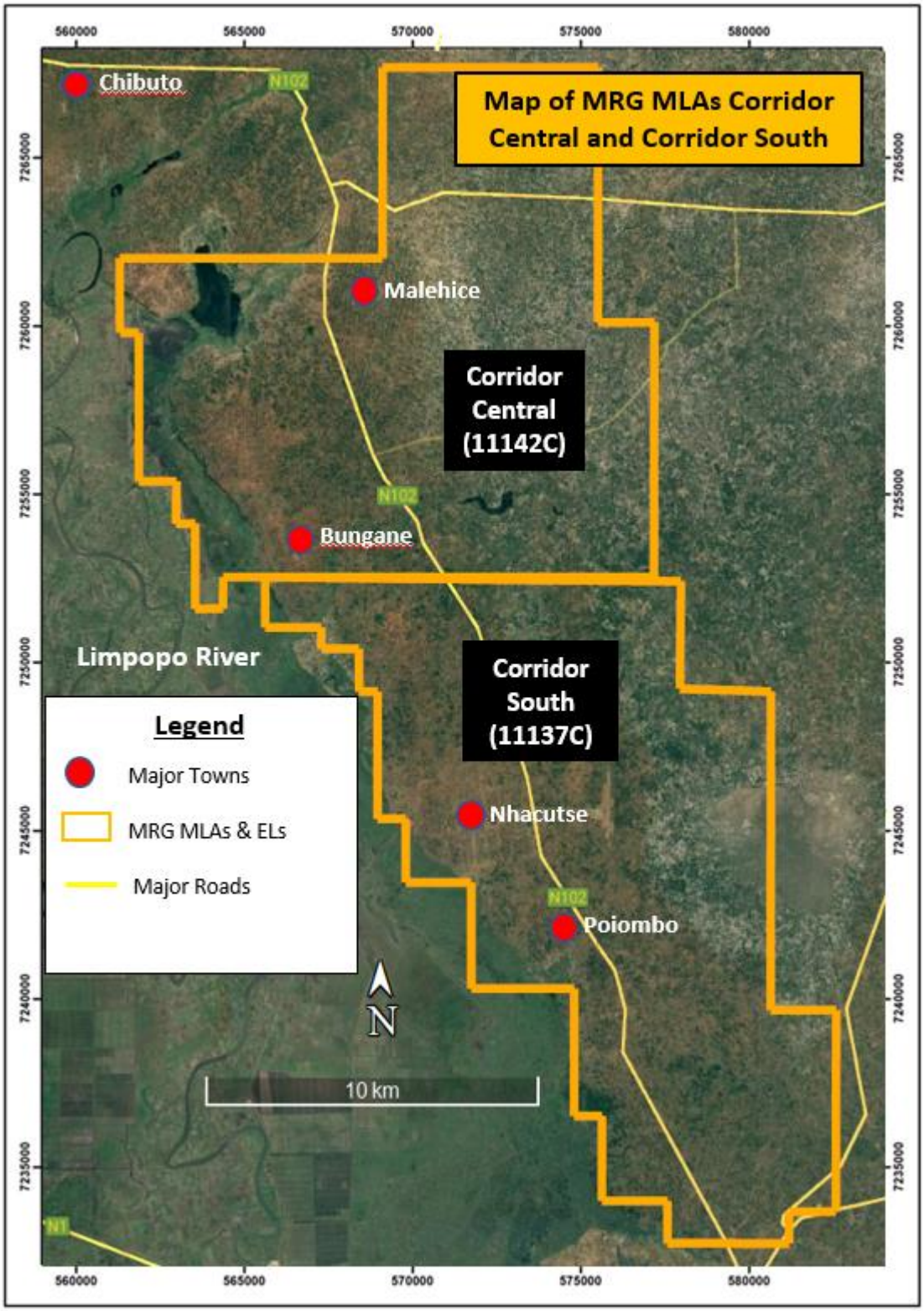


Figure 2: *Map of the MRG HMS Projects MLA's Corridor Central (11142C) and Corridor South (11137C), showing major roads and towns.*

Table 1: Scoping Study and PEA key economics summary

Corridor Sands Scoping Study Project Summary		
Mining Physics		
Total Mining Inventory	Mt	513
Contained THM	Mt	27.8
Average Grade	%	5.4
Mining Rate	Mtpa	19.7
Mine Life	Years	26
Pricing (Average life of mine)		
Titano-Magentite	USD/t	90
Ilmenite	USD/t	256
Non mag	USD/t	320
Production		
Titano-Magentite	ktpa	262
Ilmenite	ktpa	369
Non-mag	ktpa	48
Capital Expenditure		
CAPEX (start up capital)	USD M	239
Key Financial Metrics		
Revenue	$M	3262
	$/t Ore	6.4
	$/t HMC	139.6
Free cash flow (After tax)	$M	938
	$/t Ore	1.8
	$/t HMC	40.1
Cash costs	$M	-1603.3
	$/t Ore	-3.1
	$/t HMC	-68.6
CAPEX (including deferred)	$M	279
NPV (after-tax)	$M	258
IRR (after-tax)	%	21%

Payback (discounted, after-tax)	Year	5.5
Life of Mine	Years	26

Financial Metric Analysis

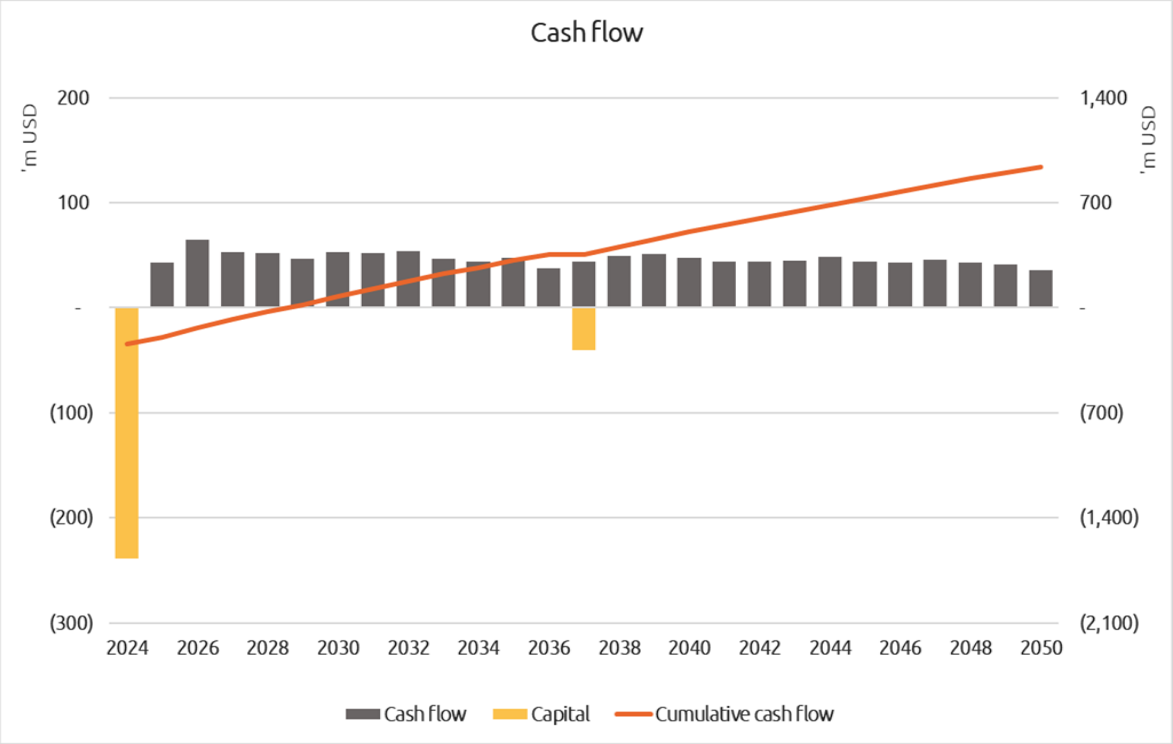


Figure 3: *Cash flow over the life of the project*

Background

This Scoping Study and Preliminary Economic Assessment Report (Report) has been prepared for MRG Metals Limited (MRG) by IHC Mining (IHC), based on assumptions as identified throughout the text and upon information and data supplied by others.

IHC has, in preparing the Report exercised due care consistent with the intended level of accuracy, using its professional judgment and reasonable care. However, no warranty should be implied as to the accuracy of estimates or other values and all estimates and other values are only valid as at the date of the Report and will vary thereafter. Parts of the Report have been prepared or arranged by third party contributors, as detailed in the document. While the contents of those parts have been generally reviewed by IHC for inclusion into the Report, they have not been fully audited or sought to be verified by IHC.

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IHC disclaims any liability, damage and loss to MRG and to third parties in respect of the publication, reference, quoting or distribution of the Report or any of its contents to and reliance thereon by any third party.

Scoping Study and PEA Summary

1. Introduction

MRG Metals Limited (MRG) is looking at developing a mining and processing operation in Mozambique. The Corridor Sands project (CSP) incorporates the Corridor Central (6620L) and Corridor South (6621L) licences. These two licences are now under mining licence application (MLA) (**refer ASX release 21 October 2022**), with INAMI having accepted the MLAs and changing the licence numbers accordingly, Corridor Central to 11142C (17.31956 Ha) and Corridor South to 11137C (18.23168 Ha). The MLAs were accepted by INAMI on the 6th of October 2022 and 3rd of October 2022 respectively for Corridor Central and Corridor South. The two licences are currently 100% owned by MRG Metals Limited (MRG) through its ownership of its subsidiaries, Sofala Mining & Exploration Limitada and Sofala Mining & Exploration I Limitada, in Mozambique. MRG is committed to working with INAMI to further the application process to the approval of Mining Licences, with Environmental Management Plan (EMP) and Social and Labour Plan (SLP) studies and reports, as well as the land-use licence / licences (DUAT) to take place after Mining Licences have been granted. All land in Mozambique is owned by the Mozambican government and land-use administered through rental and DUAT's. Studies on existing DUAT's will take place in the process, but no heritage sites within the mining areas or native title is applicable. The project comprises the Koko Massava, Nhacutse and Poiombo deposits.

The envisioned strategy for the initial operation has been developed with the aim of enabling MRG to identify a clear path towards project execution. MRG plans to mine and process Run of Mine (ROM) material by establishing Mining Unit Plant (s) (MUP) and a Wet Concentrator Plant (WCP) initially capable of processing 20.1mtpa.

The WCP will produce two streams, namely a Heavy Mineral Concentrate (HMC) that will be transported to a proposed Mineral Separation Plant (MSP) and a Titano-Magnetite final product that will be also transported to the MSP for offsite storage prior to loading on bulk carriers – sea freight. The MSP will be sized to handle 536Ktpa.

Within the bounds of this Study, products will be stored on the MSP site for onward transport by

others by road and sea on an FOB basis.

2. Basis of Study

The purpose of this section is to set out the Scoping Study inputs, methods, key activities, deliverables, results and recommendations clearly for MRG Metals and its intended parties. The Study report generally brings together the technical scoping outcomes, capital and operating costs and financial modelling.

IHC Mining provided a proposal outlining the scope of the study to be performed. The scope of work outlined in the proposal broadly included the following:

- In-house assessment of IHC Mining historical works of similar projects;
- Desktop metallurgy (in addition to existing test work);
- Desktop investigative engineering;
- Preliminary calculations;
- Concept sketch layouts; and
- Study management.

This was to comprise two packages of work, specifically, a Scoping Study and associated financial modelling for:

- Mining Unit Plant (MUP);
- Wet Concentrator Plant (WCP);
- Mineral Separation Plant (MSP);
- General Process Infrastructure.

In undertaking the study, the following items were excluded:

- Detailed building layouts (to support local authority applications);
- 3D Modelling for buildings, designs and any other equipment;
- Permitting and approvals; and
- Investigations as described in section 14 Capital Cost Estimate.

Deliverables and activities undertaken during this scoping study include:

- General review, registration and management of client data and key input information;
- Convene internal and external kick-off meetings;
- Development of a basis of study guiding document;
- Prepare preliminary requests for information (RFI's) and develop a register;
- Scoping of mining strategy and mining unit(s);
- Development of a basic mining inventory and schedule;
- Scoping of process plants;
- Undertaking of mining options investigation;
- Drafting of concept sketch site layouts of mining, wet processing, dry processing and port facilities;
- Development of a Block Flow Diagram outlining high level plant Interaction;

- Compiling mass and water balances;
- Assessing stockpile strategies and volumes, water consumption, reticulation and management, plant consumables (power, diesel, gas etc) and man power requirements;
- Undertaking preliminary engineering calculations sufficient to compile a Class 5 estimate;
- Completing preliminary equipment selections;
- Preparing mechanical equipment list with power draws;
- Compiling a Class 5 Capital Budget Estimate (+/-35% accuracy);
- Compiling a Class 5 Operating Cost Estimate (+/-35% accuracy);
- Development of preliminary project execution schedule;
- Development of a preliminary financial model; and
- Preparation of final scoping study report.

3. Geology and Resources

The deposits are hosted by the palaeodunes in the Chongoene-Chibuto area. The palaeodunes are known to host significant heavy mineral sand mineralisation. Recent drilling has intersected high total heavy mineral (THM) grades, from surface extending to a depth of up to 55 m over a strike of 8 km. The mineralisation is hosted within the red to brownish, medium grained sand units. The mineralisation zone is geologically continuous along strike, with grades varying along and across strike.

In December 2021, MRG released a Mineral Resource Estimate (MRE) for their Koko Massava orebody which delivered a High-Grade Zone of 103Mt @ 6.6% THM at a 5.5% cut-off grade (**Table 2.1 and 2.2; refer ASX Announcement 16 December 2021**). The updated MRE comprised a total Mineral Resource of 1,534Mt @ 5.1% THM, with 17% slimes, containing 78Mt of THM with an assemblage of 38% ilmenite, 32% titano-magnetite, 1% rutile and 1% zircon. The JORC categories are specifically stated as:

- an Indicated Mineral Resource of 557 Mt @ 5.1% THM and 17% slimes containing 28 Mt of THM with an assemblage of 38% ilmenite, 32% titano-magnetite, 1% rutile and 1% zircon.
- an Inferred Mineral Resource of 977 Mt @ 5.0% THM and 16% slimes containing 49 Mt of THM with an assemblage of 38% ilmenite, 32% titano-magnetite, 1% rutile and 1% zircon.

In April 2022, MRG then announced the results of the updated JORC Mineral Resource estimates for its Nhacutse and Poiombo deposits at Corridor Sands with a combined Inferred Resource of 860Mt @ 4.9% THM (**Table 2.3 and 2.4; refer ASX Announcement 8 April 2022**). The MRE included high-grade zones totalling 256Mt @ 6.0% THM.

Table 2-1: Mineral Resource estimate for Nhacutse and Poiombo at 4% THM cut-off grade

Summary of Mineral Resources(1)								Mineral Assemblage (2)								
Deposit	Mineral Resource Category	Material	In Situ THM	BD	THM	SLIMES	OS	ILM	RUT	ZIR	TIMAG	CHRM	MOTH	ANDA	NMOTH
		(Mt)	(Mt)	(gcm3)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Global	Indicated	524	26	1.74	5.0	22	1	44	1	1	27	3	2	8	4
	Inferred	337	16	1.74	4.7	17	1	41	1	1	27	4	5	10	3
Grand Total		**860**	**42**	**1.74**	**4.9**	**20**	**1**	**43**	**1**	**1**	**27**	**3**	**3**	**9**	**3**
Notes:															
(1) Mineral resources reported at a cut-off grade of 4% THM															
(2) Mineral assemblage is reported as a percentage of in-situTHM															

Table 2-2: Mineral Resource estimate for Nhacutse and Poiombo at 5.5% THM cut-off grade

Summary of Mineral Resources(1)								Mineral Assemblage (2)							
Deposit	Mineral Resource Category	Material	In Situ THM	BD	THM	SLIMES	OS	ILM	RUT	ZIR	TIMAG	CHRM	MOTH	ANDA	NMOTH
		(Mt)	(Mt)	(gcm3)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Global	Indicated	186	11	1.75	5.9	22	1	43	1	1	27	3	2	8	4
	Inferred	71	4	1.75	6.2	18	1	41	1	1	27	4	5	10	3
Grand Total		**257**	**15**	**1.75**	**6.0**	**21**	**1**	**43**	**1**	**1**	**27**	**4**	**3**	**9**	**4**

Notes:

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

(2) Mineral assemblage is reported as a percentage of in-situTHM

Table 2-3: Mineral Resource estimate for Koko Massava at 4% THM cut-off grade

Summary of Mineral Resources(1)								Mineral Assemblage (2)							
Deposit	Mineral Resource Category	Material	In Situ THM	BD	THM	SLIMES	OS	ILM	RUT	ZIR	TIMAG	CHRM	MOTH	ANDA	NMOTH
		(Mt)	(Mt)	(gcm3)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Global	Indicated	557	28	1.74	5.1	17	1	38	1	1	32	4	4	8	3
	Inferred	977	49	1.74	5.1	16	1	38	1	1	32	4	4	8	3
Grand Total		**1,531**	**77**	**1.74**	**5.1**	**17**	**1**	**38**	**1**	**1**	**32**	**4**	**4**	**8**	**3**

Notes:

(1) Mineral resources reported at a cut-off grade of 4% THM

(2) Mineral assemblage is reported as a percentage of in-situTHM

Table 2-4: Mineral Resource estimate for Koko Massava at 5.5% THM cut-off grade

Summary of Mineral Resources(1)						Mineral Assemblage (2)									
Deposit	Mineral Resource Category	Material	In Situ THM	BD	THM	SLIMES	OS	ILM	RUT	ZIR	TIMAG	CHRM	MOTH	ANDA	NMOTH
		(Mt)	(Mt)	(gcm3)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Global	Indicated	58	4	1.8	6.4	15	1	39	1	1	33	4	3	7	3
	Inferred	45	3	1.8	6.8	12	1	37	1	1	34	4	4	5	2
Grand Total		**103**	**7**	**1.8**	**5.1**	**17**	**1**	**39**	**1**	**1**	**33**	**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-situTHM

4. Mining Strategy

Review and selection of the appropriate mining methodology was based upon a conventional open pit unconsolidated free-dig, free flowing dry sand mining operation. Wet Mining operations were ruled out due to the mining pits relationship to the water table. At this stage of project development, conventional truck and shovel and dozer trap were considered.

Apart from the superior economics, the broad acre deposit, little to no overburden combined with a pit depth of nominally up to 50 metres are well suited to dozer trap mining. This mining methodology is well understood and is currently being employed by a variety of Tier 1 mineral sands producers.

Mining would be conducted by large bulldozers pushing ore to in pit screening and slurrying units known as mining unit plant (MUP). The MUP receives ROM ore mined by bulldozers. The MUP is designed to be relocatable and is placed adjacent to the lower ore level of the mine face. Process water from the plant reservoir is piped to the MUP and used to slurry and transport the screened ore back to the processing plant. Oversize material is rejected and disposed of in the mine void.

Processing of ore will be conducted in two distinct stages. The WCP receives ore as slurry from the mine and after removal of clay, silt and oversize, the sands will be processed by spiral gravity separators to yield a HMC and low intensity magnets (LIMs) to yield a titano-magnetite product. The HMC and titano-magnetite product will be trucked to the MSP, the titano-magnetite will not undergo further processing and be stored as final product.

At the MSP, the HMC feed stock will undergo various stages of magnetic, electrostatic separation and pyrometallurgy to isolate and upgrade the TiO_2 products. Non-mag containing zircon, rutile and lighter minerals will be removed in wet gravity separation processes and a non-mag concentrate produced.

The products will be conveyed to storage shed facilities on the MSP site and then reloaded on a ship loading conveyor as bulk sea freight.

Coarse and fine tails will be trucked back to the WCP site and dumped into a tails reclaim hopper,

mixed with WCP tailings and pumped back to the mine void.

The mining inventory for the Nhacutse-Poiombo & Koko-Massava is included in Table 3. Tonnages and grades are rounded as appropriate and mineral assemblage is reported as a percentage of in situ HM. The reference point for the Mining Inventory is the point of feed to the MUP, i.e., the tonnes and grade reported are in-situ. The production profile over the life of mine (LOM) is shown in Figure 4.

Table 3: *Mining Inventory for PEA (showing valuable mineral component)*

Deposit	Ore	HM	HM	SLIMES	OS	BD	ILM	ILMA	LX	RUT	TIMAG	ZIR
	Mt	Mt	%	%	%	g/cm3	%HM	%HM	%HM	%HM	%HM	%HM
Nhacutse & Poiombo	248	13.5	5.5	20	0.6	1.75	39.9	4.0	0.3	1.1	26.7	1.3
Koko Massava	265	14.3	5.4	16	0.9	1.75	37.1	2.2	0.3	1.2	32.1	1.2
Total	513	27.8	5.4	18	0.8	1.75	38.5	3.1	0.3	1.1	29.5	1.3

Resource Breakdown :Nhacutse and Poiombo: 82% Indicated,18% Inferred : Koko Massava 50% Indicated, 50% Inferred.

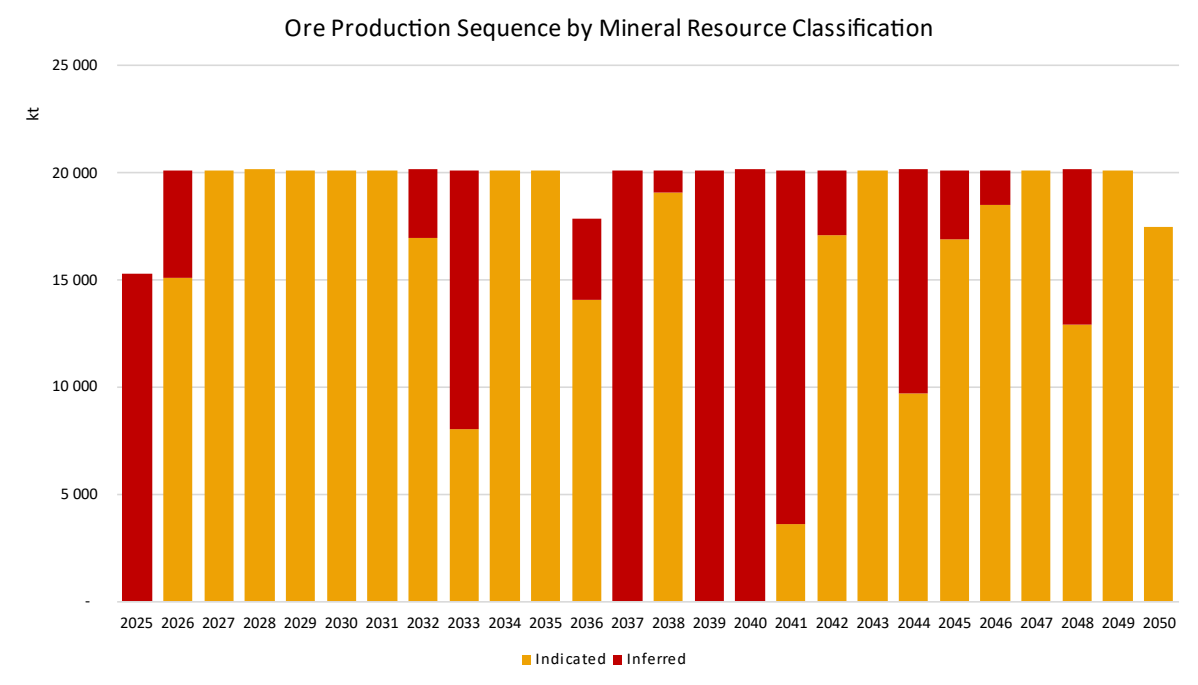


Figure 4: *Production Profile for Life of Mine (LOM)*

5. Metallurgical Testwork

IHC Mining completed scoping study level metallurgical test work in August 2020 for the Corridor Sands Project. The test work was conducted on a ~100kg sample of composited drill sample material derived from MRG's Koko Massava deposit.

The sample was characterised as per MRG's standard methodology developed for the geological modelling, metallurgical evaluation and production forecasting of the CSP. The feed material contained minimal +2.0mm oversize particles/organics, 15.6% fines (-45µm) and 5.0% heavy mineral (2.85s.g.) content. XRF analysis indicated the HM to contain 24.6% TiO_2 and 0.96% ZrO_2. QEMSCAN analysis calculated the HM mineralogy to contain 0.2% rutile, 2.0% altered ilmenite, 28.8% ilmenite, 16.6% titano-magnetite and 1.2% zircon.

The material was processed through a simulated feed preparation process to remove fines and oversize particles. The screened sand fraction represented a mass yield of 87.3% with respect to ROM material.

A sample of generated fines was used to complete fines handling test work, which confirmed the fines to settle readily and consolidate well when using conventional flocculent.

The screened sand fraction was then processed through a two-stage (rougher-cleaner) wet table circuit to simulate a wet concentration process. The material was amenable to upgrading by gravity separation. The circuit produced a HMC containing 83.0% HM, and recovered 93.5% of the TiO_2 units and 93.7% of the ZrO_2 units. The HMC represented a mass yield of 4.35% with respect to ROM material.

The resultant HMC was then processed through a typical mineral sands concentrate upgrade process (CUP), utilising a two-stage LIMS (non-mag scavenger), two-stage WHIMS (non-mag scavenger) and two-stage wet table (rougher-scavenger) to further upgrade the WHIMS non-mags. This circuit produced a titano-magnetite product, a low-Ti concentrate, a magnetic concentrate and a non-magnetic concentrate.

The CUP magnetic concentrate was then processed through the ilmenite upgrade process, consisting of electrostatic and dry magnetic separation. The produced magnetic fraction represented a mass yield of 1.60% with respect to ROM material, contained 43.5% TiO_2 and was elevated in chrome (1.4% Cr2O3). Further magnetic fractionation test work concluded that the chrome could not be adequately removed by magnetic separation alone and that chemical alteration by ultra-low temperature roasting (ULTR) plant would be required.

The roasting process successfully enhanced the magnetic susceptibility of the ilmenite species, allowing for more effective rejection of chrome-bearing minerals by the proceeding dry magnetic separation circuit. The produced ULTR Ilmenite contained 47.1% TiO_2, 0.10% Cr2O3, 0.92% SiO_2 and negligible U+Th. This product represents 1.42% of the ROM mass and meets typical primary ilmenite specification.

Despite the low mass yield, the CUP's non-magnetic concentrate was further processed by electrostatic, magnetic and gravity separation methods to produce a Ti concentrate and a Zr concentrate.

The developed flow sheet is a relatively simple process which uses typical mineral sands separation methodologies. The production of the titano-magnetite product has proven particularly robust and consistent throughout the scoping study and pre-feasibility study metallurgical test work completed to date. The non-magnetic concentrate, while representing a low mass yield, is a potential value adding stream for future consideration. The production of a primary ilmenite product has proven to be somewhat more demanding, with multiple stages of magnetic separation required in conjunction with ULTR treatment. Each progressive stage of mineral separation introduces ilmenite mineral losses. With ilmenite proving to be a major driver for the project, there is opportunity to optimise ilmenite recovery through alternate process flow sheet options.

Two major process routes have been investigated to date – the WHIMS-oriented scoping study test work flow sheet and the current design as presented herein (and as currently being developed during pre-feasibility study test work). The latter's main advantage is reducing opportunity for ilmenite mineral losses in the WHIMS circuit. It is possible that this may cause a net increase in operating costs due to the increased drying requirements. To identify the optimum choice, a high level cost-benefit analysis is recommended to be conducted for these two process options once metallurgical test work results are finalised for this processing option.

Pending the results of this investigation, further options for reducing ilmenite losses may also be available, such as the removal of the mineral separation steps prior to roasting. While this would increase the energy intensive roasting requirement, it would eliminate the ilmenite mineral losses associated with the pre-ULTR MSP circuit. The ilmenite upgrade (to final product) would then occur entirely through the magnetic separation post-ULTR, wherein the ilmenite magnetic susceptibility has been enhanced and normalised by the roasting process. It is recommended that these option assessments are completed prior to commencement of a bankable feasibility study, such that the bankable feasibility metallurgical test work can confirm and optimise the selected circuit and assess its response to ore variability.

6. Modifying Parameters

Mining recovery and dilution have been considered in design and given the bulk, non-selective mining method used, it is not considered that application of further modifying factors is appropriate. No cutting or factoring of grades were made. The same modifying factors were used on both deposits.

Exchange Rates:

All dollar values referred to in this report are in United States Dollars (USD) unless explicitly stated otherwise. Therefore, no exchange rate has been assumed.

Commodity Prices:

Product prices are a function of supply and demand, and product quality. Those used for optimisation value modelling purposes are included in Table 4. Prices were based on those supplied by MRG and have subsequently been updated. These updated prices were confirmed by TZMI. TZMI conducted a detailed Market Study for MRG, the study looked particularly at incorporating TZMI's latest supply/demand projections on global sulfate ilmenite, rutile and zircon markets. The study had the following focus:

Phase 1

- Introduction to the mineral sands value chain and industry structure.
- Overview of existing major producers and likely new projects that are currently under investigation.
- Review of supply of sulfate ilmenite, rutile and zircon, outlining the key producers/regions and a supply outlook to 2030.
- Demand analysis segmented by end-use markets and key customers by individual feedback type and zircon. An overview of the global TiO2 pigment sector (supply and demand) and forecasts to 2030 will be included, as this TiO2 pigment is the dominant driver for consumption of titanium feedstocks.
- Review of sulfate ilmenite requirement for the beneficiation sector.
- Detailed analysis of global supply/demand balances and indicative outlook to 2030 for sulfate ilmenite, rutile and zircon.
- Price forecasts of individual feedstock products – sulfate ilmenite, rutile as well as zircon through to 2025 and provision of long-term inducement prices for each of the aforementioned product for the period post 2025. For context, historical prices from 2010 to 2020 will be provided.

Phase 2

- Product quality assessment of planned sulfate ilmenite and non-magnetic concentrate from the company's HMS project in Mozambique based on indicative quality obtained from bulk metallurgical testwork undertaken at IHC Mining.
- Primary research on the titanomagnetite market in China, covering market dynamics and pricing trends, market segmentation and relative size.
- Commentary on market placement, key target markets and achievable pricing of the planned products (Sulfate ilmenite, titanomagnetite and non- magnetic concentrate) from the Corridor project. A co-product credit will also be provided for the monazite/xenotime contained in the non-magnetic concentrate.
- Overview of the global concentrate market, with particular focus on cross-border volumes and pricing, as well as introduction to the concentrate pricing methodology.

The new prices confirmed by TZMI are higher than these, however that will simply drive a higher valuation for the financial modelling and result in a more robust operation and economics.

Table 4: *Product Prices*

Product	US$/t product
Ilmenite Product	195.02
NonMagnetic Product	525.00
Titano-Magnetic Product	84.00

Royalties:

Royalties include provision for government royalties and are assigned based on a percentage of sales price. An ad valorem royalty of 6% is used in this study.

Operating Costs:

The operating cost and revenue assumptions used for pit optimisation are summarised in Table 5. These are derived from the scoping study and industry standards for similar sized and style of operation. No contingency has been applied to operating cost because the pit limit selection process always selects a pit shell that assumed a reduced revenue (which is the same as increased cost, effectively).

Table 5: *Operating Cost Assumptions*

Description	Unit	Value
Surface costs		
Clearing & topsoil removal cost	US$/ha	4,200
Rehabilitation cost	US$/ha	23,333
Mining costs		
Overburden removal cost (if applicable)	US$/BCM	1.21
Mining unit	US$/t mined	0.81
Oversized handling cost	US$/t o/s generated	0.70
Pumping cost to WCP	US$/t moved	0.52
WCP costs		
Fine tails handling cost	US$/t fine generated	0.77
WCP cost	US$/t feed in	0.22
Tailings cost	US$/t moved	0.46
CUP cost	US$/t feed in	3.56
Miscellaneous costs		
Royalty - percentage of sales price	%	6
Overhead cost	US$/t HMC	16.13
MSP costs		
IUP cost	US$/t feed in	30.34
Shipping and Storage		
Transport cost to port facilities	US$/t moved	5.54
Bagging cost	US$/t moved	0.43
Wharf cost	US$/t moved	6.30

Process Recoveries:

Process recoveries and yields used in this study are included below.

Table 6: *Product Recoveries*

HM Assemblage	WCP %	CUP Titano Magnetic %	CUP Ilmenite product %	CUP Non Magnetic %	IUP %	ULTR %
RUT	90.79	0	8.64	86.30	3.05	15.00
LX	86.53	0	58.73	34.37	33.55	15.00
ILMA	83.61	0.67	86.96	6.47	58.73	96.70
ILM	84.46	1.01	91.12	0.54	98.43	96.70
TIMAG	74.55	80.10	14.04	0.13	91.05	5.00
ZIR	87.58	0	15.22	81.16	0	0
ANDA	80.75	0	14.52	24.61	0	0
CHROM	85.31	5.45	79.52	7.97	35.37	6.50
HEMA	80.99	33.27	47.04	4.51	32.42	68.10
NMOTH	80.75	0	14.52	24.61	0	0
MOTH	80.99	33.27	47.04	4.51	32.42	68.10

Other recoveries:

- Mining recovery used for the optimisation process: 98%;
- Sand in HMC: 9%.

7. Block Flow Diagram

An overview of the processing stages and associated throughputs and products are summarised in the below table and Figure 5:

Table 7: *Process Overview*

	20.1 Mtpa Mined Ore	Note	Qty	Feed (T/h)	Availability	Annual (Mtpa)
PLANTS	MUP 1	Pit 1	1	1350	85%	10.05
	MUP 2	Pit 2	1	1350	85%	10.05
	WCP	ROM	1	2700	85%	20.1
	-	Rougher HF	1	2272	85%	16.92
	MSP	HF	1	72.3	85%	0.538
	ULTR	ULTR HF	1	60.2	85%	0.448
	Post Mag Sep	Hybrid	1	58.4	85%	0.435
PRODUCTS	Titano-Magnetite	Ex WCP -tph - damp	1	58.6	85%	0.436
	Ilmentite	Ex post mag sep – dry	1	52.6	85%	0.392
	Non Mag Concentrate	Ex MSP - damp	1	9.7	85%	0.072

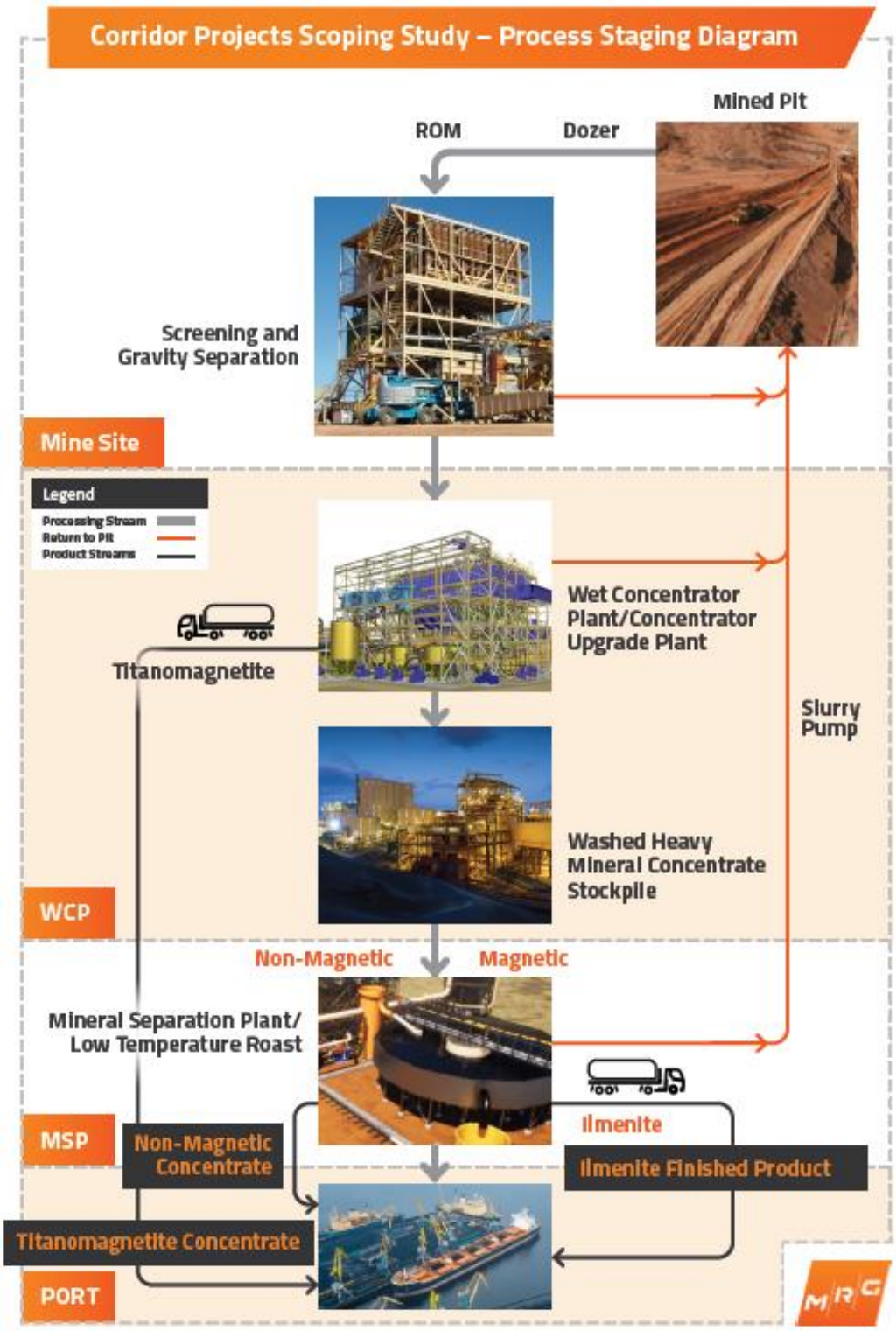


Figure 5: *Scoping Study Process Staging Flowsheet – Corridor Sands Project (Koko Massava, Nhacutse and Poiombo Deposits).*

8. Process Areas

The proposed mining equipment would consist of two identical MUP's. Each of the MUP's will be capable of processing up to 1,500t/h solids with an average of 1,350 tph, which equates to the total operating feed rate of 2,700tph (20.1mtpa).

Each MUP would operate in a separate mining pit, the pumping metrics adopted for the study start up case were a 2,500 metre pumping distance for each MUP to the centrally located WCP. As the mine progresses further away from WCP, deferred capital will be applied.

The ore will be mined using dozers, the ore pushed down from the mining face to a receival hopper, the ROM then slurried, wet screened with a vibrating screen (2.0mm) and then pumped via overland slurry pipe to the WCP for de-sliming and further processing. The sand tails will be returned to the pit along with slimes as a co-disposal operation.

The WCP receives ROM material as a slurry via an overland pipeline from the two (2) MUP's located in separate mining pits. The WCP receives, de-slimes and processes the ROM producing three streams; a titano-magnetite product (deemed a final product). A HMC suitable for further processing at the MSP and two (2) tailings stream that are returned to the mining voids.

The MSP receives HMC by truck from the WCP site where it is dumped in windrows ready for feeding into the plant. The HMC is then fed by Front End Loader (FEL) into a hopper and then dried prior to being processed using conventional electrostatic separators and rare earth drum magnets. A non-conductor stream is fed to a wet circuit using wet shaking tables.

This initial stage produces a hi-mag suitable for presentation to the ULTR and a non-mag concentrate product along with a tailing stream.

The titano-magnetite product is also unloaded and stored at the MSP site where it is loaded on the ship loading facility for export. This material is not treated further at the MSP, but merely stored on site for additional draining to meet the 5% total moisture limit (TML) requirement.

The ULTR process conditions lower ilmenite and iron bearing minerals by partial reduction to homogenise the magnetic susceptibility, while keeping the ilmenite in a temperature range that avoids the solubility of TiO_2 being affected by rutilisation. Central to this process is a fluid bed reactor (referred to as the roasting stage) fluidised with reducing gases, within a temperature range of 575 °C to 625 °C.

The result is an upgraded ilmenite with a higher TiO_2 content (47.1% increased from 43.5%) and lower Cr_2O_3 content, while the total iron oxide is decreased, the remaining iron is predominately FeO, which is favourable for feed stocks presented to the sulphate process.

The product load-out facility consists of the storage and materials handling equipment required to load the final products on to the wharf facility and then on to ocean going vessels.

With the selected option being the Chongoene MRG built facility, provision includes the loadout conveyors for both Titano-magnetite, Ilmenite and non-mag products.

The final products are reloaded from their respective storage sheds and compounds on to transverse loading conveyors and on to a main ship loading conveyor for export.

9. Schedule

A total project execution duration of 157 weeks has been estimated, including project feasibility and approvals through to detailed design, construction and commissioning. An arbitrary plant signoff and handover, scheduled in this study to take place at the end of third quarter 2025, will be affected by numerous factors, including the timing of grant of Mining Licence applications.

10. Cost Estimate

The cost estimate has been developing in accordance with the AusIMM requirements for a class 5 scoping study, with engineering development to between 1 – 2% and a cost accuracy of +/- 30 – 35%.

The scoping study has considered the following 4 scenarios, each scenario assumes a fixed mine site based WCP, 2 x mobile MUP's and port based MSP:

1. MRG owned port and loading facility at Chongoene, with WCP relocation from Nhacutse / Poiombo to Koko Massava (Base case; Figure 6);
2. Use of shared port facility at Chongoene, with WCP relocation from Nhacutse / Poiombo to Koko Massava;
3. Use of shared port at Maputo, with WCP relocation from Nhacutse / Poiombo to Koko Massava; and
4. MRG owned port and loading facility at Chongoene, with single WCP location at Nhacutse / Poiombo, and additional booster pumps and field pipework for mining at Koko Massava.

The tables below outline the CAPEX estimates for the Scenario 1: Base case, 2, 3 and 4:

***Table 8**: CAPEX Cost Distribution Inclusive of Direct cost, Indirect cost & Contingency*

	Cost (M's) by Scenario (USD)			
Cost Centre	**1 (Base Case)**	**2**	**3**	**4**
Area 0000 – Operational Establishment	34.25	17.25	17.25	34.25
Area 1000 – Mobile MUP	36.53	36.53	36.53	36.53
Area 2000 – Wet Concentrator Plant	97.52	97.52	97.52	97.52
Area 3100 – Ilmenite Drying Plant	30.93	30.93	30.78	30.93
Area 3200 – Ultra Low Temperature Roast	32.10	32.10	32.10	32.10
Area 3300 – Final Magnetic Separation	2.00	2.00	1.99	2.00
Area 4000 – Load Out and Storage	5.72	5.72	5.68	5.72
Total Project Costs	**239.04**	**222.04**	**221.84**	**239.04**

***Table 9**: CAPEX Cost Breakdown of Direct cost, Indirect cost & Contingency*

Cost Centre	Cost (M's) by Scenario (USD)			
	1 (Base Case)	2	3	4
Direct Cost	167.38	155.72	155.56	167.38
Indirect Cost	40.48	37.36	37.34	40.48
Total Project Costs (Excluding Contingency)	**207.86**	**193.08**	192.90	**207.86**
Contingency	31.18	28.97	28.94	31.18
Total Project Costs	**239.04**	**222.04**	**221.84**	**239.04**

As noted, the initial capex for scenarios 1 and 4 is the same, however scenario 4 incurs an additional $40m in deferred capital to coincide with the WCP move to Koko Massava.

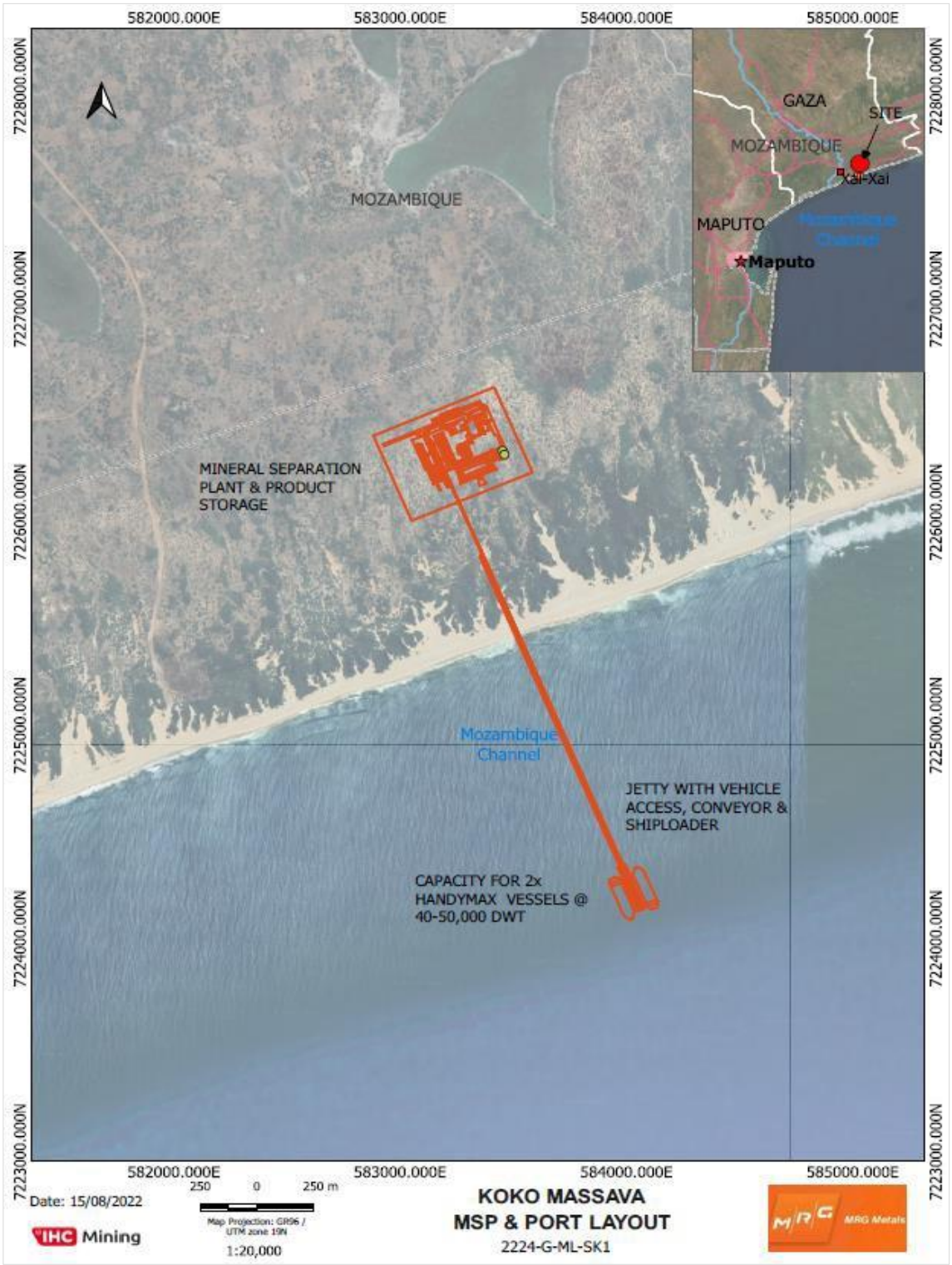


Figure 6: *Corridor Sands Project MSP & Port Layout*

11. Operational Estimate

The OPEX is based on a 2,700 tph operation, assuming a plant availability of 85%. The tables below outline the OPEX estimates for the Scenario 1 (Base case), Scenario 2 and 3, noting that the start-up OPEX of scenario 4 is the same as scenario 1. Costs shown in millions of USD's.

***Table 10**: Operating Cost Scenario 1 (Base Case) and Scenario 4*

	0000	1000	2000	3100	3200	4000		
Area Description	**Admin**	**MUP**	**WCP**	**MSP**	**ULTR**	**Load Out**	**Site Wide**	**Annual Cost**
Mining	0.00	14.07	0.00	0.00	0.00	0.00	0.00	14.07
Labour	0.54	0.93	1.48	1.42	0.43	0.34	0.36	5.49
Mobile Equipment	0.00	0.00	0.29	0.18	0.00	0.02	0.18	0.67
Other Consumables	0.00	0.00	1.77	2.53	4.64	0.00	0.00	8.94
Electrical Power	0.12	6.45	12.76	0.47	2.43	0.06	0.10	22.39
Maintenance	0.35	0.00	2.07	0.71	0.71	0.12	0.00	3.61
Operating Spare Parts	0.00	0.00	1.04	0.35	0.36	0.06	0.00	1.81
Rehabilitation	0.00	0.00	0.00	0.00	0.00	0.00	0.48	0.48
Transport - Cartage	0.00	0.00	0.00	0.00	0.00	0.00	3.20	3.20
Loading - Wharfage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Annual Operating Cost	**1.01**	**21.45**	**19.41**	**5.66**	**8.56**	**0.60**	**4.33**	**61.02**

***Table 11**: Operating Cost Scenario 2*

	0000	1000	2000	3100	3200	4000		
Area Description	**Admin**	**MUP**	**WCP**	**MSP**	**ULTR**	**Load Out**	**Site Wide**	**Annual Cost**
Mining	0.00	14.07	0.00	0.00	0.00	0.00	0.00	14.07
Labour	0.54	0.93	1.48	1.42	0.43	0.34	0.36	5.49
Mobile Equipment	0.00	0.00	0.29	0.18	0.00	0.02	0.18	0.67
Other Consumables	0.00	0.00	1.77	2.53	4.64	0.00	0.00	8.94
Electrical Power	0.12	6.45	12.76	0.47	2.43	0.06	0.10	22.39
Maintenance	0.18	0.00	2.07	0.71	0.71	0.12	0.00	3.61
Operating Spare Parts	0.00	0.00	1.04	0.35	0.36	0.06	0.00	1.81
Rehabilitation	0.00	0.00	0.00	0.00	0.00	0.00	0.48	0.48
Transport - Cartage	0.00	0.00	0.00	0.00	0.00	0.00	3.20	3.20
Loading - Wharfage	0.00	0.00	0.00	0.00	0.00	0.00	9.24	9.24
Annual Operating Cost	**0.84**	**21.45**	**19.41**	**5.66**	**8.56**	**0.60**	**13.57**	**70.08**

***Table 12**: Operating Cost Scenario 3*

	0000	1000	2000	3100	3200	4000		
Area Description	**Admin**	**MUP**	**WCP**	**MSP**	**ULTR**	**Load Out**	**Site Wide**	**Annual Cost**
Mining	0.00	14.07	0.00	0.00	0.00	0.00	0.00	14.07
Labour	0.54	0.93	1.48	1.42	0.43	0.34	0.36	5.49
Mobile Equipment	0.00	0.00	0.29	0.18	0.00	0.02	0.18	0.67
Other Consumables	0.00	0.00	1.77	2.53	4.64	0.00	0.00	8.94
Electrical Power	0.12	6.45	12.76	0.47	2.43	0.06	0.10	22.39
Maintenance	0.18	0.00	2.07	0.71	0.71	0.12	0.00	3.61
Operating Spare Parts	0.00	0.00	1.04	0.35	0.36	0.06	0.00	1.81
Rehabilitation	0.00	0.00	0.00	0.00	0.00	0.00	0.48	0.48
Transport - Cartage	0.00	0.00	0.00	0.00	0.00	0.00	22.20	22.20
Loading - Wharfage	0.00	0.00	0.00	0.00	0.00	0.00	9.91	9.91
Annual Operating Cost	**0.84**	**21.45**	**19.41**	**5.66**	**8.56**	**0.60**	**33.24**	**89.75**

12. Financial Modelling

The Corridor Sands Project Scoping Study included financial modelling as a part of the evaluation and pathway valuation outcomes (the development of a PEA). The development of the Financial Model was based on a historical model supplied by IHC and subsequently modified by Duncan Freeman of Freeman Financial Modelling (FFM).

An initial audit and review of the as-supplied Financial Model was carried out by FFM under the direction of and in collaboration with IHC.

The financial modelling of 4 scenarios or cases was carried out. These are first detailed in Table 14 and are described as:

- Base Case or Scenario 1: Client owned and managed port facility at Chongoene;
- Scenario 2: Client leased port facility at Chongoene;
- Scenario 3: Client leased port facility at Maputo; and
- Scenario 4: a variation on the Base Case where a WCP plant move from the Nhacutse and Poiombo to Koko Massava minesite is executed rather than incorporating the extra pumping. This case was selected as a comparator and the order of magnitude differential (if any) could be extrapolated to the other Scenarios.

The financial modelling used the following assumptions:

- CAPEX/OPEX as prepared by the IHC engineering team with assumptions on power and transport and owners costs provided by the Client;

- Pricing as supplied by the Client, derived from open source data and TZMI studies;
- Assumed cost of capital of 8% as specified by the Client;
- Operational metrics developed by IHC;
- CAPEX spend commencing Jan-2024;
- Final commissioning Jan-2025; and
- An assumed 6 month ramp up to full production (reflected in the model by an end of Q1 start mining date - i.e. 3 full months of production but spread over 6 months).

Of the 4 Scenarios, the one that generates the most favourable metrics, is Scenario 4, which is utilises the WCP move in Year 13 of the project (operational Year 12, as the project includes just over 12 months of build time). A summary of the various scenario metrics are presented in Table 14, but the NPV value of US$258M is the most favourable outcome taking all of the inputs into consideration.

A payback period of 6 whole years (5.5 years) on a CAPEX spend of US$279M including deferred capital is a favourable outcome. The project is not overly sensitive to CAPEX, but is quire sensitive to Product Pricing. A range of ± 35% was used for the sensitivity analysis (Figure 7) which is in line with the order of accuracy for the overall Scoping Study.

The project is assisted with elevated pricing and the future of mineral sands markets will be in part, dictate the development pathway for the Corridor Sands Project. Were MRG to secure fair market off-take agreements for ilmenite and titano-magnetite, then the future of the project would have a definitive pathway to development.

***Table 13**: Summary of Key Financial Metrics from Modelling Scenarios*

SCENARIO SELECTED MINING INVENTORY SELECTED PRICING MODEL		Base Case Reserve 1 Base	Scenario 2 Reserve 1 Base	Scenario 3 Reserve 1 Base	Scenario 4 Reserve 1 Base
Cash flows					
Revenue	$M	3,262	3,262	3,262	3,262
	$/t Ore	6.4	6.4	6.4	6.4
	$/t HMC	139.6	139.6	139.6	139.6
Free cash flow (After tax)	$M	882	771	449	938
	$/t Ore	1.7	1.5	0.9	1.8
	$/t HMC	37.7	33.0	19.2	40.1
Cash costs	$M	(1,715.6)	(1,894.8)	(2,369.6)	(1,603.3)
	$/t Ore	(3.3)	(3.7)	(4.6)	(3.1)
	$/t HMC	(73.4)	(81.1)	(101.4)	(68.6)
	RCCR	1.9	1.7	1.4	2.0
CAPEX (including deferred)	$M	250	233	232	279
NPV (after-tax)	$M	255	220	91	258

SCENARIO SELECTED MINING INVENTORY SELECTED PRICING MODEL		Base Case Reserve 1 Base	Scenario 2 Reserve 1 Base	Scenario 3 Reserve 1 Base	Scenario 4 Reserve 1 Base
IRR (after-tax)	%	21%	20%	13%	21%
Payback (discounted, after-tax)	Year	6	6	8	6
Life of Mine	Years	26	26	26	26

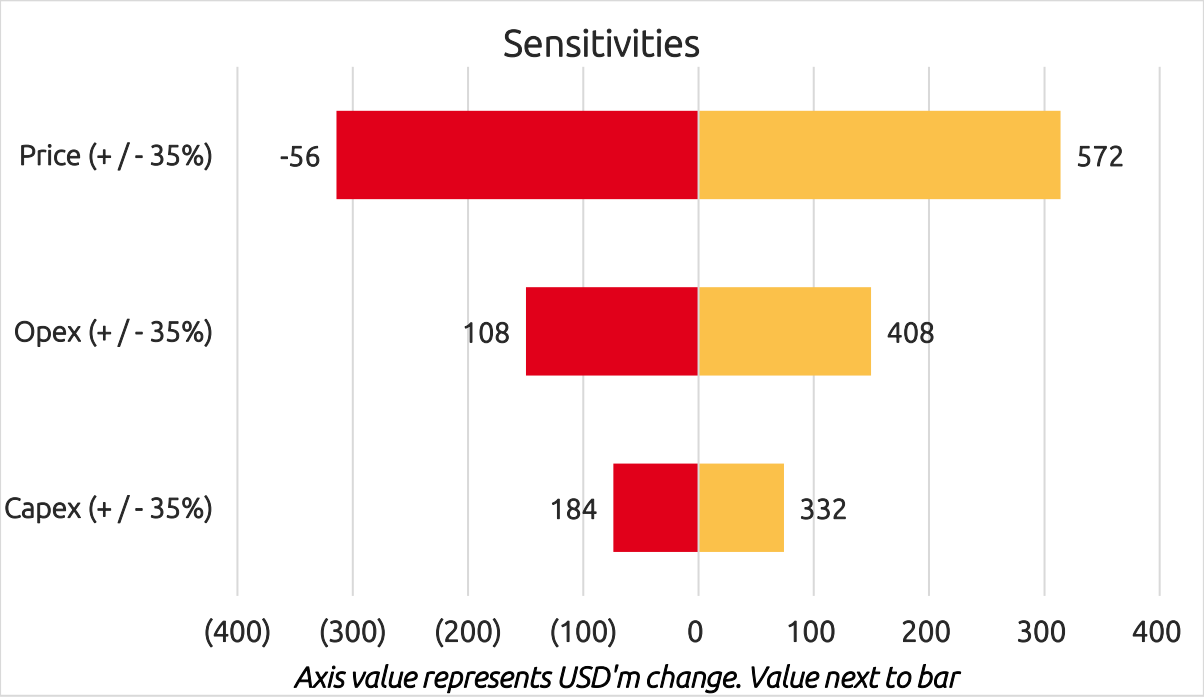


Figure 7: *Sensitivity analysis*

13. Funding

Funding To achieve the range of outcomes indicated in the Scoping Study, initial funding in the order of USD$239m will likely be required, which includes all pre-production costs of which the pre-production capital. The Company has formed the view that there is a reasonable basis to believe that requisite future funding for development of the Project will be available when required. The grounds on which this reasonable basis is established include:

- The Project has strong technical and economic fundamentals which provides an attractive return on capital investment and generates robust cashflows at conservative ilmenite, non-magnetic product and titano-magnetic product prices. This provides a strong platform to source debt and equity funding.

- The Board has a strong track record of equity raisings, having raised in excess of $27 million over the last 11 years.

- The Company has received significant interest from various potential Offtakers/Partners regarding financing for the project, with preliminary discussions occurring.

- The Company has appointed TZMI to assist in marketing during the PFS STAGE. TZMI has extensive expertise and has identified potential buyers for the products identified in the Scoping Study, but has yet to make approaches on the Company's behalf as both MRG and TZMI believe further product upgrade is possible in the PFS stage.

- MRG will consider a range of funding sources, with the objective of securing the most cost competitive and value maximising option for the Company.

- Given the scale of the operation, the Project is expected to generate substantial free cash flow per year to service debt, which will enhance the debt capacity of the Project. As a result, a greater percentage of debt funding may be achievable when compared to smaller scale, lower margin projects.

- MRG will preferentially engage with offtake counterparties that may contribute funding to the Project which may include: conventional equity at the corporate and/or project level; convertible notes or bond; debt financing in the form of either conventional project debt financing, prepayment for product or royalties; or a combination of the above.

- MRG's current market capitalisation is approximately $9M (as at 1 November 2022). The Company remains confident that its market capitalisation will increase as it continues to de-risk, secure offtake, debt financing and execute the development of the Corridor Sands HMS Project. Sources of equity funding may include private equity funds specialising in resource project investment; institutional funds; strategic investors; and high net worth, sophisticated and retail investors. Depending on market conditions, the equity component may be structured with a combination of ordinary and hybrid equity. Given the above, the Company has concluded that it has a reasonable basis to expect that the upfront project capital cost could be funded following the completion of a positive bankable feasibility study and obtaining the necessary project approvals.

- There is, however, no certainty that the Company will be able to source funding as and when required. Typical project development financing would involve a combination of debt and equity. It is possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Company's existing shares.

14. Conclusions and Recommendations

The pit optimisation and preliminary mine planning exercise carried out on the CSP deposits, Koko Massava, Nhacutse and Poiombo demonstrates that there are substantive, economically exploitable pits to potentially support a mining operation of approximately 25 years duration.

The global Mining Inventory developed for the Scoping Study and PEA totalled 513 Mt at an average

THM grade of 5.4% for a total contained THM of 27.8 Mt.

The following recommendations flow from this work package and are in no particular order of importance, but should be taken for consideration:

- The next phase of work should establish a firm basis for mineral pricing based on off-take agreements so as to firm up the revenue drivers for the project;
- Consideration of other mining methodologies should be considered such as hydraulic mining as a cost competitive and practical alternative to dozer trap;
- Detailed work needs to be undertaken on the nature of the slimes and the direct impact this has on flocculent / coagulant usage as well as handling with respect to water recovery, solar drying requirements and potential for co-disposal;
- If the project is deemed to be overall positive in economics from the financial modelling (most likely), then planning for the next phase of detailed pit optimisation and mine planning needs to be considered;
- As per a Framework Environmental & Social Management Program developped by Coastal Environmental Services (CES) for MRG as part of the MLAs for Corridor Central and Corridor South, a significant amount of studies will take place to develop the Environmental Management Plan (EMP) and Social and Labour Plan (SLP). These studies will feed into future economic studies on the project and includes:
    - Water Quality Monitoring, including hydrogeology study, development of piezometers, bores, baseline data, etc;
    - Meteorology;
    - Air Quality Monitoring;
    - Noise and Vibration Monitoring;
    - Waste Disposal Facilities and Practices;
    - Floral and Faunal Monitoring;
    - Soil and Rehabilitation Monitoring;
    - Occupational Health and Safety Monitoring; and
    - Socio-Economic Monitoring.
- The most likely next step is a PFS phase and one of the key deliverables from that level of study will be a Probable Ore Reserve. In order to undertake that work, there is a considerable amount of background study work that needs to be completed, including but not restricted to:
    - Transport study;
    - Power study;
    - Port development study; and
    - Investigation of alternative mining methodologies.

Forward Looking Statement(s)

Statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of MRG's planned work at the Company's project and the expected results of such work are forward-looking statements. Forward-looking statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, forecasts, believes, intends, estimates, projects, assumes, potential and similar

expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur. Information concerning exploration results, metallurgical results and Mineral Resource Estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is developed.

These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable at the time they are made, are inherently subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in the planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfil projections/expectations and realise the perceived potential of the Company's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of Heavy Mineral Sands resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the Company's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of heavy mineral sands and other risks and uncertainties.

This announcement has been authorized by the Board.

For more Information please contact:

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