ASX ANNOUNCEMENT

31 October 2022

MRG METALS SEPTEMBER 2022 QUARTERLY ACTIVITY REPORT

Key Highlights

Corridor Projects

- Engineering Scoping Study at Koko Massava, Nhacutse and Poiombo is complete and demonstrates an exceptionally favourable operating cost structure, due to the following project characteristics:
    - Pit Optimisation shows that all of the resource will be processed with Nil Strip;
    - Strongly homogeneous resource showing favourable heavy mineral sands (HMS) grain size and easy clay fines removal characteristics which will reduce cost;
    - Simple HMS processing with low level of impurities in the sand throughput;
    - Proximity to port, road and infrastructure;
    - Access to human resources;
    - Use of slurry pumping.
- Scoping Study Scenario and key outputs:
    - Mining Inventory of 513 Million Tonnes;
    - 20.1 Million Tonnes material processed per year:
        - First 3 years will process sand approaching 6.5% THM grade;
        - By Year 15, still processing sand >5% THM grade.
    - All-in operating cost through to product discharge at Wharf of USD $3.05/Tonne;
    - Capex: USD $239 Million (with 15% contingency);
    - Annual Product output (Based on the Metallurgy work study; awaiting final product specifications):
        - Resulting products:
            - Ilmenite (47-50% TiO2) finished product;
            - Titanomagnetite concentrate; and
            - Non-Magnetic concentrate.
        - Average annual production (over 25 years)
            - 383 kt Ilmenite finished product;
            - 273 kt Titanomagnetite concentrate; and
            - 50 kt Non-Magnetic concentrate.
- Market value (USD$) of products to be confirmed with the Scoping Study and Preliminary Economic Assessment which will be completed in the coming quarter.

- Pre-Feasibility Metallurgical test work on a 6.5 tonne bulk sample, sourced from Koko Massva deposit, successfully delivered the following products and grades (refer Table 1):
    - **Table 1: Summary of Products**

Product	Grade
Ilmenite Product	**48.4% TiO_2** **0.15% Cr_2O_3**
Titano-Magnetite Product	**14.5% TiO_2** **57.0% Fe** **88.6% titano-magnetite mineral**
Non-Magnetic Concentrate	**16.7% TiO_2** **29.5% ZrO_2**

- Importantly the grade of Ilmenite product increased to 48.4% TiO_2 from 46.7% TiO_2 compared to previous, smaller metallurgical samples (refer ASX Announcement 26 August 2020);
- This metallurgical test work confirms that Koko Massava material processes readily through typical mineral sands process methodologies and equipment;
- MRG is planning a further study to test this Ilmenite product to 50% TiO_2
- Other key highlights include:
    - A heavy mineral content of 5.6% at +2.85 specific gravity;
    - Negligible Oversize (+2 mm) material;
    - Moderate fines material with 18% at -45µm grainsize.

Marao Project

- Aircore drilling at MRG's 3 Heavy Mineral Sands (HMS) targets at the Marao Project delivered high grade analytical results;
- Magonde Target established as very high grade target;
- Mineral assemblage investigation is currently underway for 14 composite samples taken from representative lithologies of the 3 targets;
- Marao has the potential to deliver HMS Mineral Resources of equivalent THM grade and higher VHM % than Koko Massava, Nhacutse and Poiombo deposits.

MRG Metals Limited ("**MRG**" or "**the Company**") (ASX Code: MRQ) is pleased to provide a summary of the Company's activities for the September 2022 quarter.

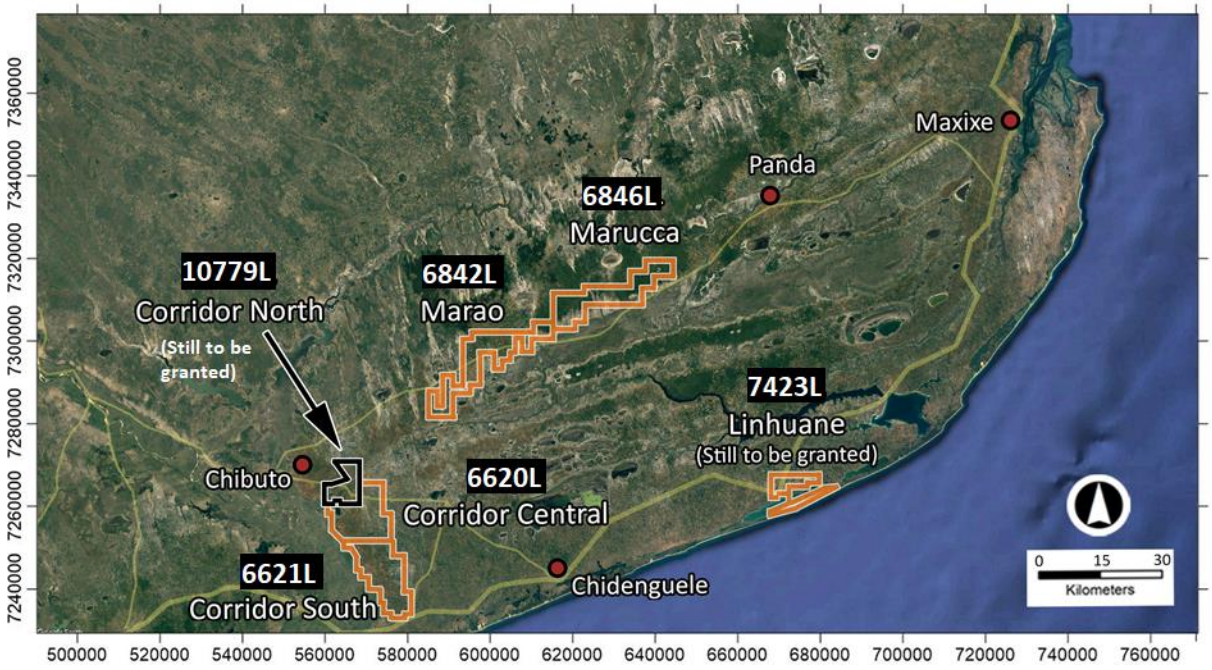


Figure 1: *Map of the location of the Corridor Central (6620L), Corridor South (6621L) and Marao (6842L) projects in relation to other MRG HMS licences.*

ENGINEERING SCOPING STUDY COMPLETED

In August the Company announcement the completion of an Engineering Scoping Study by IHC Mining for the Corridor Central (6620L) and Corridor South (6621L) Projects (Figure 1), specifically the Koko Massava, Nhacutse and Poiombo deposits.

Scoping Study Summary

The envisioned strategy for the initial operation outlined in the Scoping Study, was developed with the aim of enabling MRG to identify a clear path towards project execution. MRG plans to mine and process ROM material by establishing Mining Unit Plants (MUP) and a Wet Concentrator Plant (WCP) initially capable of processing 20.1mtpa (Figure 2).

The WCP (which also contains the CUP) 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 site, for offsite storage prior to loading onto sea freight bulk carriers. The MSP will be sized to handle 536Ktpa. Within the bounds of this Scoping Study, products will be stored on the MSP site for onward transport by others by road and sea on an FOB basis.

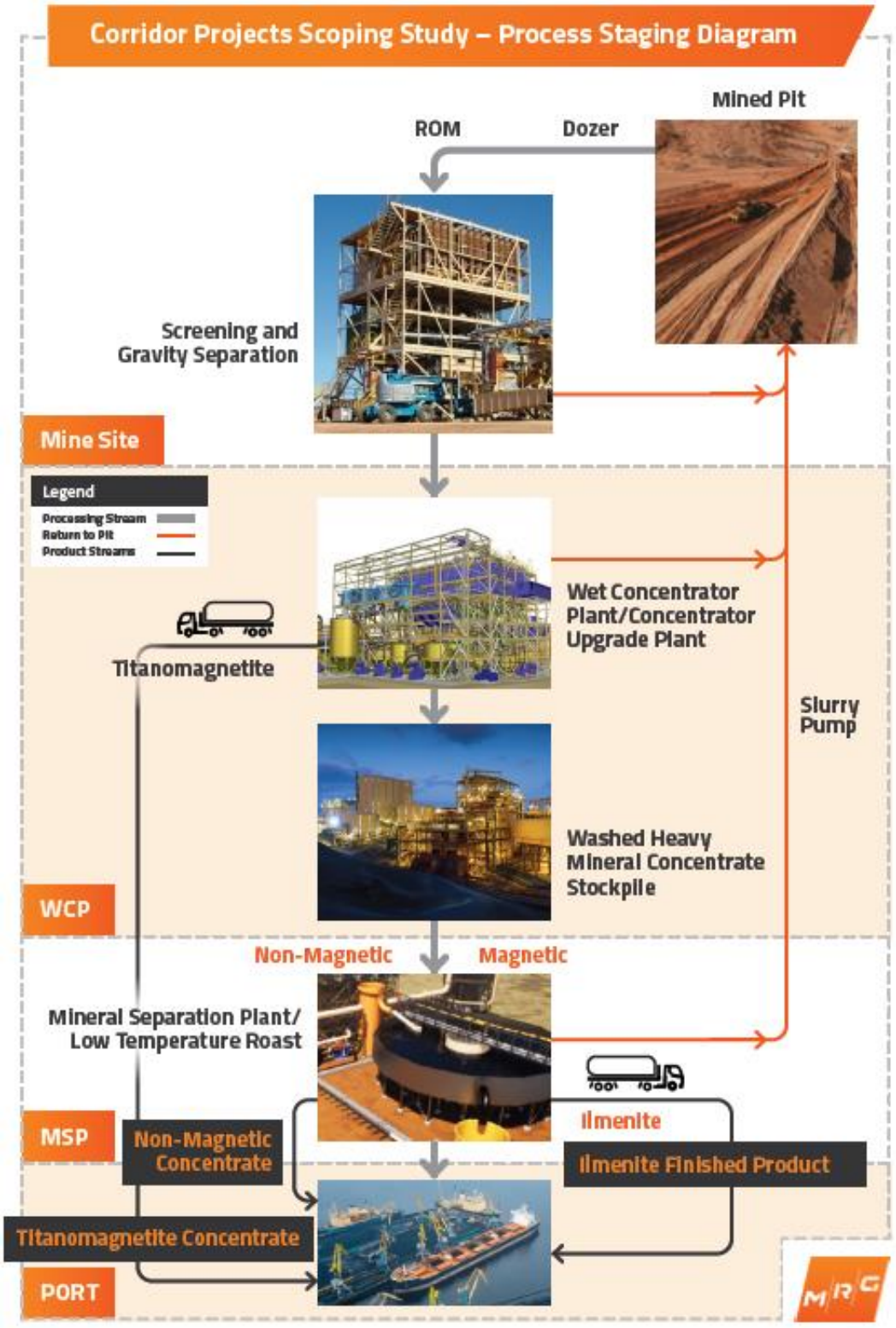


Figure 2: *Scoping Study Process Staging Flowsheet – Corridor Sands Project (Koko Massava, Nhacutse and Poiombo Deposits).*

The review and selection of an appropriate mining methodology in the Scoping Study 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, is very 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 (D11 or equivalent) pushing ore to in pit screening and slurrying units known as mining unit plant (MUP). The MUP is designed to be relocatable and is placed adjacent to the lower ore level of the mine face. Process water from the onsite dam storage 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 FPP receives ore as slurry from the mine and after removal of clay, silt and oversize, the sand fraction will be processed by the WCP comprising spiral gravity separators to yield a HMC and low intensity magnets (LIMs) to then 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 concentrate ready for shipping.

At the MSP, the HMC feed stock will undergo various stages of magnetic, electrostatic separation and roasting to isolate and upgrade the ilmenite product. 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.

PRE-FEASIBILITY TEST WORK DELIVERS HIGHER VALUE PRODUCTS

During the quarter, IHC Mining completed Pre-Feasibility Metallurgical Process Development Test Work on bulk material derived from the Koko Massava deposit, within MRG's Corridor Sands Project. Results from the metallurgical testwork confirmed that the Koko Massava material processes readily through typical mineral sands process methodologies and equipment, a hugely important step as MRG looks to progress its heavy mineral sands assets towards development and subsequent production.

The 6.5 tonne PFS test work sample contained negligible +2.0mm oversize material, 18.0% -45µm fines material and 5.6% +2.85s.g. heavy mineral content. The heavy mineral assemblage was measured to contain 24.1% TiO2 and 0.81% ZrO2 by XRF, and 33.3% ilmenite, 42.6% titano-magnetite, 0.8% rutile and 7.5% zircon. The heavy mineral had a D80 particle size of 257µm, while the sand fraction as a whole had a D80 of 513µm.



Figure 3: *Bulk sample from Koko Massava deposit of 6.5 t pre-desliming and post desliming, work currently taking place by IHC Mining at their Metallurgical Test Facility, Yatala, Queensland.*

This Pre-Feasibility test work returned some excellent results, clearly demonstrating the project's ability to deliver higher value products, including a premium zircon product, with potential for additional secondary zircon product, a rutile concentrate, with potential to further refine to a rutile product specification, and a HiTi product.

Importantly, the grade of Ilmenite product increased to 48.4% TiO2 from 46.7% TiO2 compared to previous, smaller metallurgical samples.

The metallurgical test work confirmed the material to process readily through typical mineral sands process methodologies and equipment. The developed process included:

- a typical mineral sands Feed Preparation Plant, for the removal of oversize and fines from the run of mine material;
- a simple Wet Concentration Process, containing three stages of spiral separators to produce a heavy mineral concentrate and reject sand tailings material;
- co-disposal of fines and sand tailings to maximise process water recovery;
- a Concentrate Upgrade Process to isolate a titano-magnetite product and further upgrade the heavy mineral concentrate;
- a Mineral Separation Process to separate the upgraded heavy mineral concentrate into a magnetic concentrate and a non-magnetic concentrate;
- an Ilmenite Upgrade Process, inclusive of Ultra Low Temperature Roasting, to upgrade the magnetic concentrate into an ilmenite product.

While the total TiO_2 unit recoveries to all products was acceptable at >80%, further optimisation of the magnetic separation stages could improve the mineral distributions between these products, and ultimately improve product grades.

To demonstrate the expected downstream products readily achievable by third party processors/offtakers of the non-magnetic concentrate, further test work developed a conceptual circuit consisting of typical mineral sands separation equipment. The produced products included a

premium zircon product, with potential for additional secondary zircon product, a rutile concentrate, with potential to further refine to a rutile product specification and a HiTi product.

Figure 4 summarises the processing as conducted by IHC Mining on the ore sample as derived from the Koko Massava deposit.

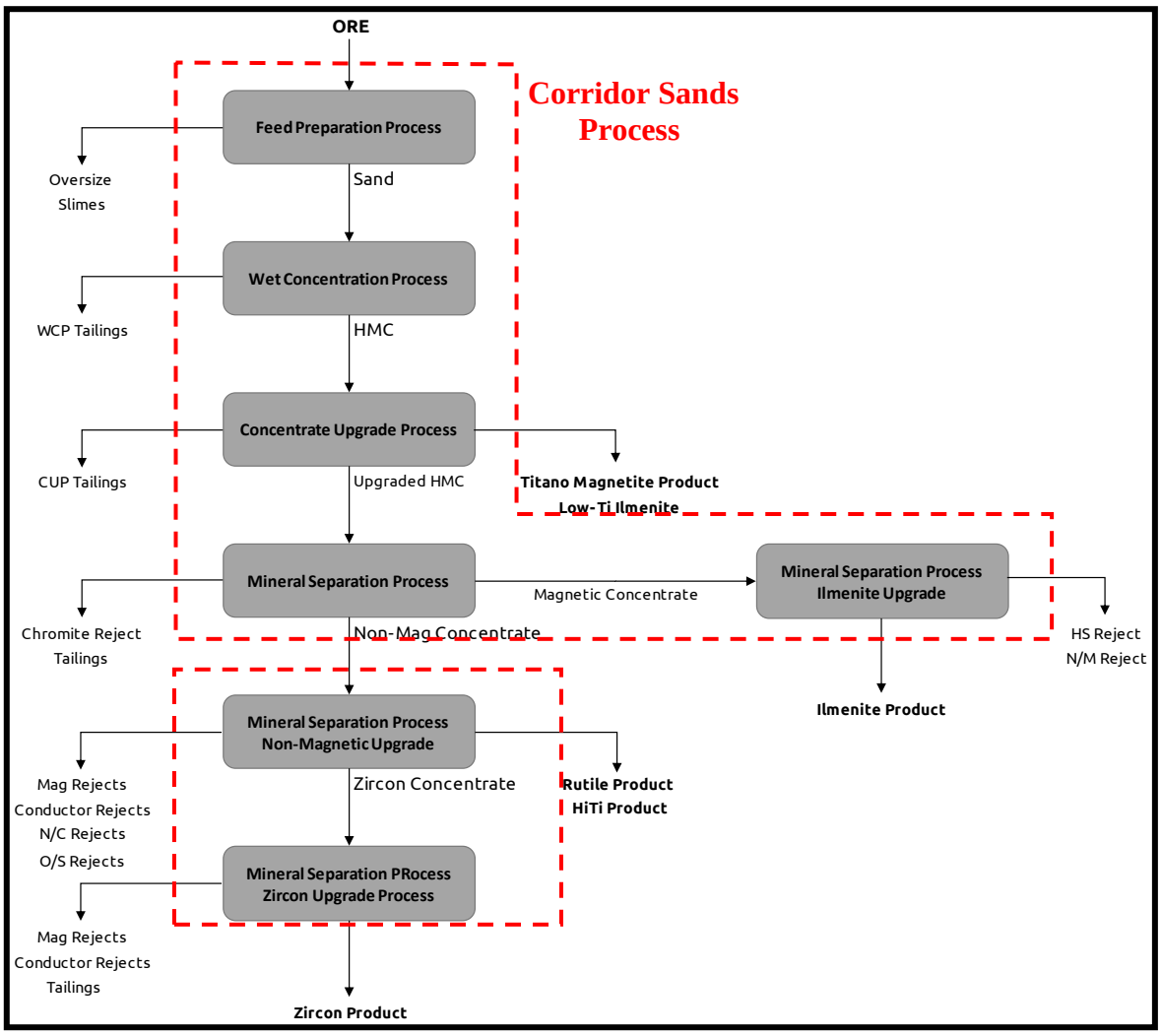


***Figure** 4 Block Flow Diagram Summary*

MARAO AIRCORE DRILLING

The Company reported excellent analytical results from a reconnaissance 10 aircore hole drilling program at three targets previously defined by MRG at its Marao (6842L) Heavy Mineral Sands licence.

Three targets, Magonde, Maduacua and Mandende (refer ASX Announcements 18 March 2021, 8 July 2021 and 18 June 2021) were generated via reconnaissance hand auger grid drilling, and the aircore

drilling took place at 1km inter-drill line and 500m inter borehole spacing (Figure 6). The very widely spaced reconnaissance aircore drillholes were drilled in all 3 targets (Figures 5 and 6), with a total of 340.5 m of drilling taking place and 256 samples analysed (inclusive of QAQC samples, with samples collected at 1.5m intervals).

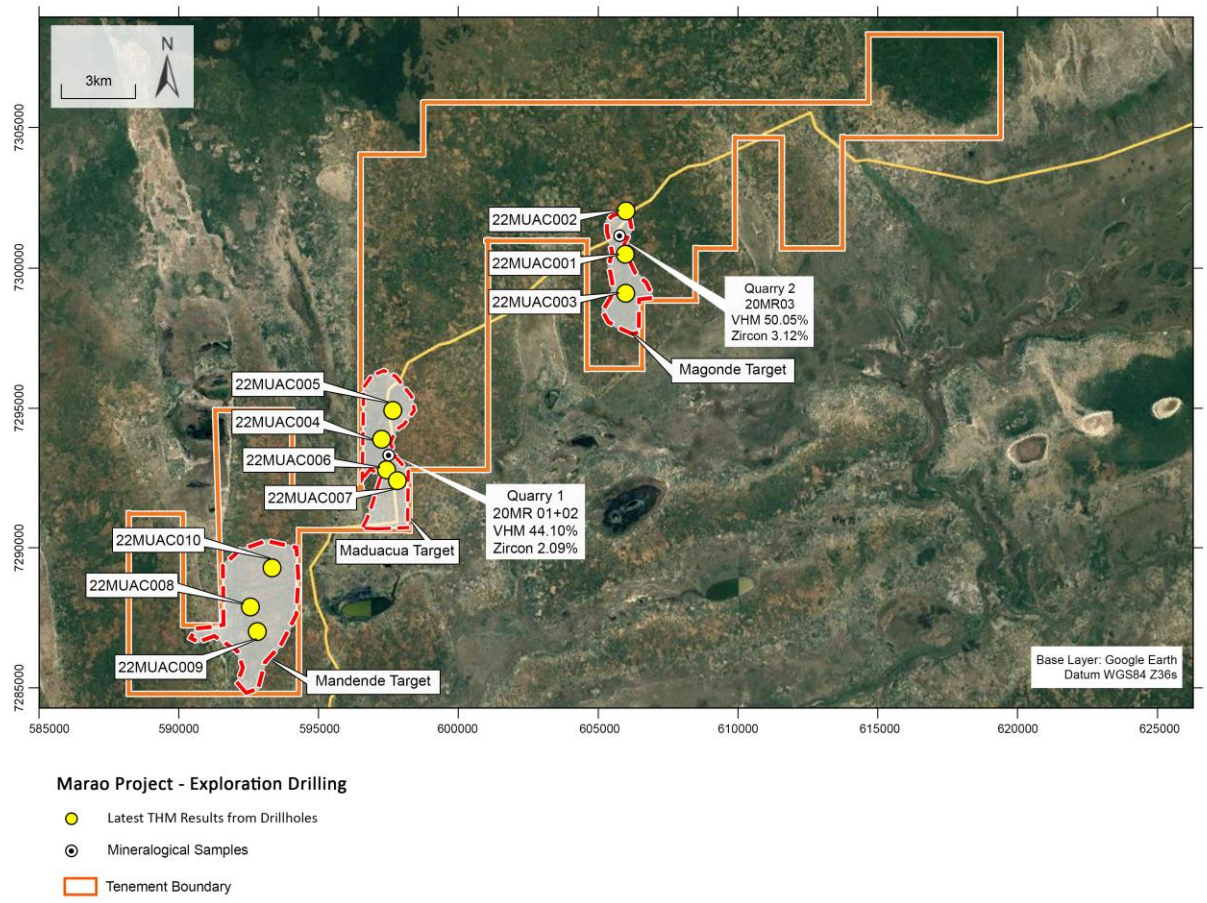


Figure 5: *Reconnaissance aircore drillholes at Marao (6842L), position of the Magonde, Mandende and Maduacua Targets as well as 2 mineralogy data points.*

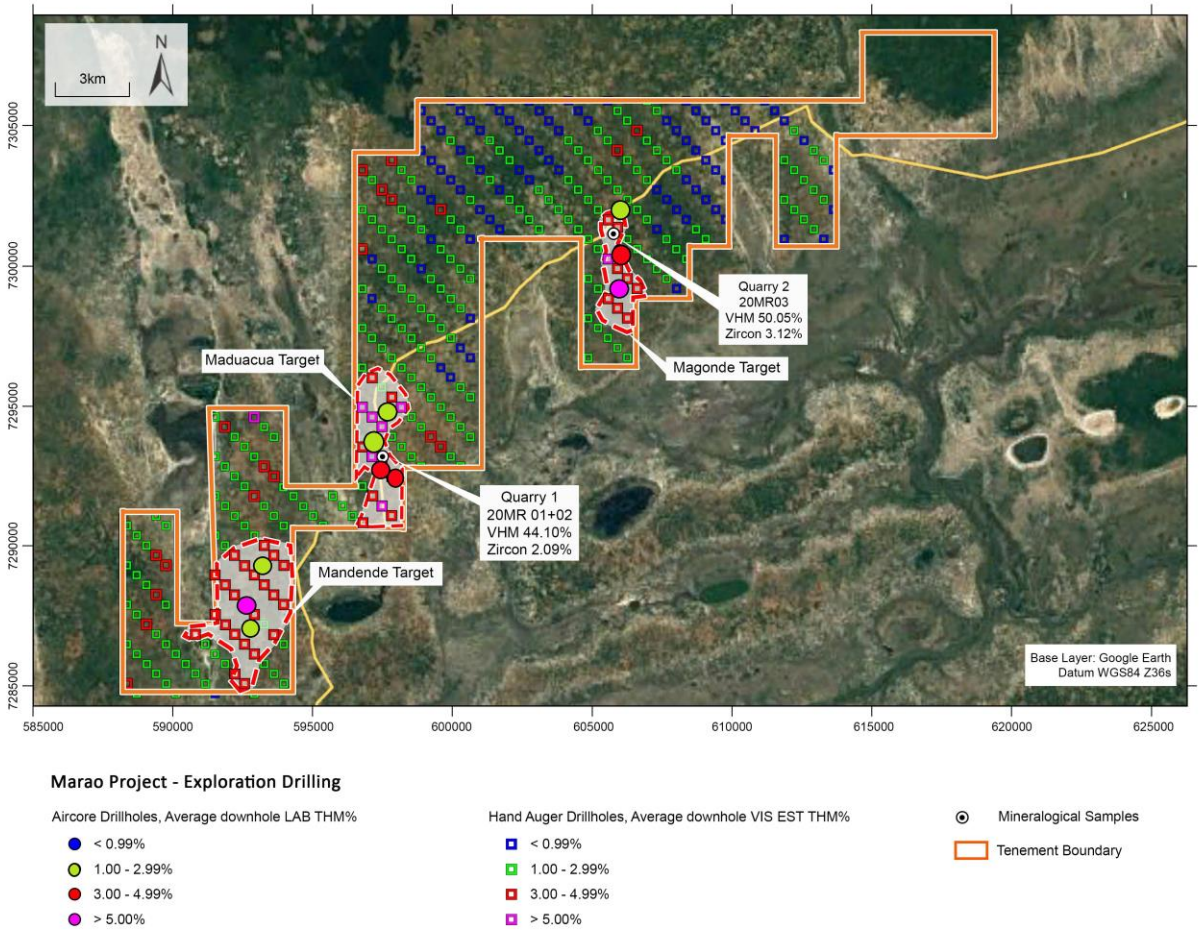


Figure 6: *Aircore holes and auger holes drilled at Marao (6842L).*

Given 5 aircore holes returned >3%THM grades within the holes, specifically the 6.04% THM over 27m, the three targets have now been proven as prospective, with the prospectivity of Marao further supported given the mineralogy is better than that reported at Koko Massava, Nhacutse and Poiombo.

The very high grades at depth in holes 22MUAC003 and 22MUAC008 within the Magonde and Mandende targets respectively, with the highest grade over 1.5m interval of 13.49% THM, also demonstrates the potential for very high grades below the general 12m auger drilling depth.

Highlights include (for full results see Table 2)

- 22MUAC003 Magonde 0 – 27.0m 27.0m @ 6.04 % THM,
  Including 16.5 – 25.5m 9.0m @ 9.93 % THM,
  (highest individual 1.5m interval grade of 13.49% THM);
- 22MUAC008 Mandende 0 – 42.0m 45.0m @ 3.65 % THM,
  Including 33.0 – 40.5m 7.5m @ 7.12 % THM,
  (highest individual 1.5m interval grade of 10.63% THM);

- 22MUAC001 Magonde 0 – 37.5m 37.5m @ 3.04 % THM;
- 22MUAC006 Maduacua 0 – 45.0m 45.0m @ 3.37 % THM; and
- 22MUAC007 Maduacua 0 – 28.5m 28.5m @ 3.07 % THM.

- ***Table 2:*** *Summary collar and Assay THM% results for 10 Reconnaissance Aircore Holes at Marao (6842L).*

DRILLHOLE INFORMATION						MINERALISATION LAB RESULTS			
HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	ELEV'N (M)	EOH (M)	DRILL TYPE	FROM	TO	INTERSECTION (M)	% LAB THM
22MUAC001	7301057	605962	87	45	AIRCORE	0.0	37.5	37.5	3.04
22MUAC002	7302468	605958	90	24	AIRCORE	0.0	24.0	24.0	1.76
22MUAC003	7299645	605954	97	30	AIRCORE	0.0	27.0	27.0	6.04
						16.5	25.5	9.0	9.93
22MUAC004	7294197	597280	102	24	AIRCORE	0.0	24.0	24.0	2.58
22MUAC005	7295286	597618	93	27	AIRCORE	0.0	27.0	27.0	1.63
22MUAC006	7293349	597428	79	45	AIRCORE	0.0	45.0	45.0	3.37
22MUAC007	7292993	597783	74	30	AIRCORE	0.0	28.5	28.5	3.07
22MUAC008	7288438	592437	105	47	AIRCORE	0.0	45.0	45.0	3.65
						33.0	40.5	7.5	7.12
22MUAC009	7287554	592611	70	36	AIRCORE	0.0	36.0	36.0	2.14
22MUAC010	7289828	593161	87	33	AIRCORE	0.0	33.0	33.0	2.68

MRG is awaiting the results from a mineralogical study of 14 samples from the aircore drilling, following which the Company will then plan the next stage of targeted aircore drilling at Marao. The additional mineralogical work will follow up on very encouraging initial mineralogical investigations from grab samples at two road quarry sites within the Marao licence (refer ASX Announcement 27 April 2021), with the samples (20MR 01+02 in quarry 1 and 20MR 03 in quarry 2, Figures 5 and 6) falling within the Maduacua and Magonde targets (Figure 7) respectively.

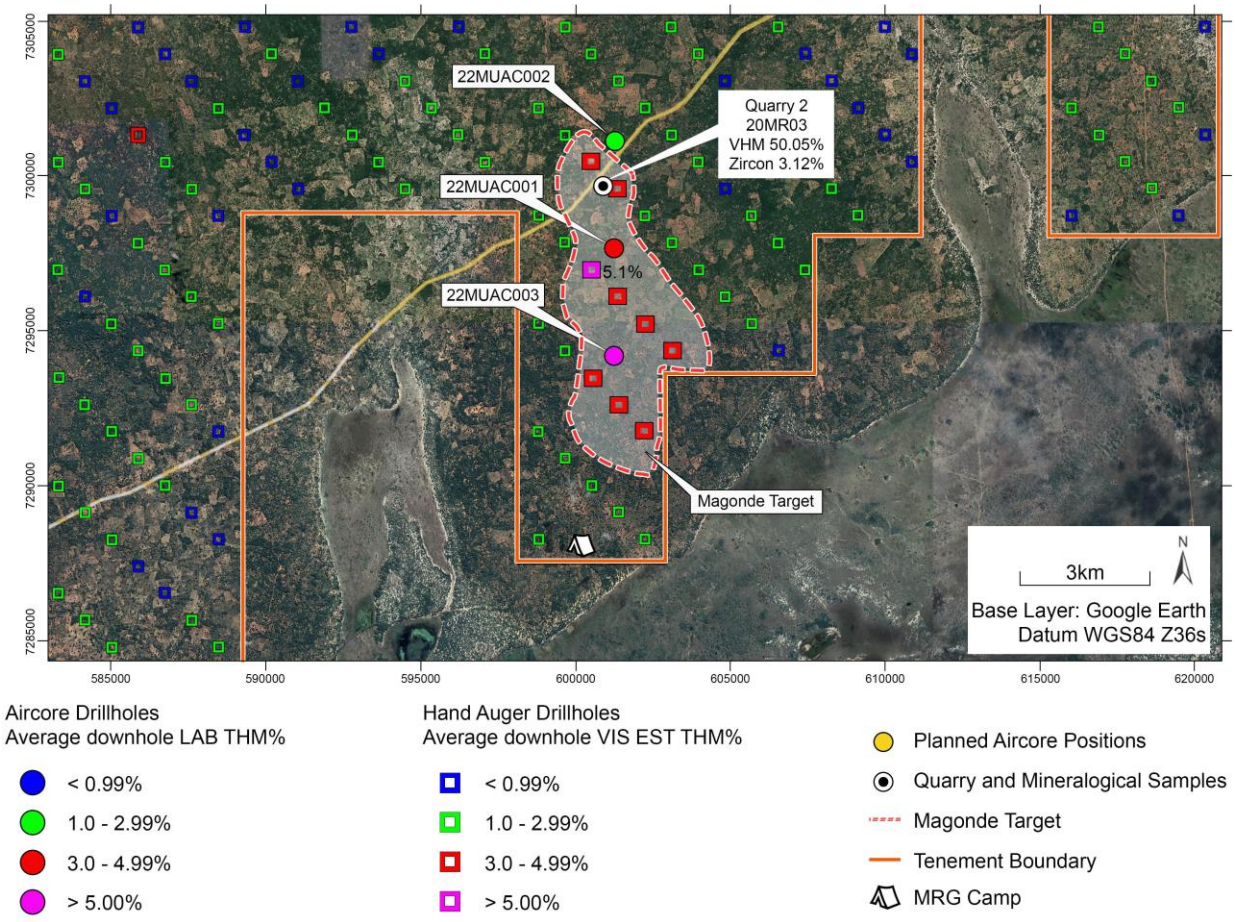


Figure 7: *The Magonde Target with Aircore and auger drilling in and around the target.*

The investigation showed encouraging 44.1% to 50.05% VHM content results (Ilmenite, Altered Ilmenite, Rutile and Zircon) from Scanning Electron Microscopy (SEM; refer ASX Announcement 27 April 2021). The VHM is higher to significantly higher than seen from the Koko Massava JORC Mineral Resource estimate of average 41% VHM of the HMC (refer ASX Announcement 16 December 2021) and from the maiden Nhacutse and Poiombo JORC Mineral Resource estimate at average 42% VHM of the HMC (refer ASX Announcement 2 February 2022). The Zircon content of 2.09% to 3.12% is also relatively high compared to MRG's Koko Massava, Nhacutse and Poiombo deposits.

TENEMENTS

The Tenements held by the Company at 30 September 2022 are as follows:

Project	Tenement	% Owned	Note
Norrliden	K nr 1	10	
Malanaset	nr 100	10	
Malanaset	nr 101	10	
Corridor Central	6620L	100	
Corridor South	6621L	100	
Corridor North	10779L	100	Application
Linhuane	7423L	100	Application
Marao	6842L	100	
Marruca	6846L	100	
Patricio	10999L	100	Application
Adriano	11000L	100	Application
Fotinho	11002L	100	Application
Olinga	11005L	100	Application

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 contracted 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.

Authorised by the Board of MRG Metals Ltd.

For more Information please contact:

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
MRG METALS LIMITED	
ABN	**Quarter ended ("current quarter")**
83 148 938 532	30 September 2022

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(58)	(58)
	(e) administration and corporate costs	(162)	(162)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(220)**	**(220)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(5)	(5)
	(d) exploration & evaluation	(356)	(356)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(361)**	**(361)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**NIL**	**NIL**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,018	1,018
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(220)	(220)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(361)	(361)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	NIL	NIL

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3months) $A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**437**	**437**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	18	17
5.2	Call deposits	419	1,001
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**437**	**1,018**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	59
6.2	Aggregate amount of payments to related parties and their associates included in item 2	25

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Director Fees, Secretarial Fees, Consulting Fees, & Accounting Fees.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	NIL	NIL

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	220
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	356
8.3	Total relevant outgoings (item 8.1 + item 8.2)	576
8.4	Cash and cash equivalents at quarter end (item 4.6)	437
8.5	Unused finance facilities available at quarter end (item 7.5)	0
8.6	Total available funding (item 8.4 + item 8.5)	437
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.75

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No. Exploration on hold and Scoping Studies finalised.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: No.

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer:	Yes. Reduced expenditure due to Exploration on hold and most of Scoping Studies payments made.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 OCTOBER 2022

Authorised by: THE BOARD OF MRG METALS LTD
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.