ASX ANNOUNCEMENT

5 July 2024

PLACEMENT OF $800,000 TO ADVANCE BINDING HMS JV

MRG Metals Limited ("**MRG**" or "**the Company**") (ASX Code: MRQ) is pleased to advise it has completed a $800,000 capital raising comprising a Placement of 177,777,776 fully paid ordinary shares at $0.0045, with 1 for 1 free attaching MRQO options.

Proposed Use of Funds:

- Working Capital to fund MRG working with its Joint Venture Partners to progress the HMS Projects to decision to Mine and subsequent Mine Development; and
- Selective and prioritised exploration across our Exploration portfolio.

MRG Chairman, Mr Andrew Van Der Zwan, said: *" We greatly appreciate the support from our new and existing Shareholders with this placement funding both the progression of the Joint Venture Company (JVC) to mine development while providing sufficient funds for a targeted exploration program. The majority of our existing cost structure is correctly focussed on driving the JVC through the project development phases. As such these costs will be borne by the JVC which is solely funded by SLS (Refer Key terms below with full announcement 13 June 2024). However, some Company overheads remain including the carrying costs of potentially valuable exploration licences in our portfolio. The Board of MRG is acutely aware of the need to minimise further Shareholder dilution and will use the exploration funds wisely to identify priority targets within the portfolio, some of which have the potential to become of equal or greater value than our HMS portfolio.*

The development of the Joint Venture Company in Hong Kong is progressing and should be finalised shortly with the transfer of the respective Sofala Companies being prepared in parallel, but cannot commence until the JVC is in place. The Engineering team are working through the Scoping study data to finalise the pit optimisation and capex plan for submission to INAMI in the coming weeks. Environmental Impact consultants have been engaged to progress the initial work required, while the full EIS program will be put to tender later in Q3. Further updates will be provided when key milestones are met."

Peak Asset Management was Lead Manager for the Placement and will receive a fee of 6% of monies raised and 10,000,000 MRQO Options.

Key Terms of the JV are:

- All parties signed the binding Joint Venture Agreement on 12 June 2024.

- **JV Expenditure**
    - SLC to fund all JV expenditure through to mining operation and production expansion up to and beyond the agreed targets and includes:
    - Deposit of initial USD$3 million dollars into the JV trust account, followed by another USD$3 million when required.
    - Initial two monthly payments of USD$40,000 have been made available in the interim as formal Joint Venture Companies and Bank accounts are set up in the various jurisdictions.
      i) Working capital to cover MRG's in-country costs estimated at USD$25,000 for 6 months will be funded until the JVC puts in place the necessary personnel and corporate structure.
      ii) MRG Management involvement in JV at USD$15,000/month for minimum of 12 months.
    - SLC during its in-country Due Diligence, coordinated engineering and construction consultants to fast track the next steps of mine development:
        - To complete the mine feasibility report for the Initial Corridor Project;
        - To design the engineering and construction plan of the Initial Corridor Project; and
        - To get the Mining Licence approval from the Mozambique Government.

- **JV Equity structure**
    - Effective immediately, upon receipt of USD$3-6 million working capital funding, SLC shall hold 70% of JV equity and MRG 30% of JV equity. The JVC shall own Corridor Central and Corridor South via ownership of the Mozambique Holding Companies.
    - **Stage 1:** After the JV has achieved 110,000 Tonnes of annual concentrate production, Stage 1 shall be achieved within 21 months of receipt of Mining Licence/s. Milestone benefit: Corridor North is added to the JVC.
    - **Stage 2:** After the JV has achieved 220,000 Tonnes of annual concentrate production, Stage 2 shall be achieved within 2 years after Stage 1. Milestone Benefit: SLC increases equity to 75%. MRG reduces equity to 25% and Linhuane is added to the JV.
    - Stage 3: After the JV has achieved 440,000 Tonnes of annual concentrate production, Stage 3 shall be achieved within 5 years after Stage 1. Milestone Benefit: SLC increases equity to 80%. MRG reduces equity to 20% and Marao is added to the JVC.
    - SLC shall invest all funds necessary to develop the initial mining operation up to an annual concentrate production of 440,000 tonnes. Further expansion will be funded by the JVC but MRG's equity in the JV will not be diluted below 20%. It is anticipated the JVC will have the financial capacity to fund such further expansion, or have the capacity to arrange debt financing as needed.

- **JV Drag-along clause**
    - MRG has agreed to a drag-along clause, with a conditional acquisition of MRG's JVC equity for a minimum of USD$50 million.

The Trading Halt can now be lifted.

Authorised by the Board of MRG Metals Ltd.

For more Information please contact:

MRG Metals
Andrew Van Der Zwan
Chairman
M: +61 (0) 400 982 987
E: andrew@mrgmetals.com.au

Investor Relations
Ben Creagh
NWR Communications
M: +61 (0) 417 464 233
E: benc@nwrcommunications.com.au

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned exploration program and corporate activities. When used in this document, the words such as "could", "plan" "estimate", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results, events and outcomes achieved will be consistent with these forward looking statements.