ASX ANNOUNCEMENT

29 January 2021

MRG METALS DECEMBER 2020 QUARTERLY ACTIVITY REPORT

Key Highlights

Corridor Projects

- Excellent progress towards delivering a second, smaller and higher grade Heavy Mineral Sand (HMS) Resource was achieved by MRG Metals during the Quarter to December 2020.
- Exploration during the Quarter comprised 2 aircore drilling programs, totalling 40 aircore drillholes (20CSAC572 to '611), with 1,254m drilled and 418 samples (sans QAQC) collected and analysed. Visually Estimated results were reported for all holes and Analytical results were reported for 20CSAC572 to '587 within reporting period.
- Drilling focused on the Corridor South (6621L) licence as Infill/Extension/Delineation drilling of the following Targets and mineralized zones, with the total amount of drillholes shown from the drilling phases:
    - Nhacutse High Grade – 21 drillholes (refer ASX Announcements 06 October 2020, 22 October 2020 and 11 November 2020);
    - Nhacutse-Poiombo High Valuable Heavy Mineral Assemblage (VHM) - 9 drillholes (refer ASX Announcements 22 October 2020 and 11 November 2020);
    - Nhacutse to Bungane Gap - 7 drillholes (refer ASX Announcement 22 October 2020 and 11 November 2020);
    - Nhacutse to Poiombo Gap - 1 drillhole (refer ASX Announcement 11 November 2020);
    - Zulene – 2 drillholes (refer ASX Announcement 11 November 2020).
- Analytical results for maiden aircore drilling program at the Nhacutse Prospect (with 1 drillhole at Bungane as well) were reported in the Q4 2020 period (refer ASX Announcement 24 November 2020).
- Analytical results for hand auger infill drilling program at the Zulene, Saia and Viaria Prospects were reported in the Q4 2020 period (refer ASX Announcement 1 October 2020).
- Analytical results for the maiden aircore drilling program at the Zulene and Viaria Prospects were reported in the Q4 2020 period (refer ASX Announcement 31 December 2020).
- Analytical results for the Phase 2 aircore drilling at Poiombo were reported in the Q4 2020 period (refer ASX Announcement 30 November 2020).

Marao and Marruca Projects

- New Exploration Licences Marao 6842L and Marruca 6846L were granted during the Quarter.
- The addition of Marao and Marruca to MRG's exploration portfolio more than doubles MRG's 100% owned HMS exploration tenement area in Mozambique
- MRG will again apply its highly successful, cost effective HMS exploration methodology to these new tenements, with work commencing immediately.

Corridor Projects - Drilling Program Highlights

Nhacutse High Grade Zone

- 2 Phases of aircore drilling took place within an approximate 18 km^2 mineralised footprint at the Nhacutse Target, the Phase 2 Nhacutse drilling and a follow-up infill drilling program, with a total of 21 holes drilled.
- Major zones of high-grade HMS mineralisation confirmed in both drilling programs, significant THM aircore drill assays (vis est for some as analytical results not received within the quarter), from surface, include:
    - 20CSHA576 0 - 30m 30m @ 4.77% THM,
      including 0 – 27m, 27m @ 5.11% THM;
    - 20CSHA578 0 - 30m 30m @ 5.15% THM,
      including individual 3m assays to 8.88% THM;
    - 20CSAC611 0 - 36m 36m @ 5.3 % vis est THM;
    - 20CSAC608 0 - 42m 42m @ 4.5% vis est THM;
    - 20CSAC594 0 - 30m 30m @ 4.9% vis est THM; and
    - 20CSAC609 0 - 36m 36m @ 4.8% vis est THM.
    - 15 of the 21 aircore holes were still in +3% THM mineralization at end of drilling, with an individual end of hole 3m interval of up to 9.23% THM showing the deposit is still open at depth.
- The 2 drilling phases at Nhacutse identified and delineated a high-grade mineralized zone of over 8 km^2 within the 18 km^2 mineralized envelope. 16 holes drilled to approximately 30 metres within this high grade zone, with drillhole assays averaging 5.3% THM within this large mineralised footprint.
- Additionally, three smaller, very high grade zones were defined within the high grade zone with a combined footprint of approximately 2.5 km^2, with holes assaying an average of 6.05% THM.
- A geological assessment of the Nhacutse High Grade Zone, supported by mineral assemblage sampling and analysis, is in progress.
- The Nhacutse Target is on track to deliver MRG's stated exploration goal of in excess of 100 MT high grade HMS to further build on the Koko Massava Target Foundation Resource.

Nhacutse-Poiombo High VHM Zone

- In the eastern part of the Poiombo Target, a high Valuable Heavy Mineral (VHM) surface footprint of approximately 5km^2 was identified by auger with mineral assemblage results showed 63.84% Ilmenite+Leucoxene, 2.92% Zircon and 2.06% Rutile, this area was targeted by 10 aircore holes (20CSHA584, '585, '586, '587, '599, '600, '601 '602, '603 and '604) drilled in the 2 drilling phases.
- Representative samples are being sent for mineral assemblage study and will be reported in Q1 2021.
- MRG is further investigating the mineral assemblage within the high-grade zone at the Nhacutse Target.

Nhacutse to Bungane Gap

- Aircore drilling of 6 holes (20CSHA572, '588, '589, '590, '591, '592) in total during the 2 drilling phases have successfully linked HMS mineralisation between the Nhacutse and Bungane Targets, with 7 of the 8 holes with >3% THM on average from surface to the end of the holes, highlights include:
  - 20CSAC572 0 - 30 30m @ 5.76% THM,
    Including 0 – 27m, 27m @ 6.12% THM.

Nhacutse to Poiombo Gap

- Aircore drilling of 1 hole has highlighted the potential of linking high grade HMS mineralisation between the Nhacutse and Poiombo Targets, highlight:
  - 20CSAC605 0 - 36m 36m @ 3.7 vis est % THM.

Corridor Projects - Q 3 2020 Drilling Assays received in Q4 2020, Highlights

Nhacutse Maiden Aircore Drilling

- 14 Aircore drillholes were completed at Nhacutse focussed on the 18 km^2 High Grade THM surface footprint established from hand auger drilling (refer ASX Announcements 3 July 2020 and 21 September 2020), highlights include:
  - 20CSAC543 0 - 36m, 36m @ 6.52 % THM,
    including 30 - 36m, 6m @ 9.67 % THM;
  - 20CSAC544 0- 33m, 33m @ 6.17 % THM,
    including 30-33m, 3m @ 12.10% THM;
  - 20CSAC545 0 – 30m, 30m @ 5.93% THM;
  - 20CSAC547 0 – 33m, 33m @ 5.92% THM.
- 1 Aircore drillhole was drilled at Bungane to provide an initial test to join high grade zone from Nhacutse to include Bungane, intersected very high grade Heavy Mineral Sands (HMS) mineralisation:
  - 20CSAC549 0 – 30m, 30m @ 6.99% THM,
    including 0 - 21m, 21m @ 8.54% THM.

Zulene, Viaria and Saia Maiden Infill Auger Drilling

- 31 Infill Auger holes were drilled in Q3 based on high grade THM results from reconnaissance auger drilling in the 3 prospects.
- The assay results showed that 27 of the 31 auger drillholes had average downhole grades of >3% THM. The results show that the 3 Prospects can be linked I to one larger mineralized zone.
- Significant program results, all from surface, include:

  Zulene
  - 20CSHA437 0 - 12m 12m @ 4.11% THM,
    last interval @ 4.61% THM;

  Viaria
  - 20CSHA444 0 - 12m 12m @ 4.06% THM,
    last interval @ 4.68% THM;

Saia

- 20CSHA467 0 - 12m 12m @ 4.47% THM
  last interval @ 4.75% THM

Zulene and Viaria Maiden Aircore Drilling

- 7 Aircore holes were drilled during Q3 based on results from infill auger program, 5 at Zulene and 2 at Viaria;
- Individual 3m interval grades of up to 7.18% THM (20CSAC565) are present in the aircore holes, with multiple consecutive >5% THM over 3m intersections in two of the drillholes (20CSAC565 and 20CSAC568).
- Significant program results include:
  - 20CSAC565 0-30m 30m @ 4.63% THM (Zulene),
    with a higher grade zone at 0-21m of 21m @ 5.83% THM;
  - 20CSHA568 0-30m 30m @ 4.86% THM (Zulene),
    with a higher grade zone at 0 – 27m of 27m @ 5.17% THM; and
  - 20CSHA571 0-30m 30m @ 4.14% THM (Viaria).

Poiombo Phase 2 Aircore Drilling

- Phase 2 aircore drilling at Poiombo Prospect in Q3 involved the drilling of 13 drillholes, the results confirm and expand zones of high grade heavy mineral sand (HMS) mineralization.
- 11 of the 12 aircore holes completed in Phase 2 return high grade HMS assays of above 30m @ 3.75%, with individual 3 metre grades up to 9.09% THM. Highlights include:
  - 20CSAC556 0 – 30m 30m @ 5.22 % THM,
    including 27-30m with 3m @ 7.74 % THM
  - 20CSAC557 0 – 30m 30m @ 4.86 % THM,
    including 27 – 30m with 3m @ 5.19 % THM

Marao and Marruca Projects - New Licences

- Final grant of Exploration Licences Marao 6842L and Marruca 6846L received.
- The addition of Marao and Marruca to MRG's exploration portfolio more than doubles MRG's wholly-owned tenement area in Mozambican (Figure 1).
- MRG will apply its highly cost effective HMS exploration model developed at Corridor Central and Corridor South, which led to the discovery of the Koko Massava JORC Resource of 1.4BT @ 5.2% THM (refer ASX Announcement 22 April 2020) and promising pre-MRE discoveries at the Nhacutse, Poiombo, Bungane and Zulene Targets.
- A technical review and work program for the 2 licences were done in Q4 2020 (refer ASX Announcement 3 December)
- Exploration at Marao is funded and will commence immediately.

MRG Metals Limited ("**MRG**" or "**the Company**") (ASX Code: MRQ) is pleased to provide a summary of its activities for the December 2020 quarter at its heavy mineral sands projects in southern Mozambique. Activities during the quarter focused on the Corridor South project (Figures 1 and 2).

MRG Metals Chairman, Mr Andrew Van Der Zwan said:
"While 2020 has been an extremely difficult year worldwide due to COVID-19, the team at MRG has progressed and achieved so much during these trying times.

To date this year, the Corridor Central and Corridor South reconnaissance drilling programs delivered for shareholders the major goal of mineral discovery, with the identification of numerous high grade targets and the establishment of a maiden MRE at Koko Massava of 1.4BT at 5.2%. More recently, zones of high grade HMS with potential for in excess of 100MT were discovered at the Nhacutse and Poiombo Targets. Following this success, we now plan to use the same, successful low cost techniques at our new licences, Marao and Marruca.

As we round off this year like no other, we are thrilled to report that following the recent granting of the licences, we plan to commence an auger drilling as soon as Community engagement is completed. The new projects are strategically located along a highly prospective ancient coastline which provides MRG with further exploration upside.

Prior to this drilling commencing, MRG will continue to receive and update the market on Laboratory assay results from the aircore drilling programs completed at Corridor South, which will lead to further aircore programs there in 2021."

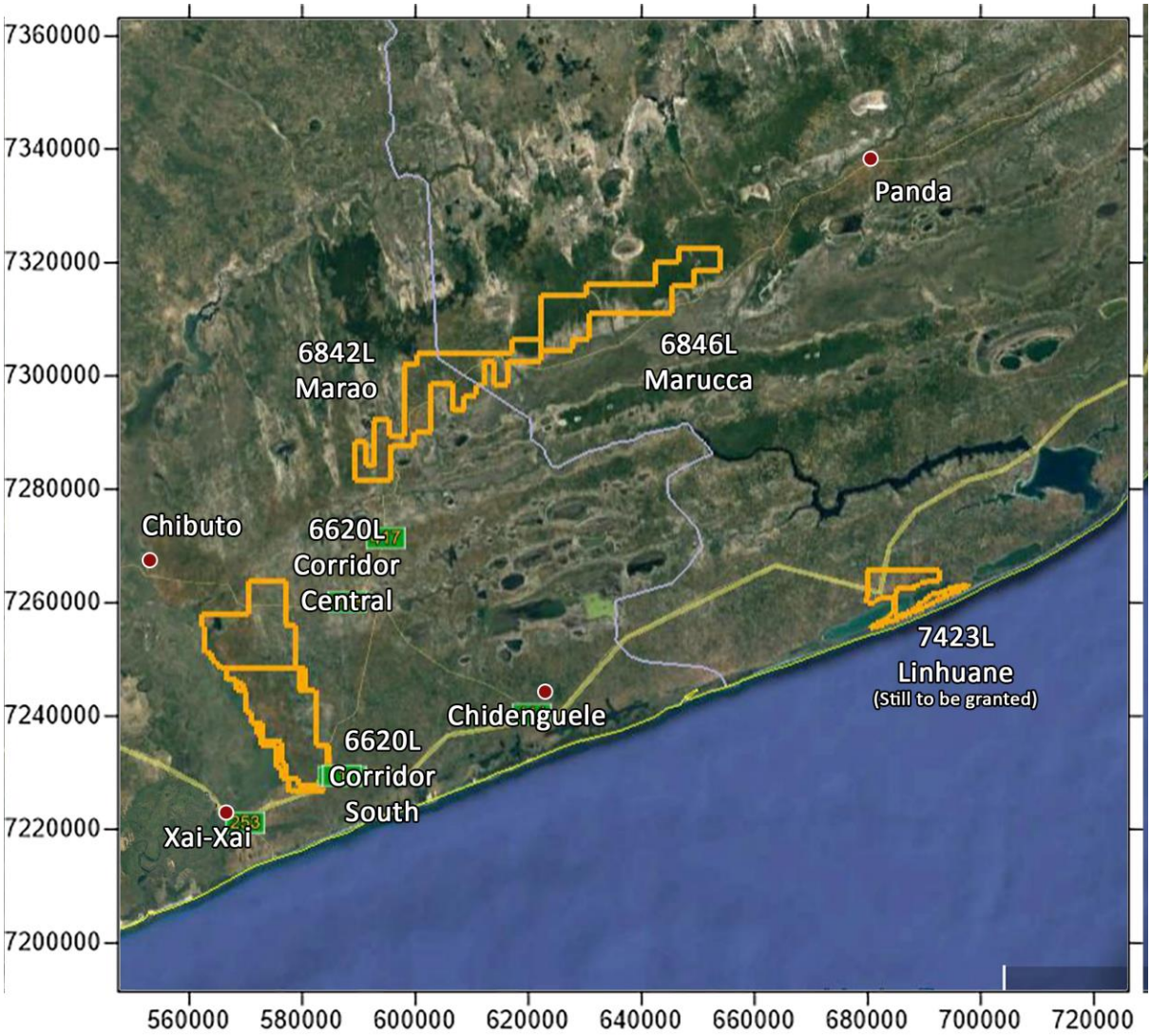


Figure 1: *Map of the location of the MRG tenements.*

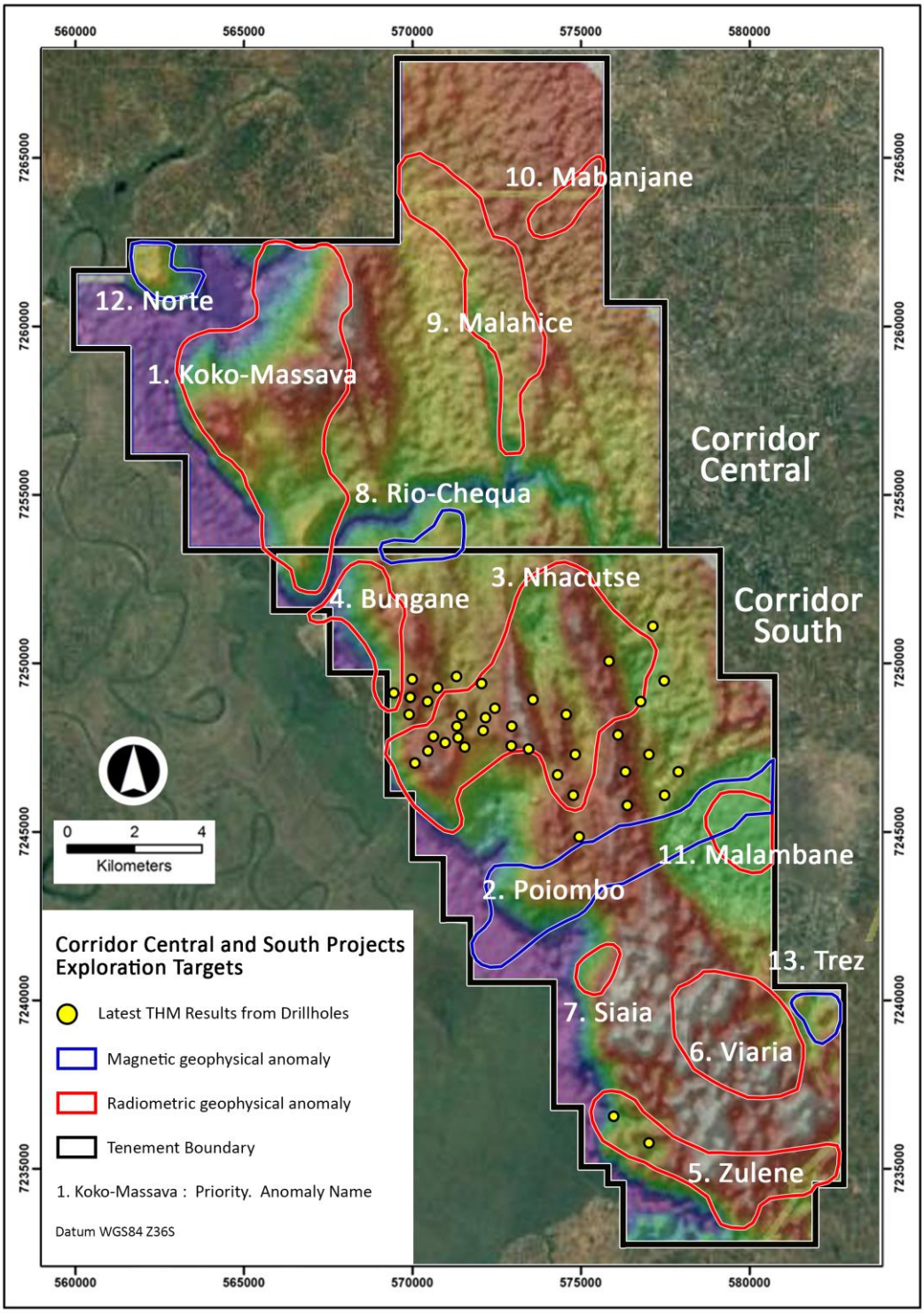


Figure 2: *Map of the Corridor Central (6620L) and Corridor South (6621L) Projects showing the locations of the various Targets and the positions of the 40 aircore drillholes from the 2 drilling programs within the Corridor South Project drilled in the quarter.*

Activity across MRG's Corridor Portfolio

Drilling Phases at the Nhacutse, Poiombo and Bungane Targets

1. Phase 2 Nhacutse aircore drilling program

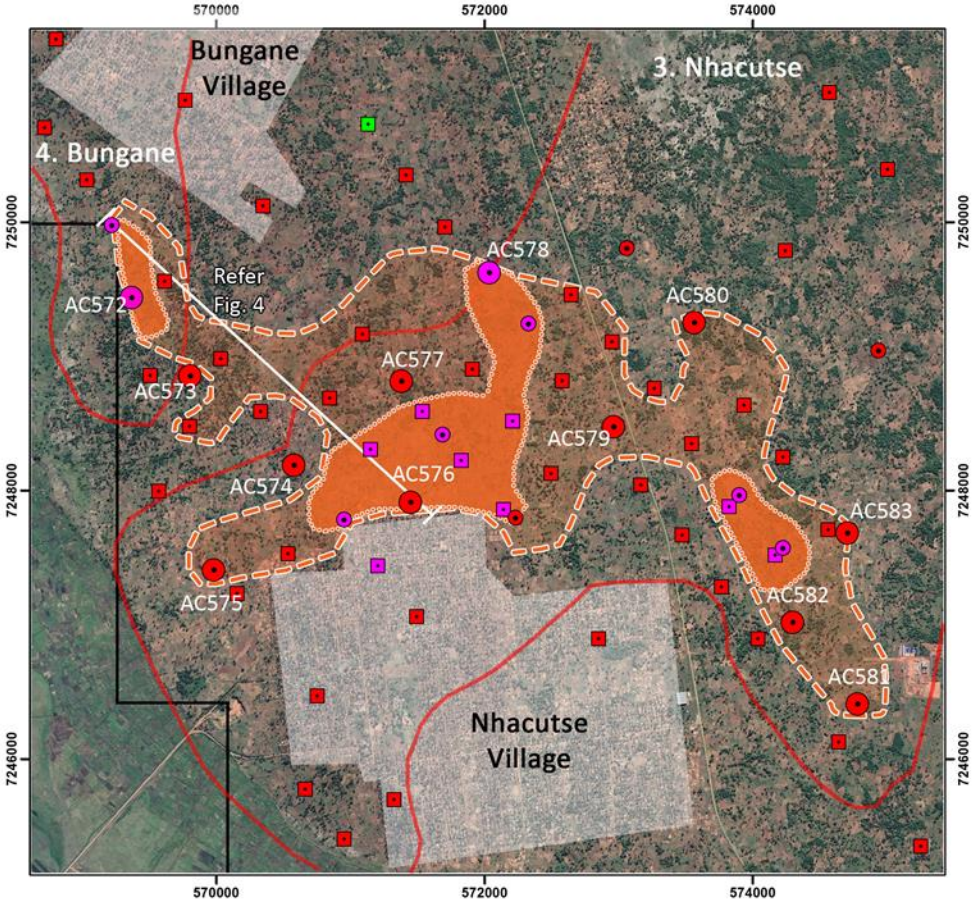
Nhacutse drilling

Post quarter-end in January 2021 (refer ASX Announcements 7 January 2021), MRG reported assay results returned end December 2020 from Phase 2 aircore drilling on two priority zones at the Nhacutse Target. The Phase 2 Nhacutse drilling consisted of 16 aircore holes, 1 (20CSHA572) in the Nhacutse-Bungane gap, 11 (20CSHA573 to '583) drilled within the High Grade THM Nhacutse zone (Priority 1) and 4 aircore holes (20CSHA584 to '587) drilled within the High grade VHM zone (Priority 2, Figure 3).

The Phase 2 drilling results confirms the continuity, strike and depth extensions of the High Grade HMS mineralisation identified in the Company's Phase 1 aircore drilling at the Nhacutse Target (refer ASX Announcement 24 November 2020; Table 1, Figures 3 and 4). Individual 3m interval assay results as high as 8.88% THM (hole 20CSAC578) was returned, with several of the aircore holes with multiple consecutive 3m intervals with assay results of +5% THM. Most of the aircore holes (9 of the 11) were still in +3% THM at the final sample, two of these 20CSAC578 and '583 were still in +5% THM grades at the end of the holes. Significant additional potential exists for depth extension of the High Grade mineralization below the general 30m depth of drilling.

Within the larger 18 km^2 mineralised footprint, 16 aircore holes from Phase 1 and Phase 2 drilling identified a smaller, higher grade zone (Figure 3). Using a 4% drillhole THM lower cutoff, this Nhacutse High Grade zone has a surface footprint of 8.61 km^2 and average grade of 5.29% THM from surface down to 30.18 meters depth. This Nhacutse High Grade zone also contains 3 smaller very high grade zones, using a 5% THM cutoff, the average grade for the 3 zones is 6.05% THM over 29.9m, with a combined area of 2.67 sq km (Figure 4).

The aircore drilling has also importantly confirmed the high grade HMS mineralised footprint extends between Nhacutse and Bungane via the results very high grade THM results of 30m @ 5.76% THM from surface, including a higher grade zone from 0 – 27m of 27m @ 6.12% THM (Figures 3 and 4).



Corridor South Project, Nhacutse and Bungane High Grade Priority Zone 1, Phase 2 reconnaissance aircore and hand auger drillhole and locations

Aircore Drillholes
Avg of downhole LAB THM%
- <1.0%
- 1.0 - 3.0
- 3.0 - 5.0
- >5.0%

Hand Auger Drillholes
Avg of downhole LAB THM%
- <1.0%
- 1.0 - 3.0
- 3.0 - 5.0
- >5.0%

AC577 — Current Drilling LAB Results
Previous Drilling LAB Results

5% High Grade Zone
4% High Grade Zone
Radiometric geophysical anomaly
Tenement Boundary
3. Nhacutse = Target Name

0 0.5 1
Kilometers

Base layer is Digital Terrain Model
Datum WGS84 Z36S

Figure 3: *Map of the Nhacutse Target – Priority 1 drilling and THM results for aircore and auger drillholes, high grade zone, with 3 internal very high grade zones shown.*

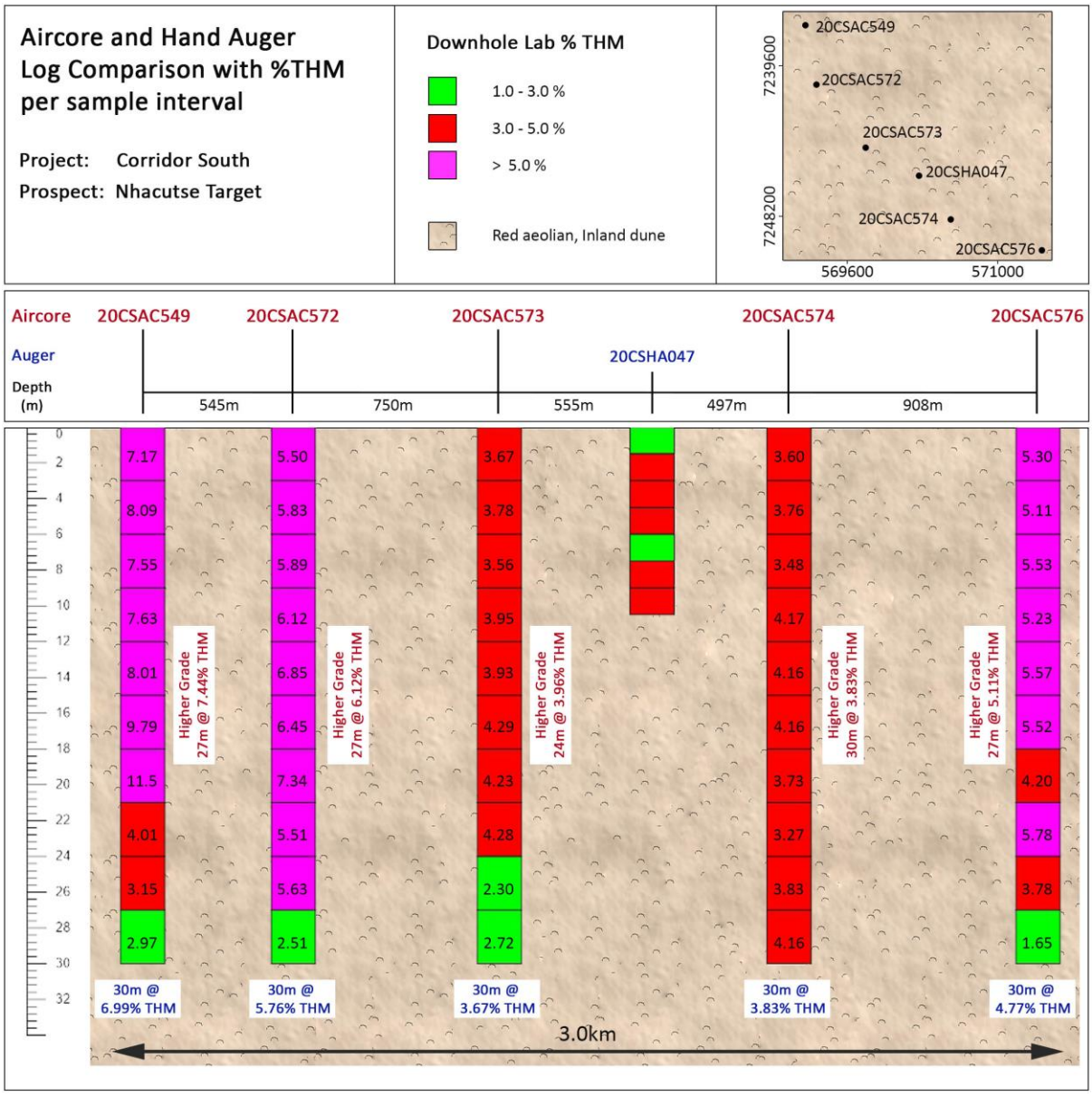


Figure 4: *Cross section showing aircore and hand auger holes drilled between the towns of Nhacutse and Bungane, sections shows the link in grades, as well as the high THM grades in the Nhacutse High Grade zone. Section shows % THM results for each sample intersection, the average of the entire drillhole as well as where applicable a higher grade cut (using a lower cut-off of 3% THM) is shown. Note: The focus of this section is to show sample by sample downhole assays. Due to the vertical exaggeration required to do this, the surface profile is not shown.*

The 4 Phase 2 aircore holes (Figure 3) drilled in the high value VHM Priority 2 target's approximately 5 km^2 area confirmed the presence of an approximately 1.4 km^2 high-grade HMS zone and also generated additional Heavy Mineral Concentrate (HMC) for further mineralogical studies; this work has been initiated. The studies will assist in developing further understanding to augment

mineralogical studies done from auger drilling around the higher percentage Valuable Heavy Mineral (VHM) found in the east of Corridor Central from the Koko Massava drilling and the east of Corridor South from the Nhacutse drilling (refer ASX Announcements 26 August and 31 August 2020).

An inter-laboratory check on analytical results was conducted using the samples from four drillholes during this program. Samples were analysed by Western GeoLabs in Perth, Australia and Scientific Services in Cape Town, South Africa. A very good correlation was found in the results between the two analytical laboratories.

Table 1: *Summary collar, visual estimated and assay THM% results for aircore drill data for the Phase 2 Nhacutse target completed during October, 2020.*

HOLE ID	UTM NORTH WGS84	UTM EAST WGS84	ELEV'N (M)	EOH (M)	TARGET	DRILL TYPE	VIS DOWNHOLE AVG % THM FOR ENTIRE HOLE	DOWNHOLE AVG % THM FOR ENTIRE HOLE	HIGH GRADED AVG % THM	INTERSECTION (M)	MIN % THM	MAX % THM
20CSAC572	7249432	569313	51	30	Nhacutse High Grade	AIRCORE	5.2	5.76		0-30	2.51	7.34
									6.12	***0-27***		
20CSAC573	7248837	569773	69	30	Nhacutse High Grade	AIRCORE	3.4	3.67			2.30	4.29
									3.96	***0-24***		
20CSAC574	7248175	570556	76	30	Nhacutse High Grade	AIRCORE	3.4	3.83			3.27	4.17
20CSAC575	7247375	569924	78	30	Nhacutse High Grade	AIRCORE	3.9	4.24			2.37	7.50
20CSAC576	7247892	571420	74	30	Nhacutse High Grade	AIRCORE	3.5	4.77			1.65	5.78
									5.11	***0-27***		
20CSAC577	7248787	571351	72	30	Nhacutse High Grade	AIRCORE	4.6	4.79			3.32	5.53
20CSAC578	7249595	572015	71	30	Nhacutse High Grade	AIRCORE	4.3	5.15			3.89	8.88
20CSAC579	7248427	572927	86	30	Nhacutse High Grade	AIRCORE	3.2	4.15			3.23	4.67
20CSAC580	7249205	573558	79	30	Nhacutse High Grade	AIRCORE	3.4	4.02			3.43	4.30
20CSAC581	7246362	574761	78	30	Nhacutse High Grade	AIRCORE	3.4	4.31			3.55	4.73
20CSAC582	7246968	574276	74	30	Nhacutse High Grade	AIRCORE	3.8	4.63			3.57	6.67
20CSAC583	7247635	574757	77	30	Nhacutse High Grade	AIRCORE	3.5	4.63			3.72	5.60
20CSAC584	7249119	576760	56	30	Nhacutse High VHM %	AIRCORE	2.1	1.81			0.39	2.80
20CSAC585	7249731	577554	57	30	Nhacutse High VHM %	AIRCORE	2.0	1.47			0.98	3.18
20CSAC586	7251236	577045	67	30	Nhacutse High VHM %	AIRCORE	2.0	1.22			0.81	2.07
20CSAC587	7250322	575852	82	30	Nhacutse High VHM %	AIRCORE	3.7	4.22			3.79	4.84

Note: VIS EST= visual estimated; All data averages are grade weighted; from surface unless otherwise stated and the holes are vertical

2. Nhacutse and Zulene infill aircore drilling program

A further infill 24 drillhole aircore program was undertaken as an infill / extension program on the Nhacutse High Grade Zone (10 holes) and further test Nhacutse to Bungane (5 holes), Nhacutse andPoiombo high VHM zone (6 holes), Nhacutse to Poiombo gap (1) and Zulene (2 holes) in late October further defined and extended the Nhacutse High Grade HMS zone (Table 2; Figure 5).

Nhacutse

The 10 holes drilled within the Nhacutse High Grade Zone (20CSAC593 to '598 and 20CSAC608 to '611) supplied the information needed to bound it. Seven of the 10 holes had visually estimated THM average grades for the entire holes at >4% THM, with the best in 20CSAC611, with 42m @ 4.8% vis est THM, including 36m @ 5.3% vis est THM from surface (Figure 5 and Table 2). Drillhole 20CSAC596 is towards the east of the High Grade Target and intersected 30m @ 4.1% vis est THM from surface, with

the last sample (27-30m) at a 6% vis est THM, thus open at depth, indicating the extension of the High Grade Target to the east. The zone also remains open towards the west.

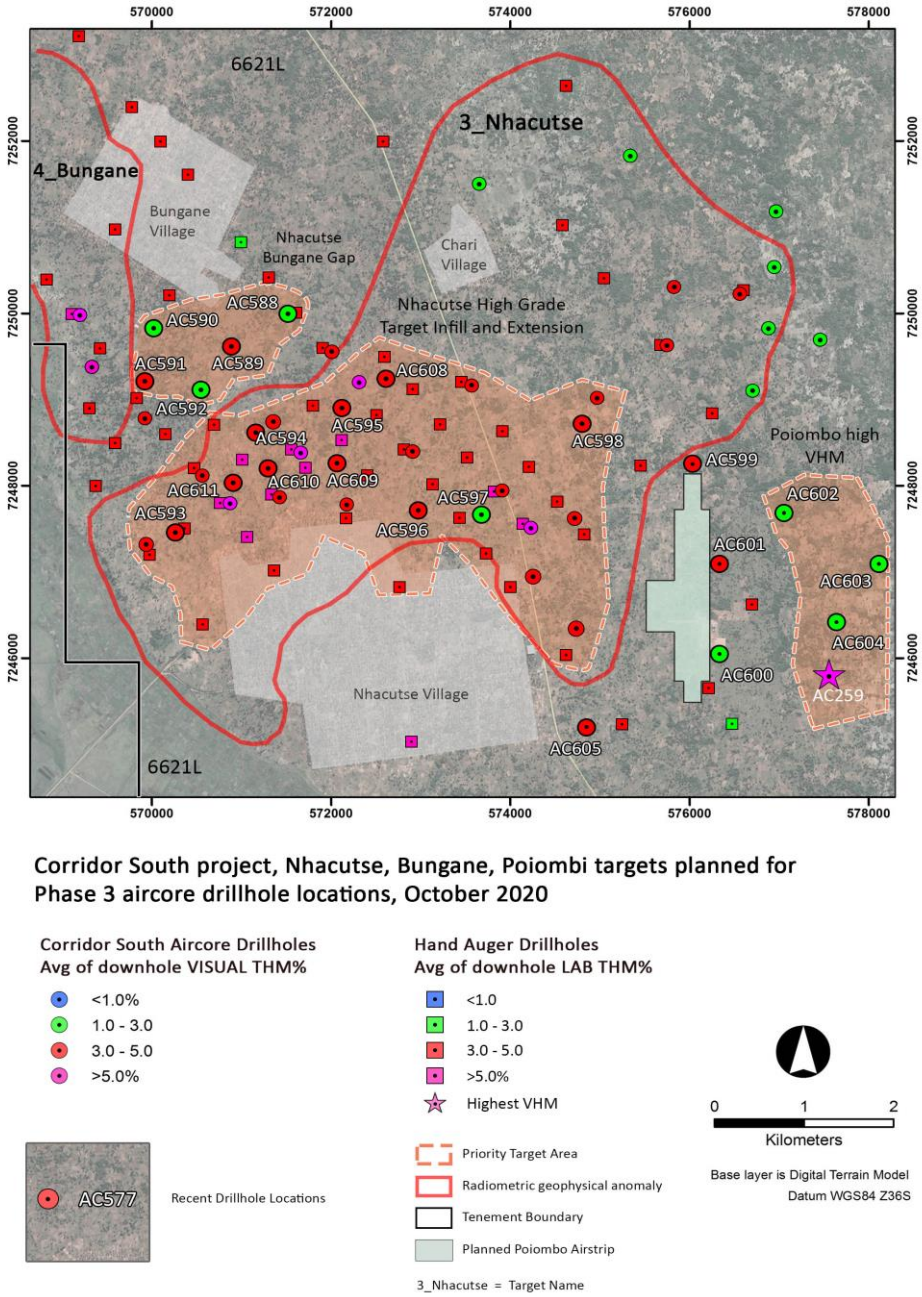
The high grades, size of the area and the fact that most of the area is open at depth demonstrates the strong potential to deliver a maiden Mineral Resource at the Nhacutse High Grade Zone to augment the Koko Massava MRE.

Nhacutse High VHM Zone

The infill aircore program at the Nhacutse Target included 4 additional holes, 20CSAC584 to '587, drilled in the eastern part of the Nhacutse Target in the high grade VHM zone (Table 2; Figures 6). A composited sample from auger drillholes within the vicinity of the 4 drillholes (sample CSNH03) analysed by CSIRO Mineral Resources via particle analyses, QemScan and Bulk Mineralogy indicating the following % VHM (Rutile + Leucoxene + Altered Ilmenite + Ilmenite + Zircon) shows a VHM % of between 68.82% and 73.27% (repeat vs original analyses), clearly illuminating the potential of this area for supplying high % VHM material in close proximity to the Nhacutse High Grade Zone (refer ASX Announcements 31 July 2020 and 31 August 2020).

The four drillholes were drilled to gain further information and source additional HMC for mineralogical studies of an emerging zone of higher VHM concentration, interpreted from previous Qemscan analysis from auger drilling. The HMC is currently being used for additional mineralogical studies, additional Qemscan and X-ray fluorescence spectroscopy (XRF) analysis will be conducted to better interpret this significant finding.

The high-grade found in 20CSAC587 from this area (30m @ 4.22% THM from surface) indicates potential for higher grade mineralisation to be discovered in this Priority 2 Target area.



Corridor South project, Nhacutse, Bungane, Poiombi targets planned for Phase 3 aircore drillhole locations, October 2020

Corridor South Aircore Drillholes
Avg of downhole VISUAL THM%
- <1.0%
- 1.0 - 3.0
- 3.0 - 5.0
- >5.0%

Hand Auger Drillholes
Avg of downhole LAB THM%
- <1.0
- 1.0 - 3.0
- 3.0 - 5.0
- >5.0%
- Highest VHM

AC577 Recent Drillhole Locations

- Priority Target Area
- Radiometric geophysical anomaly
- Tenement Boundary
- Planned Poiombo Airstrip

3_Nhacutse = Target Name

0 1 2
Kilometers

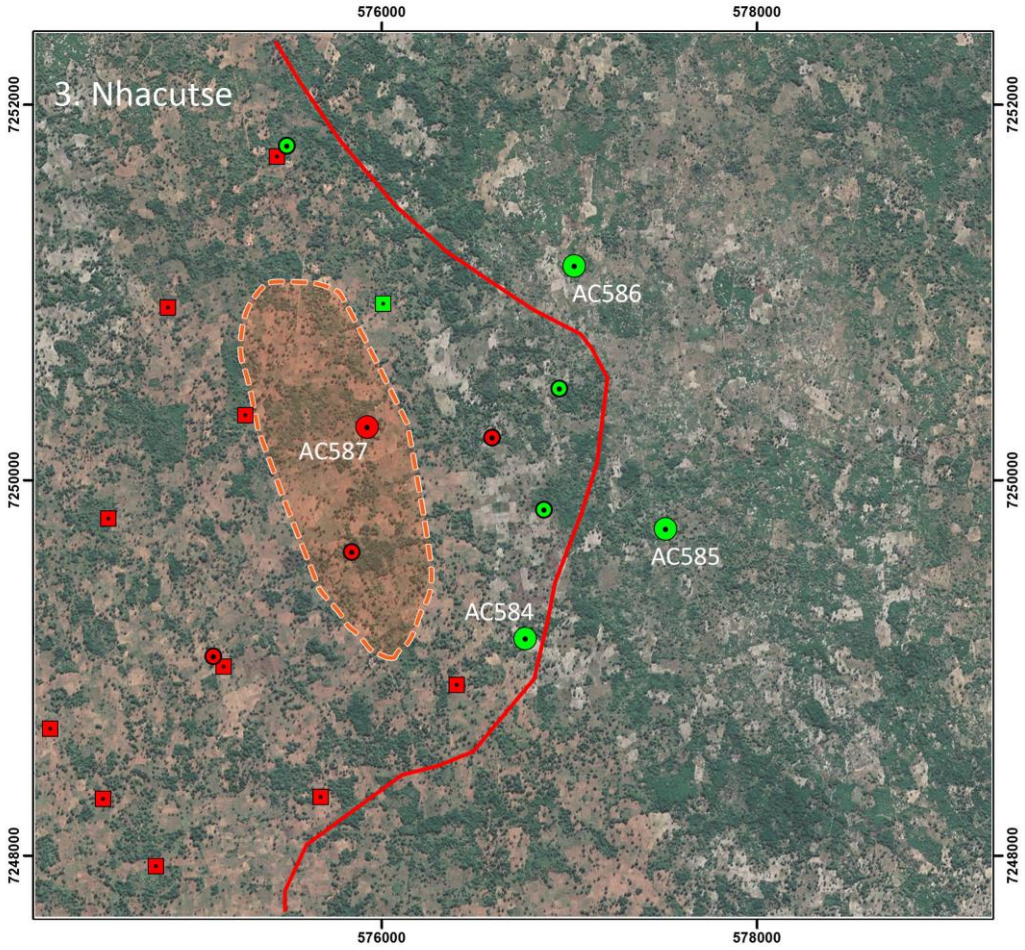
Base layer is Digital Terrain Model
Datum WGS84 Z36S

Figure 5. *Aircore drillhole positions for Nhacutse High Grade Zone; Nhacutse to Bungane; Nhacutse to Poiombo; drilling adjacent to planned airstrip and drilling in the eastern high VHM area.*

Table 2: *Summary collar and Visual Estimated THM% results for aircore drill data for the final pre-rain season drilling completed early November 2020.*

HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	EOH (M)	ELEV'N (M)	TARGET	DRILL TYPE	DOWNHOLE AVG % VIS EST THM FOR ENTIRE HOLE	HIGH GRADED AVG % VIS EST THM	INTERSECTION (M)	MIN % VIS EST THM	MAX % VIS EST THM
20CSAC588	571261	7249933	30	70	Nhacutse_Bungane Gap	AIRCORE	2.0		0-30	0.5	3.0
								2.7	*6-24*	*2.0*	*3.0*
20CSAC589	570646	7249632	30	78	Nhacutse_Bungane Gap	AIRCORE	3.7		0-30	3.0	4.0
20CSAC590	569921	7249829	30	81	Nhacutse_Bungane Gap	AIRCORE	2.6		0-30	1.0	4.0
								3.3	*3-21*	*3.0*	*4.0*
20CSAC591	569779	7249302	30	82	Nhacutse_Bungane Gap	AIRCORE	3.1		0-30	2.0	4.0
20CSAC592	570372	7249204	30	73	Nhacutse_Bungane Gap	AIRCORE	2.9		0-30	2.0	4.0
								3.5	*6-24*	*3.0*	*4.0*
20CSAC593	570344	7247662	30	92	Nhacutse High Grade	AIRCORE	3.0		0-30	2.0	4.0
20CSAC594	571242	7248418	30	79	Nhacutse High Grade	AIRCORE	4.9		0-30	4.0	8.0
20CSAC595	572053	7248650	30	75	Nhacutse High Grade	AIRCORE	4.6		0-30	4.0	5.0
20CSAC596	572804	7247837	30	83	Nhacutse High Grade	AIRCORE	4.1		0-30	2.0	6.0
20CSAC597	573388	7247774	30	94	Nhacutse High Grade	AIRCORE	2.9		0-30	2.0	4.0
20CSAC598	574507	7248792	30	73	Nhacutse High Grade	AIRCORE	3.6		0-30	3.0	4.0
20CSAC599	576092	7248176	30	82	Nhacutse Runway	AIRCORE	3.3		0-30	2.0	4.0
20CSAC600	576358	7245991	30	91	Nhacutse Runway	AIRCORE	2.9		0-30	1.0	4.0
								3.4	*0-24*	*3.0*	*4.0*
20CSAC601	576358	7247041	36	80	Nhacutse Runway	AIRCORE	3.9		0-36	2.0	7.0
								4.1	*0-33*	*3.0*	*7.0*
20CSAC602	576994	7247570	30	69	Nhacutse_Poiombo HG VHM	AIRCORE	2.2		0-30	1.0	3.0
20CSAC603	577991	7247004	30	65	Nhacutse_Poiombo HG VHM	AIRCORE	1.0		0-30	0.5	2.0
20CSAC604	577509	7246363	30	58	Nhacutse_Poiombo HG VHM	AIRCORE	2.4		0-30	2.0	4.0
20CSAC605	574915	7245110	36	79	Nhacutse_Poiombo Gap	AIRCORE	3.7		0-36	3.0	6.0
20CSAC606	575897	7236666	30	38	Zulene	AIRCORE	3.6		0-30	2.0	5.0
								4.3	*0-18*	*4.0*	*5.0*
20CSAC607	576965	7235875	30	63	Zulene	AIRCORE	2.2		0-30	1.0	3.0
20CSAC608	572344	7248888	42	78	Nhacutse High Grade	AIRCORE	4.5		0-42	2.0	6.0
								5.6	*0-21*	*5.0*	*6.0*
20CSAC609	572037	7248318	42	74	Nhacutse High Grade	AIRCORE	4.3		0-42	0.5	6.0
								4.8	*0-36*	*3.0*	*6.0*
20CSAC610	571282	7248079	36	87	Nhacutse High Grade	AIRCORE	3.8		0-36	2.0	5.0
								4.0	*0-33*	*3.0*	*5.0*
20CSAC611	570834	7247963	42	81	Nhacutse High Grade	AIRCORE	4.8		0-42	2.0	6.0
								5.3	*0-36*	*4.0*	*6.0*

Note: VIS EST= visual estimated; All data averages are grade weighted; from surface unless otherwise stated and the holes are vertical



Corridor South Project, Nhacutse High Grade Priority Zone 2,
Phase 2 reconnaissance aircore and hand auger drillhole and locations

Aircore Drillholes
Avg of downhole LAB THM%

- <1.0%
- 1.0 - 3.0
- 3.0 - 5.0
- >5.0%

Hand Auger Drillholes
Avg of downhole LAB THM%

- <1.0%
- 1.0 - 3.0
- 3.0 - 5.0
- >5.0%

AC577 — Current Drilling LAB Results

Previous Drilling LAB Results

High Grade Zone

Radiometric geophysical anomaly

Tenement Boundary

3. Nhacutse = Target Name

0 0.5 1
Kilometers

Base layer is Digital Terrain Model
Datum WGS84 Z36S

Figure 6: *Map of the Nhacutse Phase 2 aircore drilling Prospect Priority Zone 2 drilling and THM results.*

Nhacutse to Bungane drilling

The Phase 2 aircore drilling at the Nhacutse Target included 1 hole between the Nhacutse and Bungane Targets and a significant gap in this area still remained. This was filled in by 5 aircore holes (20CSAC588 to '592) to test continuity of high grade mineralisation between the Nhacutse and Bungane Targets (Figure 5). The best visual estimated % THM from these 5 holes was found in 20CSAC589 with 30m @ 3.7% vis est THM, indicating the link between the two Targets (Table 2).

Nhacutse to Poiombo drilling

In late October, Phase 2 aircore drilling at the Nhacutse Target further defined and extended the Nhacutse High Grade HMS strandline target towards the Poiombo Target.

A gap in drilling data between the 2 targets was filled in with 1 aircore hole (20CSAC605, Figure 5). The vis est % THM from this hole is 36m @ 3.7% vis est THM from surface, with an individual 3m sample interval with vis est of 6% THM (Table 2).

An airstrip is being constructed approximately 2km east of the town of Nhacutse (Figure 5). 3 Aircore holes (20CSAC599 to '601) were drilled adjacent to the fence of the airport, with the best vis est result from these holes being 20CSAC601, which returned a vis est of 33m @ 4.1% THM from surface (refer Table 2).

Poiombo - Nhacutse high grade Valuable Heavy Mineral (VHM) area aircore holes were drilled in the Phase 2 Nhacutse program to generate additional information from this higher percentage VHM area (refer ASX Announcement 22 October 2020 and ASX Announcements 26 August and 31 August 2020). A large area between the Nhacutse and Poiombo Targets within this Target area had no prior aircore drill coverage and as such, 3 holes (20CSAC602 to '604) were drilled to address this (Figure 5).

Assay Results Received and Reported from Q3 Drilling Programs

1. *Zulene, Saia and Viaria Infill Auger Drilling*

On 1 October, MRG provided an update for new laboratory assay results from infill auger drilling on the Zulene, Viaria and Saia Targets at the Corridor South tenement, which extended both Zulene and Viaria, suggesting the continuity of heavy mineral sand (HMS) mineralisation exists between the two targets (refer ASX Announcement 1 October 2020; Table 3).

MRG reported results for 226 samples (including QAQC samples) from a total of 31 auger holes, comprising 325.5m of drilling over the three targets.

The laboratory results demonstrated that 87% (27) of the 31 holes attained an uncut average downhole grade >3% THM, with five of the 31 holes having an uncut average downhole grade of >4% THM. There are nine holes that end with a final sample interval grade of ≥4% THM, indicating additional potential for depth extension

Significant assay results returned from the infill auger program included:

Zulene

- 12m @ 4.16% THM (hole 20CSHA445) from surface & max 5.92% THM from 7.5-9.0m;
- 12m @ 4.11% THM (hole 20CSHA437) from surface & ended in 4.61% THM;

Viaria

- 12m @ 4.06% THM (hole 20CSHA444) from surface & ended in 4.68% THM; and

Saia

- 12m @ 4.47% THM (hole 20CSHA467) from surface & ended in 4.75% THM.

Based on encouraging HMS grade and mineral assemblage results for the Zulene and Viaria targets, MRQ progressed field preparation to commence an expanded aircore drilling program at the Corridor South Project, comprising seven additional aircore holes across the Zulene and Viaria targets, being MRG's maiden aircore program for both of these targets.

***Table 3**: Summary collar, visual estimated and assay THM% auger drill data for the Zulene, Saia and Viaria Targets completed.*

HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	EOH (M)	ELEV'N (M)	AVG HOLE VIS THM%	AVG HOLE THM%	MAX HOLE THM%	MIN HOLE THM%	AVG HOLE SLIME%	AVG HOLE O/S%
20CSHA436	582200	7237873	10.5	77	3.27	2.54	2.79	1.97	10.80	2.41
20CSHA437	582125	7234673	12	74	5.04	4.11	4.61	3.37	14.69	0.51
20CSHA438	581521	7235468	10.5	83	3.06	2.62	2.95	2.20	11.84	3.00
20CSHA440	579386	7238261	10.5	108	3.91	3.44	3.74	2.93	10.10	1.01
20CSHA441	578800	7239037	10.5	89	4.30	3.55	3.74	3.00	10.46	1.60
20CSHA442	578185	7239844	10.5	102	4.74	3.84	4.39	2.98	10.51	3.45
20CSHA444	578594	7237639	12	95	5.60	4.06	4.68	3.14	11.08	3.01
20CSHA445	578820	7234044	12	41	5.36	4.16	5.92	2.91	10.68	1.17
20CSHA446	576822	7235035	10.5	63	3.34	2.94	3.25	2.42	9.19	2.37
20CSHA447	576517	7235432	10.5	70	3.84	3.01	3.35	2.40	9.31	1.77
20CSHA450	576096	7237620	10.5	63	4.11	3.30	3.71	2.84	11.70	1.40
20CSHA451	575532	7240021	10.5	75	3.79	3.96	4.29	3.41	13.39	0.91
20CSHA452	574622	7241215	4.5	14	3.93	3.14	3.32	2.92	2.88	1.22
20CSHA453	575717	7241424	10.5	62	3.67	3.53	3.79	2.88	13.09	0.89
20CSHA454	576321	7240626	10.5	93	4.49	3.71	4.14	3.07	9.84	1.24
20CSHA457	579169	7241848	10.5	77	3.59	2.77	3.02	2.54	9.55	1.39
20CSHA458	578714	7242448	10.5	82	4.10	3.38	3.51	3.08	10.90	0.62
20CSHA459	578371	7241240	10.5	92	4.64	3.58	3.99	3.16	11.04	1.02
20CSHA460	577456	7242438	10.5	96	4.84	3.27	3.70	2.68	9.91	1.21
20CSHA462	576213	7242428	10.5	91	4.30	3.93	4.52	3.36	11.53	0.83
20CSHA463	576515	7242030	10.5	89	3.56	3.70	4.00	3.19	10.70	1.12
20CSHA464	576820	7241636	10.5	100	4.77	4.40	4.63	3.65	10.21	2.38
20CSHA465	577125	7241238	10.5	97	3.01	3.18	3.55	2.88	11.08	1.29
20CSHA467	576625	7240229	12	104	5.38	4.47	4.75	3.77	11.36	1.80
20CSHA469	576142	7239230	10.5	107	3.64	3.39	3.69	3.13	10.66	1.25
20CSHA470	577381	7239232	10.5	99	3.94	3.31	3.63	2.64	12.09	1.84
20CSHA471	577805	7237044	10.5	96	3.26	3.30	3.74	2.72	11.92	2.13
20CSHA472	578107	7236643	10.5	97	3.43	3.10	3.54	2.61	11.38	3.97
20CSHA473	578409	7236249	10.5	94	3.26	3.18	3.41	2.74	11.81	2.26
20CSHA474	579200	7236846	10.5	94	3.46	3.21	3.58	2.67	10.31	2.39
20CSHA477	579018	7235449	10.5	97	3.91	3.25	3.57	2.70	11.18	1.60

Note: VIS EST= visual estimated; All data averages are grade weighted; from surface unless otherwise stated and the holes are vertical

2. *Zulene and Viaria Maiden Aircore Drilling*

Based on the significant potential of the Zulene and Viaria prospects highlighted by auger drilling, a maiden 7 drillhole aircore program was conducted end Q3 2020. The aircore program involved five holes located in the higher priority Zulene target and two holes in the Viaria target. The vis est results were reported (refer ASX Announcement 13 October 2020), followed by the assay results (refer ASX Announcement 31 December 2020) within Q4 2020.

A total of 207m were drilled in the seven holes (20CSAC565 to 20CSAC571) with the collection of 71 samples, including QA/QC samples. Hole depths range from 27m–30m (Table 4).

***Table 4**: Summary collar, visual estimated and assy THM% for maiden aircore drill data for the Zulene and Viaria Targets completed.*

HOLE ID	UTM NORTH WGS84	UTM EAST WGS84	ELEV'N (M)	EOH (M)	TARGET	DRILL TYPE	VIS DOWNHOLE AVG % THM FOR ENTIRE HOLE	DOWNHOLE AVG % THM FOR ENTIRE HOLE	HIGH GRADED AVG % THM	INTERSECTION (M)	MIN % THM	MAX % THM
20CSAC565	7235227	577899	84	30	Zulene	AIRCORE	5.2	4.63		0-30	0.78	7.18
									5.83	***0-21***		
20CSAC566	7235827	576213	67	30	Zulene	AIRCORE	3.2	3.00		0-30	1.85	4.21
									3.25	***0-21***		
20CSAC567	7236628	575557	6	27	Zulene	AIRCORE	2.5	2.48		0-27	0.73	4.38
									3.58	***0-12***		
20CSAC568	7236523	576308	65	30	Zulene	AIRCORE	5.0	4.86		0-30	2.12	6.96
									5.17	***0-27***		
20CSAC569	7236428	577002	76	30	Zulene	AIRCORE	2.6	2.49		0-30	0.95	3.59
									3.35	***0-12***		
20CSAC570	7237653	578592	99	30	Viaria	AIRCORE	3.0	3.15		0-30	1.00	5.47
									3.97	***0-18***		
20CSAC571	7238072	580785	100	30	Viaria	AIRCORE	4.4	4.14		0-30	3.12	4.75

Note: VIS EST= visual estimated; All data averages are grade weighted; from surface unless otherwise stated and the holes are vertical

The most significant visual estimated THM results, up to 7.5% visual THM in hole 20CSAC565, were returned from the Zulene Target. Drilling at the Viaria Target was limited to the 2 holes and returned moderate results up to 5.6% visual THM in hole 20CSAC571.

The assay results from the 5 maiden aircore holes at Zulene are very encouraging, with 3 of the 5 drillholes with uncut grades from surface to the bottom of the drillholes at +3% THM, while using a 3% lower THM cut-off shows all the drillholes having zones from surface with +3.25 % THM (Table 4). The highest individual 3m interval assay result is 7.18% THM from drillhole 20CSAC565, the cut grade from 0 – 21m of 21m @ 5.83% THM from this drillhole is also the highest grade in the drilling program. 20CSAC565and also correlates with mineral assemblage sample CSZU02 which yielded 46.50% ilmenite+leucoxene, 1.21% rutile and 1.74% zircon. The 5 drillholes have now confirmed the Zulene Target as highly prospective for high grade HMS mineralization. The significant depth extent has also now been confirmed, with drillhole 20CSAC568 with an average cut grade of 5.17% THM from surface to 27m, with 3 of the 5 drillholes having cut grades deeper than 20m depths from surface.

The assay results from the 2 maiden aircore holes at Zulene are likewise very encouraging, with both drillholes with uncut grades to the bottom of the drillholes at +3.15% THM, and 20CSAC571 having +3% THM grades from surface to the end of hole at 30 m; returning high grade results of 0 – 30m of 30m @ 4.14% THM (Table 4). The 2 drillholes have confirmed the potential of the Viaria Target, it has also confirmed the significant depth extent of the mineralization. Additional aircore drilling will have to take place on this target in future.

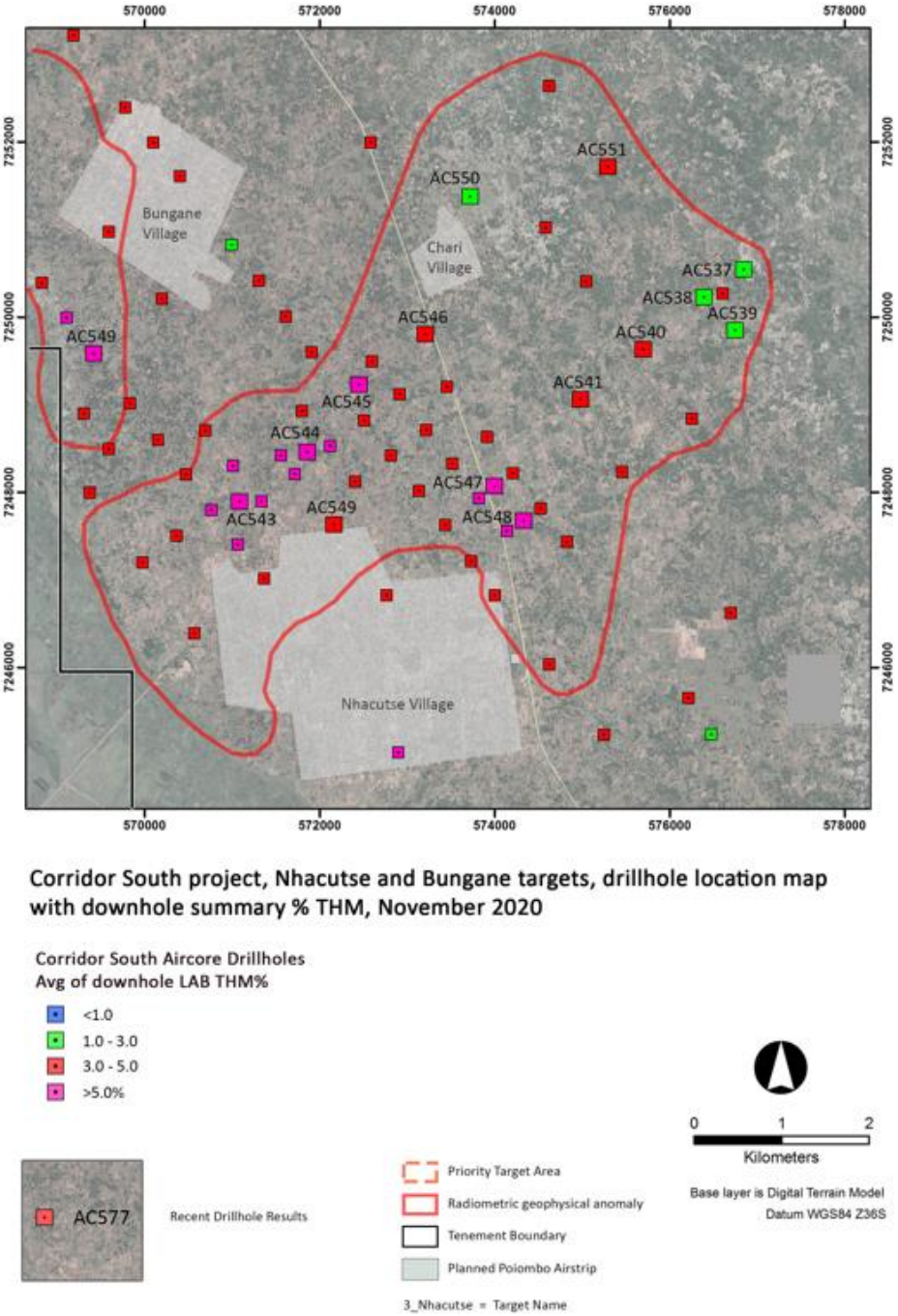
Owing to the reconnaissance nature of this aircore drilling at the Zulene and Viaria Targets, holes were not regularly spaced, but variably spaced at between 700m to 2200m apart. The basis for the

aircore hole location selection was a coincidence with high THM grade auger drillhole location. Aircore samples were collected at 3m intervals downhole, with each sample interval panned to estimate a visual THM grade. It should be noted that visual estimation of THM in pan concentrates becomes increasingly difficult >5%, with the error margins between laboratory and estimates obviously increasing with higher grades. Significant effort is made to get estimated THM as accurate as possible.

3. Nhacutse Maiden Aircore Drilling

Analytical results from the Company's maiden aircore drilling program at the Nhacutse and Bungane Targets located in the Corridor South Project were returned in late November (refer ASX Announcement 24 November 2020).

15 Aircore drillholes were completed (holes 20CSAC537 to '551, Figure 7) to follow up on very encouraging near surface hand auger drilling results (refer ASX Announcement 3 July 2020) which uncovered a High Grade Target with a surface footprint of approximately 18 km^2 north and north-east of the town of Nhacutse.



Corridor South project, Nhacutse and Bungane targets, drillhole location map with downhole summary % THM, November 2020

Figure 7. *Aircore drillhole locations for Nhacutse High Grade Zone and Bungane Target showing summary data for THM% assay grades.*

14 Of the aircore drillholes were within the area with the highest grades from the auger drilling and also tested for a possible extension to the High Grade Target towards the northeast. In 7 of the 14 aircore drillholes the average % THM for the entire hole was +4% THM; 8 holes started in +3% THM mineralisation at surface, with the mineralisation depths of up to 36m; and 8 of the drillholes were

still in +3% THM at the end depth of the drillholes at depths of between 30 and 36m (Table 5), clearly showing additional possible depth extent to the mineralisation.

Table 5: *Summary collar, visually estimated and Laboratory Assay THM% results for aircore drill data for the Phase 1 Aircore Drilling at Nhacutse and Bungane.*

HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	ELEV'N (M)	EOH (M)	TARGET	DRILL TYPE	DOWNHOLE AVG % THM FOR ENTIRE HOLE	HIGH GRADED AVG % THM	INTERSECTION (M)	MIN % THM	MAX % THM
20CSAC537	7250534	576952	56	30	Nhacutse	AIRCORE	2.23		0-30	1.44	2.69
20CSAC538	7250230	576553	50	30	Nhacutse	AIRCORE	2.14		0-30	0.91	3.73
20CSAC539	7249829	576859	54	30	Nhacutse	AIRCORE	1.31		0-30	0.52	2.79
20CSAC540	7249625	575753	86	30	Nhacutse	AIRCORE	4.10		0-30	3.50	5.21
20CSAC541	7249016	574966	58	30	Nhacutse	AIRCORE	3.36		0-30	1.38	4.32
								3.70	***3-27***	***3.03***	***4.32***
20CSAC542	7247775	572175	68	30	Nhacutse	AIRCORE	4.39		0-30	2.56	5.43
20CSAC543	7247787	570871	87	36	Nhacutse	AIRCORE	6.52		0-36	5.34	10.70
20CSAC544	7248387	571666	75	36	Nhacutse	AIRCORE	5.84		0-36	2.14	12.10
								6.17	***0-33***	***4.73***	***12.10***
20CSAC545	7249203	572313	71	30	Nhacutse	AIRCORE	5.93		0-30	5.30	6.76
20CSAC546	7249800	573104	92	30	Nhacutse	AIRCORE	3.45		0-30	2.93	3.80
20CSAC547	7247936	573908	93	33	Nhacutse	AIRCORE	5.92		0-33	3.79	8.39
20CSAC548	7247510	574225	72	30	Nhacutse	AIRCORE	5.33		0-30	3.24	7.05
20CSAC549	7249972	569208	48	30	Bungane	AIRCORE	6.99		0-30	2.97	11.52
								7.44	***0-27***	***3.15***	***11.52***
								8.54	***0-21***	***7.17***	***11.52***
20CSAC550	7251493	573667	51	30	Nhacutse	AIRCORE	1.02		0-30	0.46	1.55
20CSAC551	7251825	575340	83	30	Nhacutse	AIRCORE	3.20		0-30	2.63	3.95
								3.26	***3-30***	***2.80***	***3.95***

Note: VIS EST= visual estimated; All data averages are grade weighted; from surface unless otherwise stated and the holes are vertical

One aircore drillhole (20CSAC549) was drilled at the Bungane Target followed up on a high to very high grade THM result from hand auger drilling south and southwest of the town of Bungane. This aircore drillhole returned excellent THM grades of 30m @ 6.99% THM from surface (Table 5), confirming the high grades from the auger, also confirming the large depth extent of the mineralisation and a possible link between the Nhacutse and Bungani mineralised zones.

4. Poiombo Phase 2 Aircore Drilling

The Phase 2 program comprised 13 holes (20CSAC552 to 20CSAC564) and 125 samples in total (including QAQC samples), with 8 holes located in the southwest zone and 4 holes in the central and eastern zones, including 1 hole (20CSAC564 with 10 samples) drilled specifically to generate Heavy Mineral Concentrate (HMC) for additional mineralogical testing. The assay results show that 7 of the 12 Poiombo aircore holes average down-the-hole THM grades of >4%THM over 30m, 3 other holes average down-the-hole THM grades of 3.5-4% THM over 30m (Table 6). The vis est results were reported (refer ASX Announcement 9 October 2020), followed by the assay results (refer ASX Announcement 30 November 2020) within Q4 2020.

The consistent high grade of the Poiombo Prospect is also shown in the individual 3m interval THM results, with 106 of the 120 samples (sans QAQC samples) with assay grades of >3% THM. The highest grade aircore holes (20CSAC554, '556 and '557) are located on the southwestern end of the target, adjacent to two very high grade holes 20CSAC355 and 20CSAC356 (refer ASX Announcement 18 June and 19 June 2020) discovered in the Poiombo Phase 1 drill program, all 4 holes in the central and eastern zones (20CSAC560 to 20CSAC563) have grades in excess of 3.87% THM over 30m depth.

8 Aircore holes were drilled in the southwestern portion of the area (20CSAC552 - 20CSAC559), with 7 holes returning an average downhole grade of >3% THM. 3 Holes with the highest results from this program returned downhole average grades ranging from 30m @ 3.75% THM in 20CSAC553 to 30m @ 5.22% THM in 20CSAC556 (Table 6 and Figure 8). Apart from 20CSAC558, all the drillholes are in >3% THM grades at the end of drilling, with 4 of the holes still in >5% THM grades at the end of drilling. The highest individual 3m intersection grade is 9.09% THM from 20CSAC559. This high grade area southeast of the town is now covered by aircore drilling at approximately 500m spacing, has a surface footprint of >1.5 km^2 and is open at depth.

4 Aircore drillholes were drilled in the central and eastern portion of the Poiombo Prospect (20CSAC560 - 20CSAC563), with the drillholes returning average downhole results between 30m @ 3.87% THM (20CSAC560) to 30m @ 4.13% THM (20CSAC561). All 4 drillholes were still in >3% THM grades at the end of the holes, the high grade area is therefore open at depth. The results from Individual 3m intervals from the 4 holes are very consistent, with only 1 of the 40 intervals (sans QAQC samples) returning <3% THM, the rest are all in the range of 3.27% THM to 5.59% THM.

20CSAC564, was drilled 30m from the hand auger hole (20CSHA259) where the mineral assemblage results showed 63.84% Ilmenite+Leucoxene, 2.92% Zircon and 2.06% Rutile (refer ASX Announcement 31 July 2020 on original results and ASX Announcement 31 August 2020 on Duplicate results). The hole was drilled to test the THM grades at depth, but mainly to source additional HMC at depth for further mineralogical testing. Drillhole 20CSAC564 returned average downhole grades of 30m @ 2.59% THM, with a higher grade at a 3% THM lower cut-off of 15m @ 3.07% THM from surface to 15m depth. The exploration target here is to discover a volume of mineralized sand with coincidental grade and high VHM mineral assemblage.

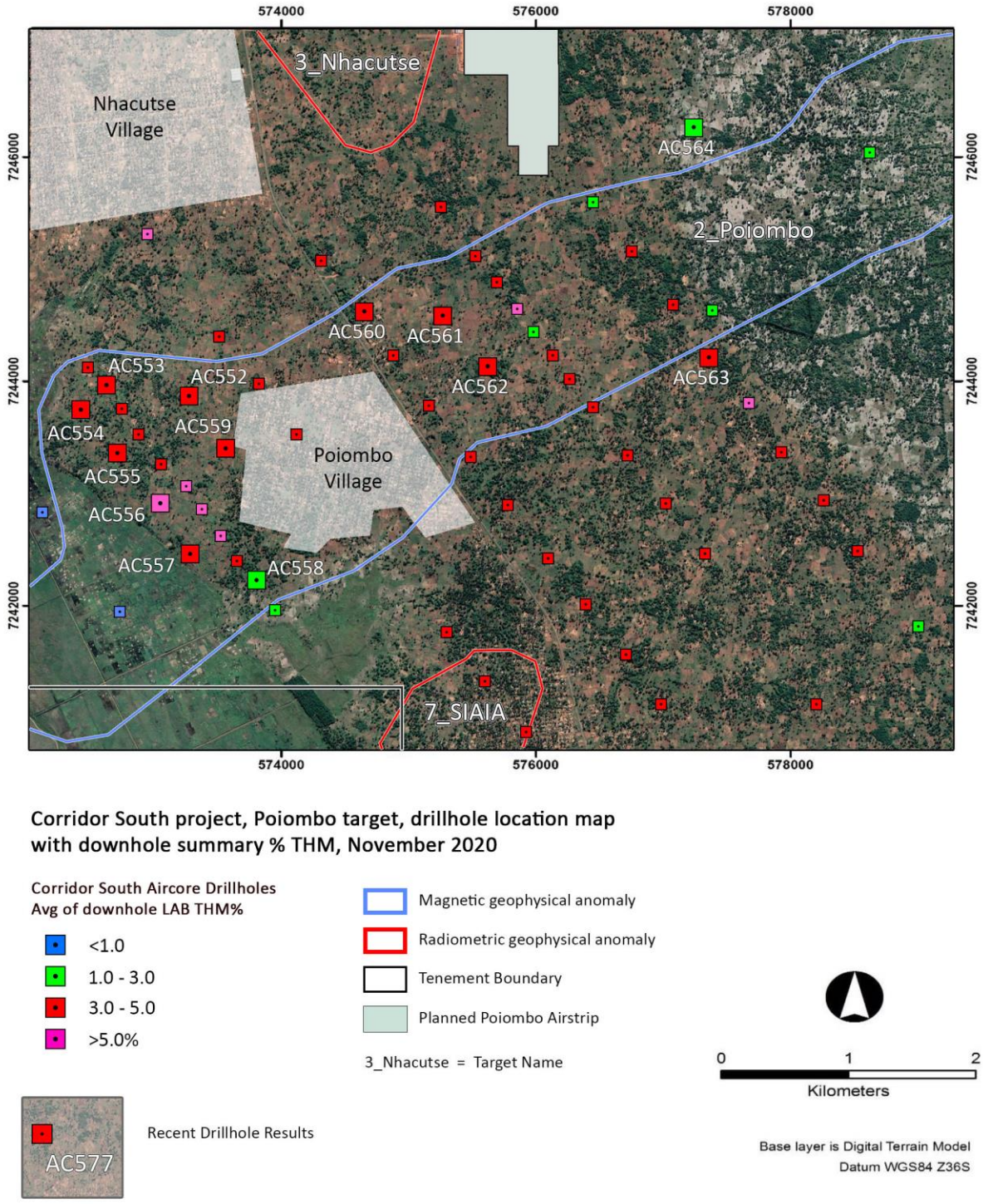


***Figure 8**: Location map of the Poiombo Target (Corridor South Project 6621L) aircore drillholes completed in September 2020, showing summary data for THM% grades.*

***Table 6**: Summary collar, visual estimated and assay THM% results for Phase 2 aircore drill data for the Poiombo target completed during September, 2020.*

HOLE ID	UTM NORTH WGS84	UTM EAST WGS84	ELEV'N (M)	EOH (M)	TARGET	DRILL TYPE	VIS DOWNHOLE AVG % THM FOR ENTIRE HOLE	DOWNHOLE AVG % THM FOR ENTIRE HOLE	HIGH GRADED AVG % THM	INTERSECTION (M)	MIN % THM	MAX % THM
20CSAC552	7243713	573339	56	30	Poiombo	AIRCORE	3.7	4.19		0-30	3.02	5.18
20CSAC553	7243798	572659	50	30	Poiombo	AIRCORE	4.1	3.75		0-30	1.16	5.74
20CSAC554	7243649	572457	54	30	Poiombo	AIRCORE	3.6	4.78		0-30	2.91	6.70
20CSAC555	7243252	572759	86	30	Poiombo	AIRCORE	3.6	3.83		0-30	1.72	5.28
									5.05	***0-15***	***4.52***	***5.73***
20CSAC556	7242855	573060	58	30	Poiombo	AIRCORE	5.0	5.22		0-30	4.19	7.74
20CSAC557	7242466	573369	68	30	Poiombo	AIRCORE	3.6	4.86		0-30	3.09	7.20
20CSAC558	7242231	573862	87	30	Poiombo	AIRCORE	2.9	2.41		0-30	1.01	4.52
20CSAC559	7243306	573655	75	30	Poiombo	AIRCORE	4.3	4.33		0-30	3.24	9.09
20CSAC560	7244433	574692	71	30	Poiombo	AIRCORE	4.3	3.87		0-30	3.31	4.87
20CSAC561	7244317	575387	92	30	Poiombo	AIRCORE	4.2	4.13		0-30	3.27	5.59
20CSAC562	7243925	575702	93	30	Poiombo	AIRCORE	4.8	4.11		0-30	3.48	4.80
20CSAC563	7244035	577498	72	30	Poiombo	AIRCORE	4.3	3.91		0-30	2.93	4.54
20CSAC564	7245833	577411	48	30	Poiombo	AIRCORE	2.8	2.59		0-30	1.29	3.37
									3.07	***0-15***	***2.80***	***3.37***

Note: VIS EST= visual estimated; All data averages are grade weighted; from surface unless otherwise stated and the holes are vertical

New exploration licences

The final grant of Exploration Licences 6842L (Marao) and 6846L (Marruca) was received in December.

Marao and Marruca are contiguous licences situated approximately 35km north-northeast of MRG's Corridor Central and Corridor South licences. The two new licences have a combined area of 385.39 km^2, which more than doubles the current exploration licence area of MRG's Corridor Licences. The location of MRG's licences in relation to the other MRG licences can be seen in Figure 9.

The information gained in a technical review, together with MRG's working knowledge from the exploration in Corridor Central (6620L) and Corridor South (6621L) licences, has been used to develop a work program for the Marao and Marruca Projects to immediately commence at Marao (refer ASX Announcements 3 December).

MRG has been progressing these applications since 2019 and would like to thank INAMI for processing and granting the two licences in a COVID-19 restricted work environment. The 7423L (Linhuane) application with INAMI remains under review. However, given the granting of the Marao and Marruca licences, the Company remains optimistic of approval being received in the coming months.

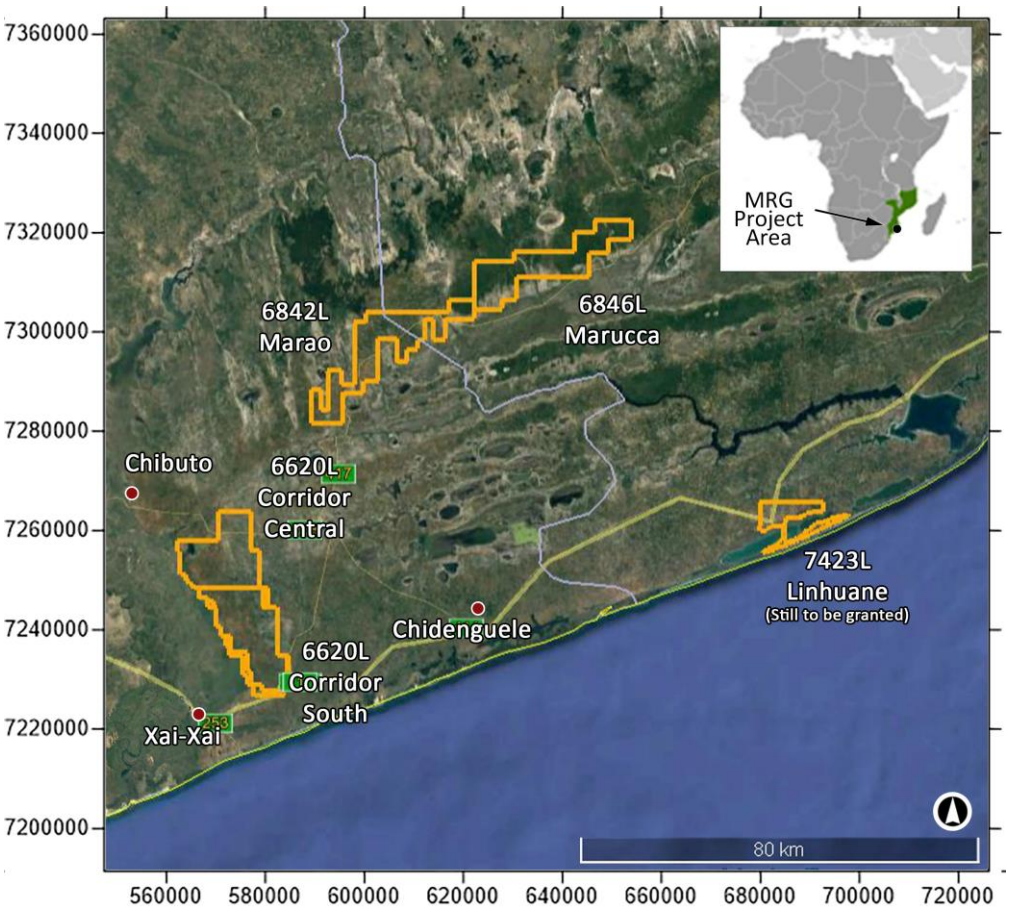


Figure 9: *Location map of the new Marao and Marucca MRG tenements..*

TENEMENTS

The Tenements held by the Company at reporting date are as follows:

Project	Tenement	% Owned	Note
Norrliden	**K nr 1**	**10**	
Malanaset	**nr 100**	**10**	
Malanaset	**nr 101**	**10**	
Corridor Central	**EL 6620**	**100**	
Corridor South	**EL 6621**	**100**	
Linhuane	**7423L**	**100**	**Application**
Marao	**6842L**	**100**	
Marruca	**6846L**	**100**	

CORPORATE

Shares and Options Issued

Directors and their Nominees subscribed to 6,666,667 Ordinary Shares and attaching 6,666,667 MRQOB Options during the quarter after approval by Shareholders at the Company's AGM, raising $40,000.

Exercise of Options

The Board of MRG Metals Ltd exercised 7,000,000 MRQOB Options during the quarter, raising $70,000. In addition, other Optionholders exercised 6,009,572 MRGOB Options during the quarter, raising $60,096.

Funds raised from Options exercised will be used in upcoming Exploration at the Company's newly granted HMS tenements – Marao and Marruca and further infill drilling on targets at Corridor Central and Corridor South.

Management Changes

MRG announced the appointment of Kobus Badenhorst of the consulting company GeoActiv, to the role of Country Manager-Exploration, Mozambique, effective 12 October 2020.

Kobus is a South African-based senior geologist and an established expert in Heavy Mineral Sands (HMS) exploration. He was involved with the original Corridor Sands exploration programs carried out by Southern Mining in the early 2000's and spent three years managing all aspects of the exploration work at the project. He has also in recent years, been involved in HMS exploration in the district around MRG's Corridor Central and Corridor South Projects, thus he brings substantial knowledge gained from these projects to MRG.

Through his consulting company GeoActiv, Kobus manages HMS projects and acts as Qualified Person on projects in Sri Lanka (Titanium Sands Limited, ASX:TSL) and as part of a team acts as Qualified Person for aspects of the Roodeheuwel Project in the west coast of South Africa (Zirco Resources SA Holding Ltd).

He brings with him access to a wider skill set in Resource Geology, Metallurgy and Mineralogy. MRG is confident that the current long lead times from field sampling to laboratory reporting will be shortened by his localised leadership.

Kobus assumed the role of MRG's Qualified Person for reporting of Market Updates to ASX.

Following the successful establishment of its Mozambiquan operating entity, Sofala Mining and Exploration Lda and operational capabilities in country by General Manager, Mr. Mark Alvin, that his position within MRG Metals will now move to a part time consultant role. Given the current and future COVID-19 travel constraints and the successful creation of the Mozambique management team and operating personnel, Mr. Alvin transitioned to a part time basis from mid-October but continues to work with MRG as it progresses its Mozambiquan projects.

2020 Annual General Meeting

MRG hosted its 2020 Annual General Meeting of Shareholders via an audio conference on 17 November 2020 with all resolutions passed via a poll, being:

- Resolution 1: Adoption of Remuneration Report
- Resolution 2: Re-election of Mr Shane Turner
- Resolution 3: Ratification of Tranche 1 Placement Shares
- Resolution 4: Ratification of Tranche 1 Placement Options
- Resolution 5: Ratification of Shares & Options to Pinnacle Equities P/L
- Resolution 6: Ratification of Shares & Options to Peak Asset Management
- Resolution 7: Approval of Proposed Issue of Tranche 2 Placement Shares & Options to Andrew Van Der Zwan
- Resolution 8: Approval of Proposed Issue of Tranche 2 Placement Shares & Options to Shane Turner
- Resolution 9: Approval of additional 10% Placement Capacity.

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 employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". 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.

-ENDS-

Authorised by the Board of MRG Metals Ltd.

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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	31 December 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed) (Note – reclassified to 2.1 (d))		
	(b) development		
	(c) production		
	(d) staff costs	(82)	(164)
	(e) administration and corporate costs	(147)	(261)
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**	**(229)**	**(425)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation (if capitalised)	(283)	(434)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6months) $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		
2.6	**Net cash from / (used in) investing activities**	**(283)**	**(434)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	40	700
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	130	130
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**	**170**	**830**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,032	719
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(229)	(425)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(283)	(434)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	170	830

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6months) $A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**690**	**690**

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	70	11
5.2	Call deposits	620	1,021
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)**	**690**	**1,032**

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	84
6.2	Aggregate amount of payments to related parties and their associates included in item 2	Nil

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**	Nil
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)	229
8.2	Capitalised exploration & evaluation (Item 2.1(d))	283
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	512
8.4	Cash and cash equivalents at quarter end (Item 4.6)	690
8.5	Unused finance facilities available at quarter end (Item 7.5)	0
8.6	Total available funding (Item 8.4 + Item 8.5)	690
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	1.35

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

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?

Reduced Capitalised Exploration due to Auger Drilling compared to Aircore Drilling

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?

Trading Halt on 28/1/21 pending Capital Raise

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes, due to answers to 1 and 2 above

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: 29 January 2021

Authorised by: By the board
(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.