Half Year Financial Report

MRG Metals Limited

ABN: 83 148 938 532

For the half-year ended 31 December 2023

Contents

Corporate Directory

Directors & Secretary

Andrew Van Der Zwan
Non Executive Chairman

Christopher Gregory
Non Executive Director

Shane Turner
Non Executive Director and Company Secretary

Principal place of business

12 Anderson Street West, Ballarat VIC 3350
Telephone: +61 3 5330 5800 Fax: +61 3 5330 5890
Email: info@mrgmetals.com.au
www.mrgmetals.com.au

Registered office

12 Anderson Street West, Ballarat VIC 3350
PO Box 237, Ballarat VIC 3353
Telephone: +61 3 5330 5800 Fax: +61 3 5330 5890

Corporate accountant and Registered ASIC Agent

RSM Australia Pty Ltd
12 Anderson Street West, Ballarat VIC 3350
PO Box 685, Ballarat VIC 3353
Telephone: +61 3 5330 5800 Fax: +61 3 5330 5890
www.rsm.com.au

Solicitors

Moray & Agnew
Level 6, 505 Little Collins Street, Melbourne VIC 3000
Telephone: +61 3 9600 0877 Fax: +61 3 9600 0894
www.moray.com.au

Share Registry

Automic Pty Ltd
Level 5, 126 Phillip Street, Sydney NSW 2000
Telephone: 1300 288 664

Auditor

William Buck Audit (Vic) Pty Ltd
Level 20
181 William Street, Melbourne Vic 3000
Telephone (office): +61 3 9824 8555
Website: www.williambuck.com

Stock Exchange Listing

ASX Codes: MRQ and MRQO

Director's Report

The Directors of MRG Metals Limited ('MRG') present their Report together with the financial statements of the consolidated entity, being MRG Metals Limited ('the Company') and its controlled entities, MRG Metals (Australia) Pty Ltd, MRG Metals (Exploration) Pty Ltd, Lake Hope Lithium Pty Ltd, Sofala Resources Pty Ltd, Sofala Mining & Exploration Lda, Sofala Mining & Exploration I Lda, Sofala Mining & Exploration II Lda, Sofala Mining & Exploration III Lda, Sofala Mining & Exploration IV Lda, Sofala Mining & Exploration V Lda, Sofala Mining & Exploration VI Lda, Sofala Mining & Exploration VII Lda, Sofala Mining & Exploration VIII Lda, Sofala Mining & Exploration IX Lda and Sofala Mining & Exploration X Lda ('the Group') for the half year ended 31 December 2023 and the Independent Auditor's Review Report thereon.

Projects

MRG Metals is pleased to provide an update on activities undertaken in the six months to 31 December 2023 across the Company's portfolio of projects in Mozambique, Zimbabwe and Australia.

MOZAMBIQUE

ADRIANO RARE EARTH ELEMENT LICENCE GRANTED

In December 2023, MRG advised it had been granted a new REE project named **Adriano** (11002L; 19,777.14 ha) situated 780km North-East of the Company's Corridor Central (11142C) and Corridor South (11137C) Heavy Mineral Sands (HMS) Mining licence applications (MLAs), 230km North-Northeast of the port city of Beira.

Together with two conjunctive REE Exploration Licence Applications (ELAs 11000L and 10999, the two exploration licences still under application), Adriano was generated based on a highly elevated Thorium (Th) anomaly from historic regional airborne geophysical survey work and reconnaissance ground follow-up. A handful of samples taken within ELA 11000L clearly showed the presence of Monazite, as well as elevated REE grades (refer ASX Announcement 11 May 2022).

The Company commenced its initial work program at Adriano in late January 2024. The exploration work program will focus on identifying monazite and other mineralisation within both the primary hard-rock high-grade metamorphic gneiss area in the upper half of the licence and the secondary sedimentary sequences of the Mozambique Basin sediments.

The first phase exploration work program involves the following:

- stream sedimentary sampling on the various large streams running from the gneiss in the north to the alluvial sediments in the south;
- grid hand-auger and pit sampling of the alluvial sediments to test for detrital monazite in the sediments; and
- geological mapping with associated grid outcrop and soil sampling on the gneiss terrain.

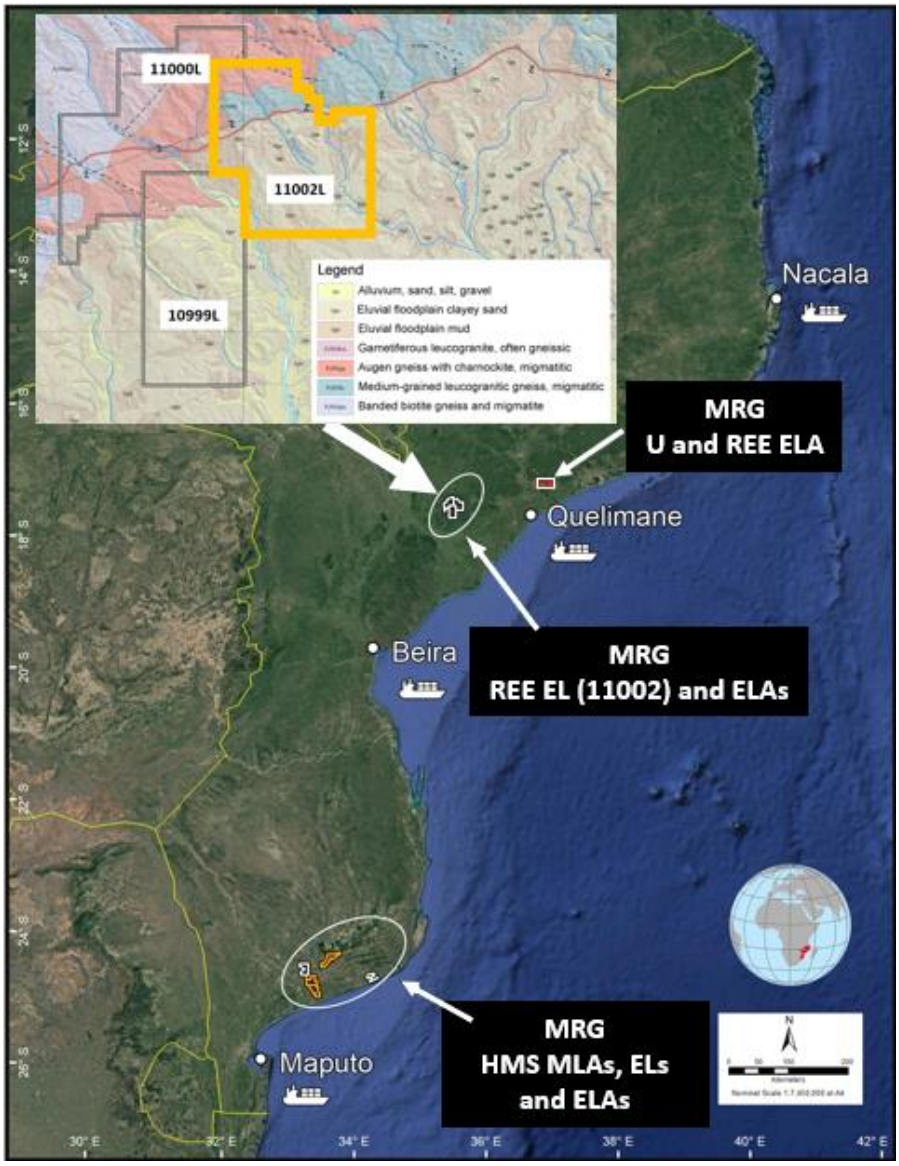


Figure 1: *The location of MRG's Adriano 11002L Rare Earth Exploration licence (EL), the other applied for REE ELs (ELAs, 11000L and 10999L), and the location of the applied for REE and U ELs (ELA 11005L) in relation to MRGs exiting Heavy Mineral Sands ELs and the port city of Beira.*

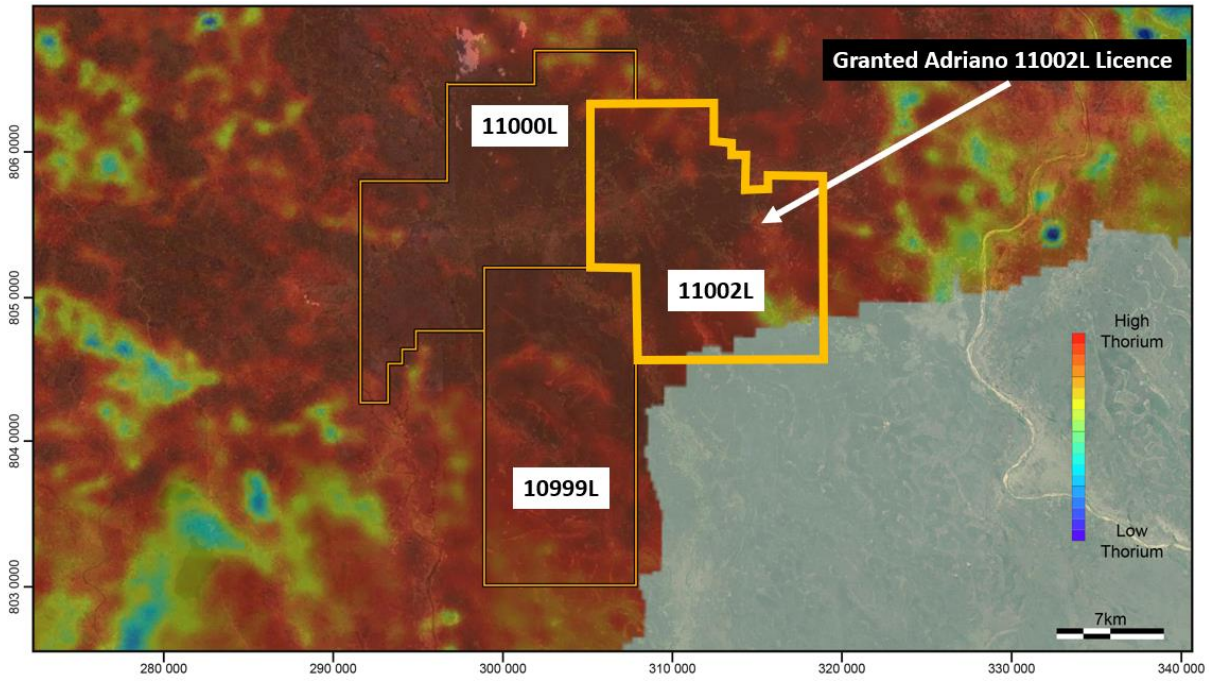


Figure 2: *Map showing the Rare Earth Element EL Adriano 11002L in relation to the 2 REE ELAs 11000L and 10999L plotted on airborne radiometric spectrometer data of a regional national airborne geophysical survey.*

CORRIDOR NORTH LICENCE GRANTED

Following the granting of Adriano, MRG was also granted a new Heavy Mineral Sands exploration licence, Corridor North 10779L, which targets extension of mineralisation from MRG's Koko Massava deposit in the south and the Dingsheng Minerals Corridor Sands mining operation in the northwest.

Corridor North (10779L; 6,421.43 Ha) is situated north of and abutting MRG's Corridor Central (11142C) licence, which contains MRG's Koko Massava JORC Resource (1.4BT @ 5.2% THM). The mineralisation of Koko Massava is open towards the north and interpreted to extend into the southern part of the Corridor North licence.

Corridor North is also located east of and abutting the world-class Dingsheng Minerals, S.A (7054C) Corridor 1 Project, which is currently being mined and reportedly contains in excess of 2.7 billion tons of high-grade HMS resource. Mineralisation of the Corridor 1 Project is interpreted to extend into the Corridor North project.

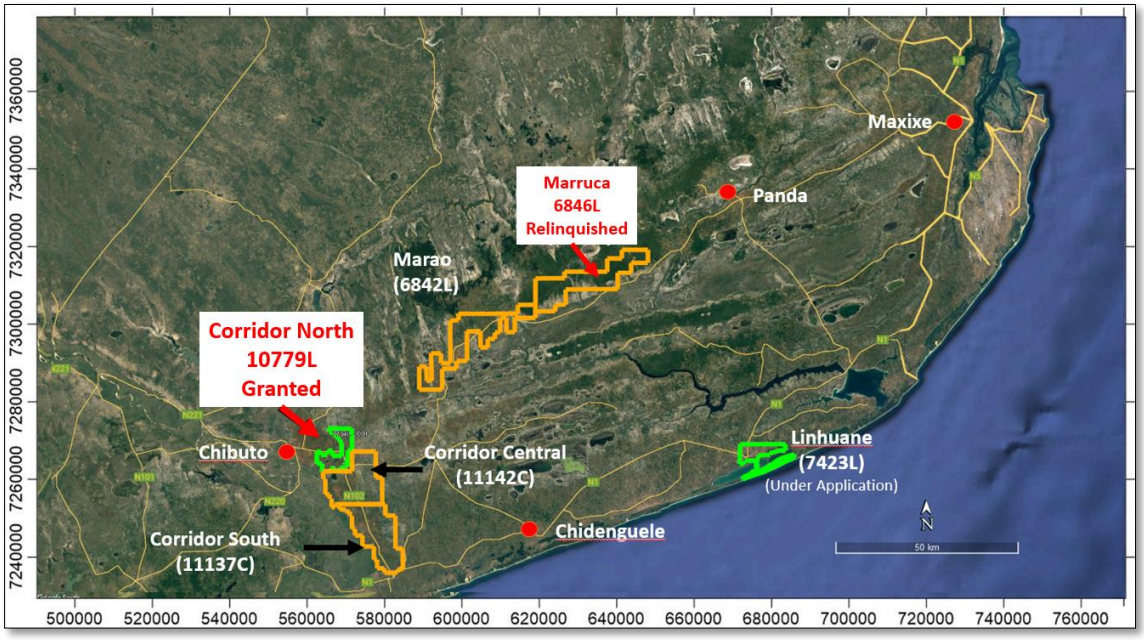


Figure 3: *The location of Corridor North 10779L Heavy Mineral Sands (HMS) exploration licence (EL), in relation to MRG's other HMS ELs, Mining Licence Applications (MLAs) and exploration licence applications (ELAs).*

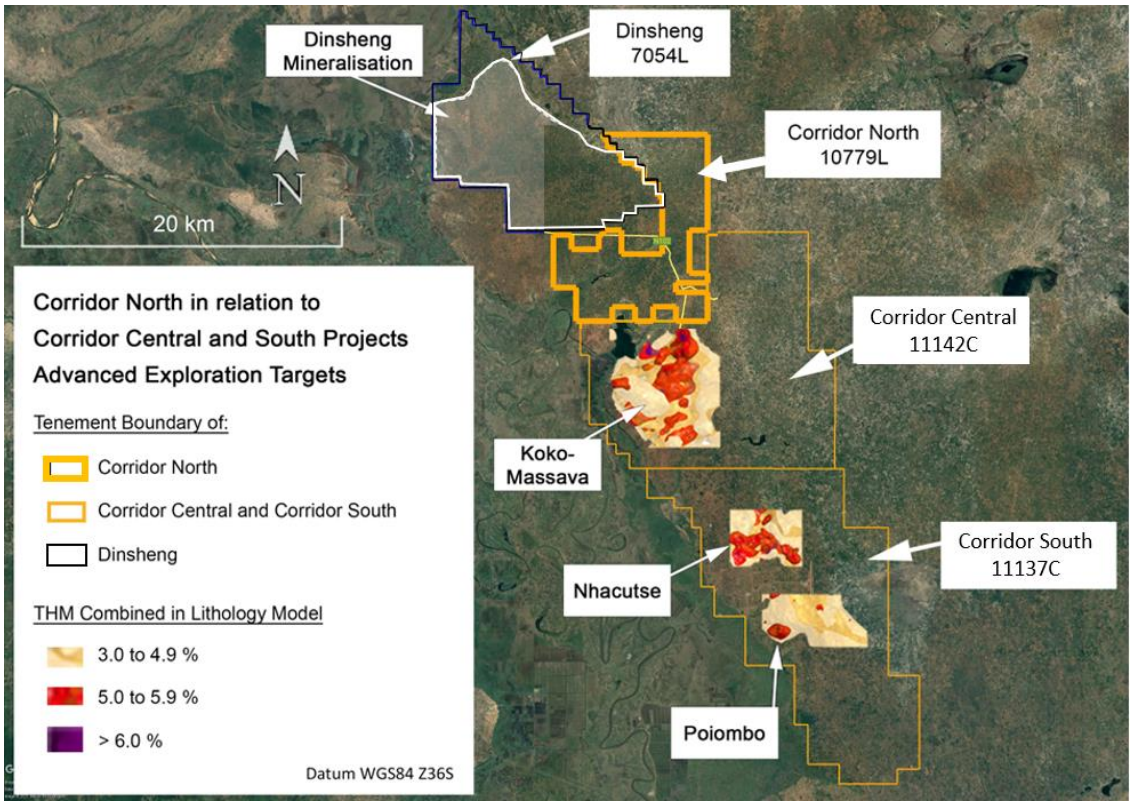


Figure 4: *Map showing the Dingsheng Minerals Corridor 1 licence and MRG's Corridor Central in relation to the new MRG Corridor North applied for licence, with the Dingsheng Corridor 1 and MRG Koko Massava mineralisation footprint extending to the boundary of the Corridor North licence.*

MRG will conduct an EMP and engage with all provincial, local and community structures in Q1 2024. On receipt of the approved EMP, MRG will commence its ground exploration program.

MRG's proven HMS exploration model which it applied to discover and develop world-class deposits such as Koko Massava, Nhacutse and Poiombo, as well as other high value discoveries such as Azaria, Malambane and Magone will be followed.

The exploration at Corridor North will involve:

- Wider spaced grid hand-auger drilling at approximately 1km by 200m drill spacing to 12m depth to generate targets. This work will initiate in Q1 2024;
- Infill hand auger drilling on targets at approximately 500m by 100m drill spacing to 12m;
- Followed by Aircore drilling for depth extent within targets;
- Analytical work and mineralogical investigations will be taking place as an ongoing process during drilling; and
- Modelling and resource work on return of positive results from exploration programs.

MARRUCA RELINQUISHED

MRG advised of the relinquishment of Marruca 6846L Heavy Mineral Sands exploration licence after exploration showed no visually estimated grades of higher than 2% Total Heavy Minerals there.

MOU WITH LANQI TO FORM JV ON CORRIDOR SANDS PROJECTS

In July, MRG entered a Memorandum of Understanding (**MOU**) with Tianjin Lanqi Materials Company Limited for a Joint Venture operation on its Mozambique Corridor Sands projects.

Post end of the half-year period, MRG and Lanqi ended the due diligence period of the MOU. Extensions to the Due Diligence had previously been agreed (refer announcements 24 October, 4 December 2023 and 2 January 2024). However, Lanqi did not submit a formal Joint Venture proposal, with 6 months having passed since commencing the Due Diligence process.

MRG remains open to receiving a formal JV proposal from Lanqi but in the best interests of shareholders, decided to commence discussions with alternative potential partners.

ZIMBABWE

In October, MRG announced it had entered into a binding MOU with Wickbury Investments (Pvt) Ltd ("Wickbury") for a Joint Venture on a package of 10 mining licences held by Wickbury over the Shawa Carbonatite Complex in Zimbabwe.

Key aspects of the MOU:

- MRG has acquired exclusive rights to exploration and development for all commodities within the 10 mining licences of Wickbury (refer Table 2) from signature of the MOU (refer Table 1).
  - The Shawa Carbonatite Complex is well mineralised, with proven and mapped mineralisation of the following:

    Rare Earth Elements (REEs) - Niobium, Strontium
    - The trench sampling on Wickbury licences recorded peak Total Rare Earth Elements (TREE) concentration of 2186ppm
    - Historical gravity survey showed significant depth extent to the Carbonatite of >500m.

    Phosphate (Note, DLC operating Phosphate mine adjacent), **Vermiculite** (Dormant Mine operation), **Magnetite** (Mapped) and **Magnesite** (Mapped)
    - Very limited exploration has been conducted on the Wickbury licences, with potential for other mineralisation often associated with carbonatites, such as Fe, Cu, barite, $CaCO_3$, Ti, nepheline and Zr.
    - Infrastructure, including offices and sheds associated with the dormant vermiculite mine is available for use.

Terms of the Agreement:

- Wickbury to receive 20 million MRQ Shares on signing of the MOU (Stage 1)
- Following a Stage 2 Due Diligence process, a Joint Venture Company (JVC) will be set up under the same terms as the MOU, with MRG having the right during Stages 3 to 5 to earn 80% equity in the JVC as follows:

Stage 3	US$250,000 expenditure to achieve	MRG to own 30%
Stage 4	A further US$250,000 to achieve	MRG to own 51%
Stage 5	A further US$1,500,000 spend	MRG to own 80%

- Upon completion of Stage 5, MRG's expenditure would total US$2,000,000. Wickbury will then have the option to co-invest at the 20% equity level, or dilute at a rate of 1% per US$100,000 to a floor of 10% equity.
- Wickbury will be responsible for maintaining all tenements (both existing and future), in good standing, for government reporting (including technical and environmental reporting) and ESG compliance.

About Wickbury

Wickbury is a Zimbabwean company which was formed to identify and develop mineral deposits associated with the Shawa Carbonatite Complex.

The two founding directors and 90% shareholders of Wickbury, Mr Nathan Kalumbu and Mr Paul Chimbodza, both Zimbabwe nationals, bring significant experience to the partnership. Nathan holds a Master's Degree in Business Administration from Emory University and a Bachelor's Degree in Business Studies. He is former president of the Coca-Cola Company - East & Central Africa Business Unit. Paul is a geologist and mining executive with 30 years of industry experience. He holds BSc General and BSc Geology Honours degrees. Paul is acknowledged for bringing Prospect Lithium Zimbabwe's world-class lithium deposit to market; the deposit is now in feasibility stage. The project is managed by Prospect Resources Limited (ASX: PSC).

The remaining 10% of Wickbury is held by a local community group, which MRG regards as an ESG benefit to the partnership.

Key highlights of the Shawa Carbonatite Complex

- The Shawa Carbonatite Complex is well mineralised, with known mineral occurrences of the following:
  - Rare Earth Elements (REEs)
    - The trench sampling on Wickbury licences recorded peak Total Rare Earth Elements (TREE) concentration of 2186ppm
  - Phosphate
    - Resource of 20.3 million tonnes containing 10.8% P2O5 on IDC licences
    - Results from two trenches on Wickbury licences of 42m with 23.03 P_2O_5% and 5m with 33.58 P_2O_5%
  - Vermiculite
    - Active vermiculite mining operations taking place on an adjacent SAMREC property
    - Inferred resources on Wickbury licences of 164,000t @ 24.1% vermiculite and 106,250t @ 27.2% from two areas
  - Niobium
    - Trench sampling on Wickbury licences recorded highest Nb grade to of 1114ppm Nb
  - Strontium

- Two trenches on Wickbury licences have shown appreciable SrO values of 3m with 1.13% SrO and 6m with 1.11% SrO

- Magnetite (mapped)
- Magnesite (mapped)
- Very limited exploration has been conducted on the Wickbury licences to date, with possibility for other mineralisation often associated with carbonatites.
  - Historical gravity survey showed significant depth extent to the carbonatite of >500m.
  - There is infrastructure on the Wickbury licences at the dormant vermicular mine.

Table 1: *MOU funding and equity in Joint Venture.*

Stage	Stage Expenditure MRG (USD)	Cumulative Expenditure MRG (USD)	Cumulative Acquisition in JV Company MRG (%)	Estimated Work Program	Estimated Time Frame (Months)	Decision Point at End of Stage
1	20 Million MRQ Shares			• Sign and Commence the MOU		
2	N/A	N/A	0	• Geological Mapping and sampling, Ground truthing. • Soil Sampling – (grid Soil Sampling if IDC deal is possible). • Commence negotiation with IDC. (Minimum Work Commitment)	6	**
3	250,000	250,000	30	• Target Testing by Auger/Aircore etc Drilling • Sighter metallurgy/mineralogy as required	12	**
4	250,000	500,000	51	• Infill/Extension drilling +/- MRE	12	**
5	1,500,000 Ω	2,000,000	80	• MRE, Metallurgical Study +/- Scoping Study	24	***

Table 2*: Wickbury mining licences.*

Tenement Name	Area Coverage (Ha)	Ownership
James 13	62.0	Wickbury Investments
James 10	77.9	Wickbury Investments
Shawa 72	150.0	Wickbury Investments
Shawa 36	79.9	Wickbury Investments
Shawa 37	111.5	Wickbury Investments
Shawa C 1	132.0	Wickbury Investments
Shawa C2	132.0	Wickbury Investments
Shawa C3	110.0	Wickbury Investments
Shawa 58	146.7	Wickbury Investments
Gono 2	40.0	Wickbury Investments
Total	**1042 Ha**	

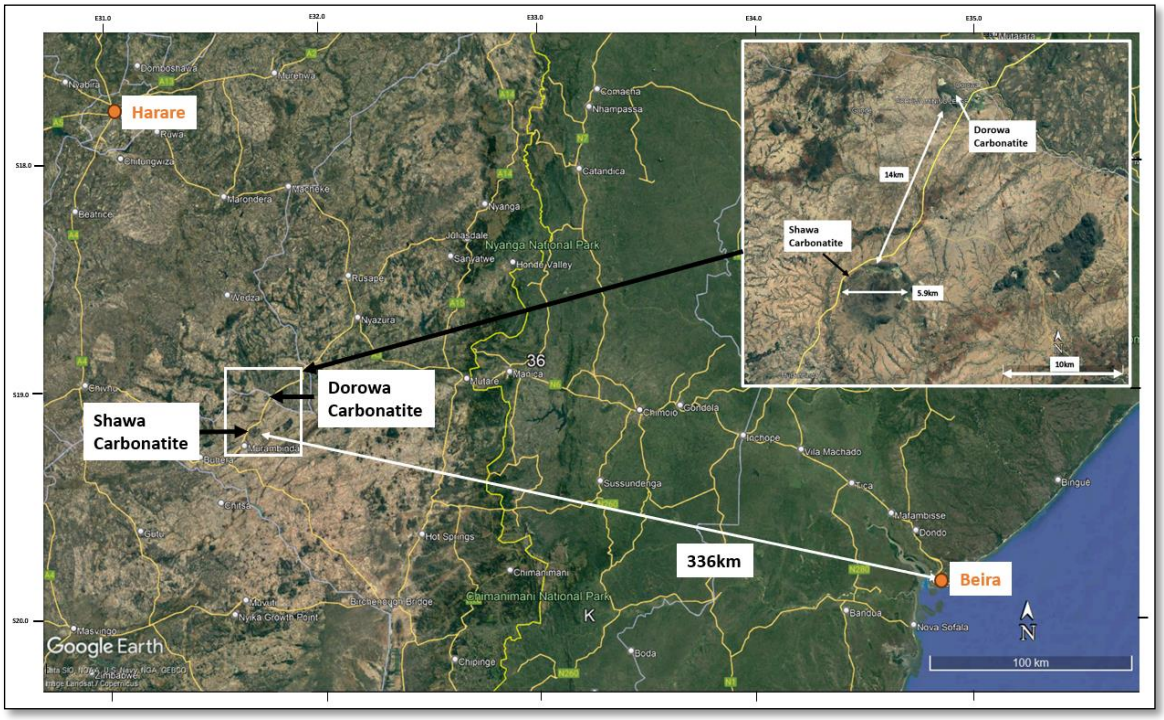


Figure 5: *Shawa Carbonatite in relation to Harare and the Mozambican Beira Port shown on Google Earth image, yellow roads national tar roads. Insert close-up of Shawa and adjacent Dorowa carbonatites.*

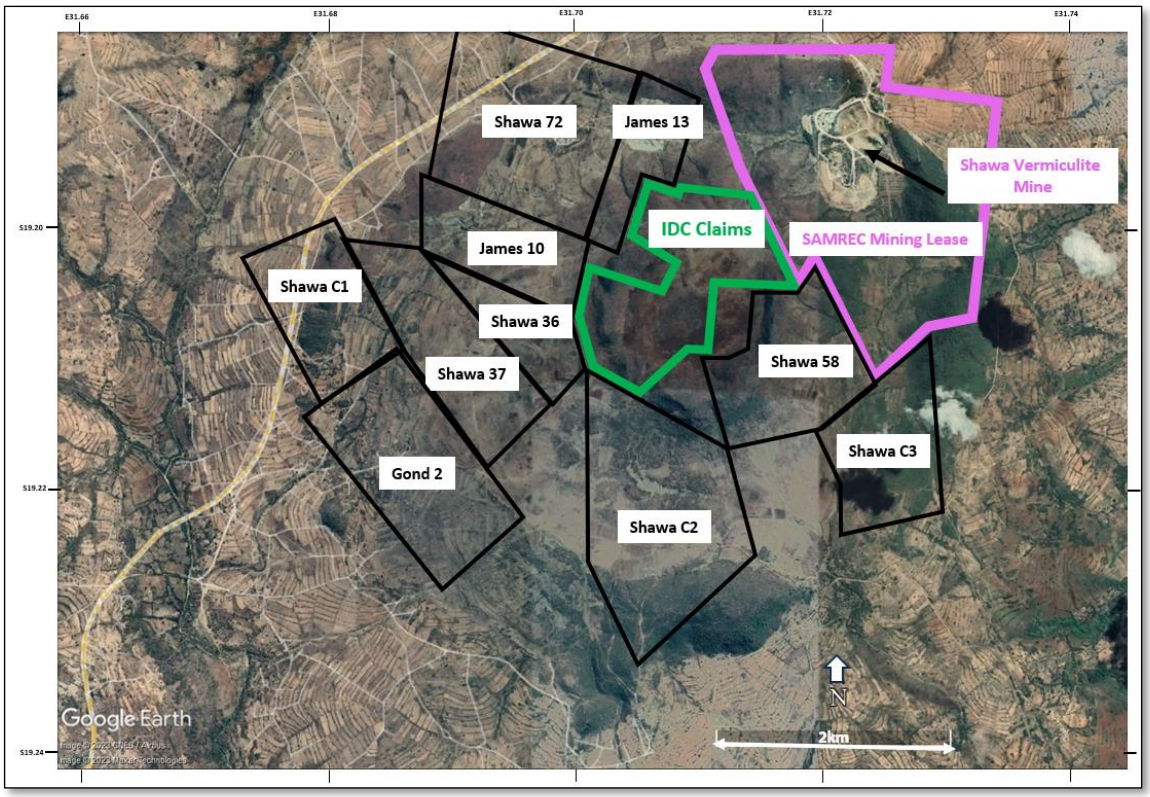


Figure 6: *Shawa Carbonatite licences shown on Google Earth image, Wickbury licences in Black, IDC licences in Green, SAMREC licences in magenta.*

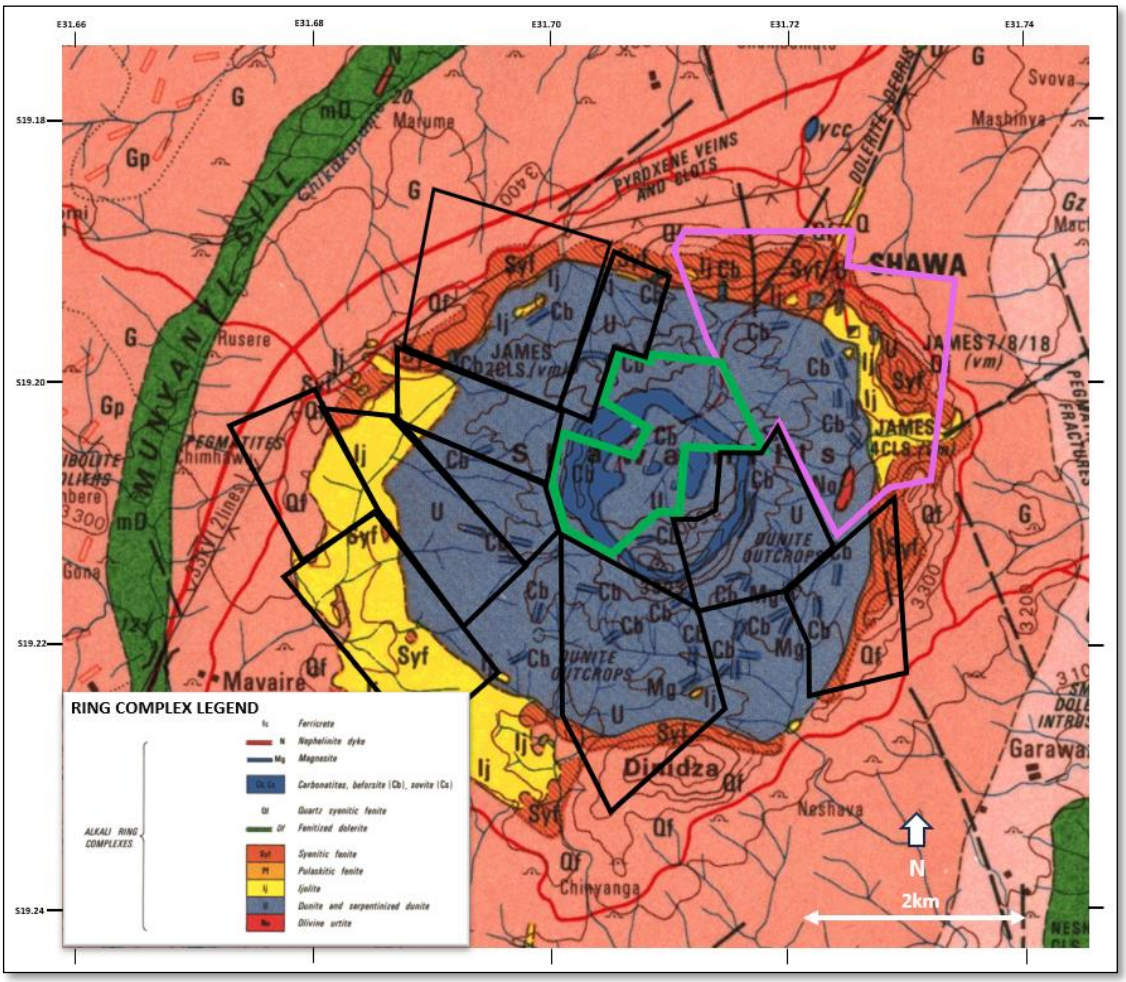


Figure 7: *Shawa licences shown on the geology map of the Shawa carbonatite complex from the Dorowa-Shawa 1:100,000 geology map, geology by J.N. Lauderdale, 1984-1986.*

Economic importance of Carbonatite Complex deposits

Carbonatite and alkaline-carbonatite Complexes are multi-element deposits and host some very significant metallic and industrial mineral deposits (Figure 8). Two examples, the Palabora Carbonatite Complex and the Dorowa Carbonatite Complex (due to its proximity to the Shawa Carbonatite Complex), are briefly discussed further.

The **Palabora Carbonatite Complex** in the Limpopo Province of South Africa is recognised as one of the most important carbonatites in the world, being not only one of the world's major sources of copper, but also the host of a wide range of other valuable commodities besides. The Palabora orebody is vertical and the reserve extends to a depth of 1,800m over an area of 700m by 200m.

The central complex of the carbonatite measures about 7km north-south and varies between about 1.5 and 3.5km in width, with an area of 15km². There are also numerous associated plugs and dykes of syenite and carbonate-bearing breccias. The Carbonatite Complex is mined and processed by the Palabora Copper Pty Ltd (PC) (Palabora Mining Company, or PMC). Mining started in 1965 by open cut mining methods, which transitioned to underground operations in 2003. The open-pit measures almost 2km wide and reached 800m deep at the end of the open-pit mining phase.

The PMC underground copper mine employs a block caving mining method for the extraction of ore beneath the old open cut void. Production has been sourced from Lift I of the block cave from 500m below the floor of the open cut void. In 2011, PMC developed a plan to extend the life of the underground mine up to 2033 through the construction of a Lift II block cave 450m beneath the current Lift I, thus nearly 1,800m deep. The Lift II Feasibility Study has been completed.

There are three large opencast mines on the Phalaborwa complex producing copper, apatite and vermiculite, together with a range of other valuable by-products, particularly from the copper mine. It provides copper ore to the company's copper processing plant, smelting and refinery plants on site to produce copper rod and copper cathode sheet. Vermiculite ore is mined from a series of shallow open cuts (up to 50m deep) and is upgraded through a processing plant to produce saleable vermiculite products. Magnetite is recovered from old tailings dumps and pumped to a magnetic separator for production of a magnetite concentrate. Apatite is mined from an open pit on pyroxenite at the northwestern margin of the complex. Apatite is absent from the central part of the northern pyroxenite, but an average of 6.7% P_2O_5 is found in an outer 500m-wide zone. FOSKOR, which holds the rights to exploitation of phosphate at Phalaborwa, also receives large tonnages of phosphate-bearing tailings from the Palabora Mining Company mine together with phoscorite, from which FOSKOR recover copper, baddeleyite and magnetite in addition to apatite.

By-products of the copper exploitation are linked to impurities in different phases of the processing phase and results in the following by-products: nickel sulphate hexahydrate crystals, Silver (Ag), Arsenic (As), Gold (Au), Bismuth (Bi), Lead (Pb), Antimony (Sb), Selenium (Se) and Tellurium (Te). Sulphuric acid is also a major product.

The **Dorowa Carbonatite Complex** adjacent to the Shawa Carbonatite (14km northeast, Figure 6) has two principal apatite phosphate orebodies with resources in the weathered zone of the southern body amounting to 40 million tonnes and in the northern body with 33 million tonnes. The phosphate produced at Dorowa is used in the production of phosphate fertiliser blends. The mine also produces magnetite, which is exported to Mozambique. Ore from the pit is at 6.5% P_2O_5 and the concentrates being dried and sent to Zimbabwe Phosphate Industries (ZimPhos) are at 37% P_2O_5. The dried concentrates are sent to the railhead at Nyazura along the Mutare highway, some 65km away, by road and 190km to Zimbabwe Phosphate Industries, in Harare by rail.

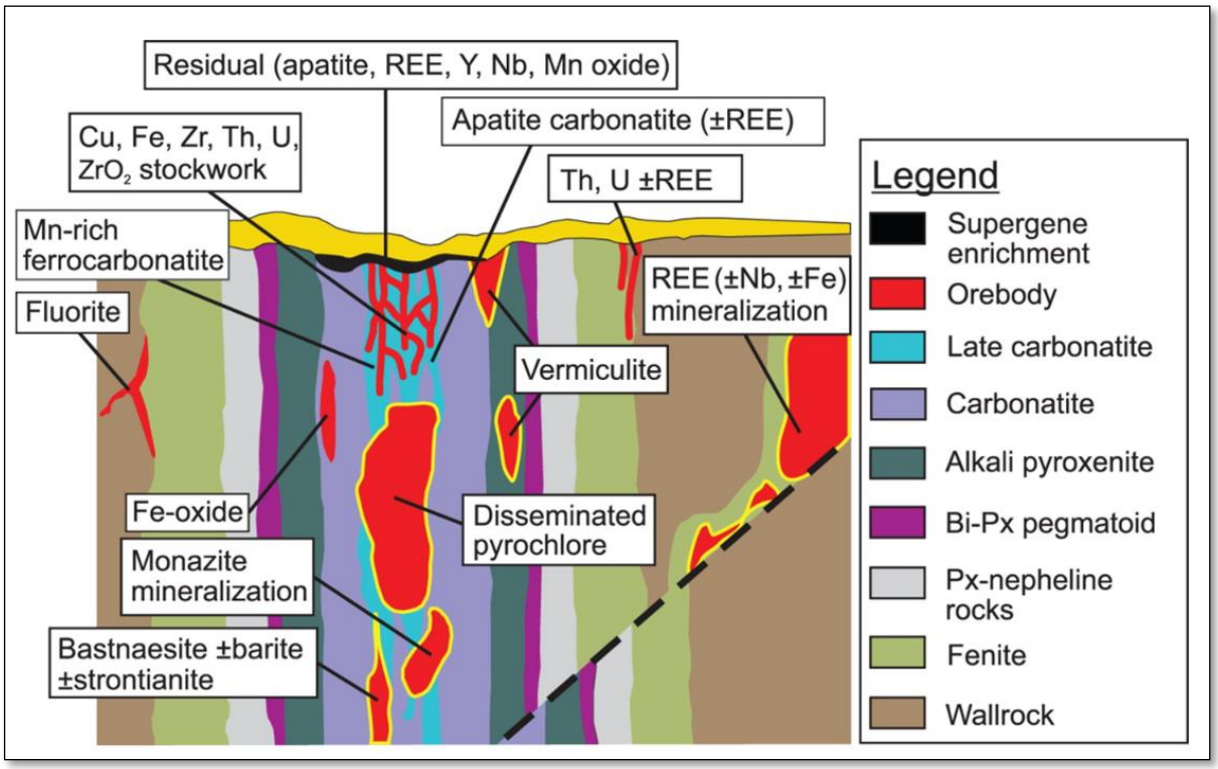


***Figure 8**: Vertical section of a hypothetical carbonatite mineralising system displaying the relationship between metallic and industrial mineral deposits relative to lithological units and geological contacts, not to scale (image sourced from Carbonatites: related ore deposits, resources, footprint, and exploration methods; George J. Simandl &Suzanne Paradis).*

- Large REE resources (e.g. Bayan Obo, China; Maoniuping, China; Mountain Pass, USA and Mount Weld, Australia), mostly strongly enriched in Light Rare Earth Elements (LREE), however, they also contain significant resources of heavy rare earth elements (HREE).
- Alkaline carbonatite complex related deposits are also the main source of Nb (e.g. Catalão, Brazil; Lueshe, Democratic Republic of Congo; and St. Honoré, Oka, and Aley, Canada).
- Vermiculite and phlogopite deposits are predominantly hosted by mafic or ultramafic rocks of the alkaline-carbonatite complex (e.g. Northern pyroxenite at Palabora, South Africa); near the contacts of carbonatites with these rocks, or within mafic country rocks (e.g. Upper Fir carbonatite, Canada).
- Apatite (phosphate mineral) deposits currently in production are mostly enriched by weathering, such as Tapira, Brazil; Ipanema, Brazil; Catalão I, Brazil; Matongo, Burundi and Dorowa, Zimbabwe; with examples of the exceptions the Siilinjärvi mine, Finland, and Cajati mine, Jacupiranaga Complex, Brazil.
- Cu, U, Th, and baddeleyite (natural zirconia) were produced for decades from the Palabora carbonatite-phoscorite complex in South Africa, but baddeleyite is currently produced only from the Kovdor deposit in Russia (Dickson Citation 2015).
- Other materials produced from carbonatites or related rocks are: iron (e.g. Kovdor, Russia; Bayan Obo, China; and Palabora, South Africa); fluorite (e.g. Mato Preto, Brazil; Okorusu, Namibia; and Amba Dongar, India); carbonates for lime and cement production (e.g. Tororo, Uganda and Xiluvo, Mozambique; and Jacupiranga, Brazil; Alves Citation2008); and sodalite for use as dimension, ornamental, and semi-precious stone (e.g. Swartboosdrift, Namibia; and Cerro Sapo, Bolivia).

About Shawa Carbonatite Complex

Introduction

The Shawa Carbonatite is approximately 165km SE of Harare (Figure 5), accessible via tar road, with good access on the 10 Wickbury mining licences (Table 2) on the carbonatite. The Nyazura rail head is approximately 80km via tar road northeast of the Shawa Carbonatite Complex. The carbonatite is c 5.9km in diameter, or c 34.8km².

Limited exploration has been undertaken over the Wickbury licences on the Shawa Carbonatite Complex, with mainly historical exploration focused on phosphate and vermicular mineralisation, and more recently exploration for mainly REEs. The Shawa carbonatite complex has already demonstrated endowment for the following minerals:

- REE mineralisation;
- Phosphate mineralisation;
- Vermiculite mineralisation;
- Magnetite mineralisation (probably associated with V_2O_5);
- Magnesite mineralisation;
- Niobium; and
- Strontium.

The current mining licences over the Shawa Carbonatite are shown in Figure 8, with the Wickbury mining licences in black (10 licences covering 1042ha), the IDC mining licences in green and SAMREC Zimbabwe (Pvt) Ltd (SAMREC) mining licences in magenta. The Wickbury licences cover a large portion, approximately 60% of the carbonatite (Figures 9 and 10), including a portion of the central carbonatite plug / intrusion. Active vermiculite mining is taking place at the Shawa Vermiculite Mine (Figure 9) within the SAMREC licence. The SAMREC vermiculite deposit is reportedly (by the SAMREC company) one of the larger vermiculite deposits in the world.

The dormant Wickbury Dinhidza Vermiculite Mine lies in the northwest of the Shawa Carbonatite on the Wickbury James 10 and 13 mining licences. There is infrastructure on the mine that will be used during exploration (plant area, loading shed, administration block and laboratory, Technical Services Office, Mine Stores, Mine guest House camp and mine workers' compound).

Previous exploration on the Shawa Carbonatite Complex

i. Hawkmoth Mining and Exploration

Exploration by Hawkmoth Mining and Exploration (Hawkmoth) took place on Wickbury licences in 2022 under an option agreement, the option was not exercised. The work included soil sampling, followed by outcrop rock chip sampling, then a limited amount of trenching.

a. Soil sampling

During the soil sampling program soil samples were collected at 20m intervals along 7 lines, the 7 lines were oriented radially to cover the oval shape of the carbonatite complex targeting the zone between the inner carbonatite ring and the circular inner ring. The first 30 soil samples were sent to Geolabs South Africa for XRD and 700 samples to SGS South Africa for multi-element ICP. The soil Geochem REEs results showed a relative enrichment of LREEs (La+Ce+Pr+Nd) in comparison to HREEs (Tb+Dy+Er+Tm+Yb+Lu+Lu+Y) and MREEs (Sm+Eu+Gd), with an average ratio HREE_ppm: MREE_ppm: LREE_ppm of 1:0.56:4.56. The assays for LREEs i.e., Ce, La, Nd and Pr in order (from highest concentration) have contributed bulk of TREE content additionally with Y (HREEs), as all have peaks >100ppm. Soil Geochem line 7, outlined a REE and Nb target zone with

TREE values ranging 1000ppm – 1508ppm and Nb 236ppm – 1075ppm, which aligned with eastern inner contact zone of the main carbonatite with the serpentinite. From the results an P anomaly was picked up by line 2 and 4 on the western part of the main carbonatite ring and specifically towards the outer and inner contacts. P is more enriched on the outer contacts of ring carbonatite where peaks for P were up to 10.9%.

b. Rock Chip Sampling

Follow up of random 205 rock chip sampling was done on the main ring carbonatite outcrops along and/or in proximity with the anomalous soil Geochem lines 2, 6 & 7. The peak REE assay results for the rock chips recorded TREE 355.8 ppm with the LREEs bulk Ce (peak @ 133ppm), Nd (peak @ 123ppm) and La (max @ 67ppm), where they are spatially associated with "Line 7 eastern anomaly" inner contact of the main carbonatite ring and oxidised serpentinite. LREEs are more enriched as compared to HREE and MREEs in this Eastern target anomaly with average ratio HREE:MREE: LREE as 1.4; 1; 7. The "Eastern target contact" is also well associated with Nb enrichment with peak (max) @ 428ppm, which shows a positive linear correlation of R2= 0.47 with TREE concentration and as well Sr values with peak 6851ppm. Phosphate recorded values range from 0.6% - 2.4% from the rock samples.

c. Trenching

The trenching exercise was conducted as follow up of the TREE and Nb and P anomalies identified on soil Geochem. A total of 7 trenches with a cumulative length of 1419m were excavated and sited radially inside the inner circular ridge only, exposing the contact between the main ring carbonatite and serpentinite. The trench rock chip samples recorded a relatively higher peak TREE concentration with 2186ppm and a few peaks above 1500ppm as compared to the regolith soil profile samples. Ce records the highest peak in rock chip samples with 863ppm, whilst in trench soil profiles Y (HREE) has the highest of 614ppm. In both sets of samples, it is important to note that LREE concentration is relatively higher than MREE and HREEs. Trench ATSHTR004, out of the 7 trenches has the 3 most interesting REEs target with 2 zones showing peak TREE grades @ 1620ppm (@182m – 188m over 6m) and 1793ppm (@ 234m – 236m over 2m), which are associated with a carbonatised serpentinites. Also, a major contribution of MREEs to TREE has been identified on trench ATSHTR007 @ 59m – 69m, with weighted average grades of TREE 891ppm, MREE 419ppm and LREEs 391ppm. Peak phosphate grades were identified on the trenches ATSHTR006 @ 68m – 110m over 42m (widest) with 23.03 P2O5% and ATSHTR007 @ 82m – 87m over 5m with 33.58 P2O5%. The trenches ATSHTR003 and ATSHTR004 have shown appreciable SrO values @ 150m – 153m over 3m (ATSHTR003) with 1.13% and @ 182m – 188m over 6m with 1.11%. Outstanding Nb targets from trench rock chips were sporadically distributed along trench ATSHTR004 @ 75m – 120m over 45m with weighted average grade Nb 401ppm, and with peak grade Nb 1007ppm @ 116m – 117m. This zone is arguably passively continuous towards trench ATSHTR005 @ 101.5m – 142.5m with Nb in soils ranging 335 ppm – 894 ppm and Nb in rocks ranging 56ppm – 861ppm, which can be as well influenced by multiple crystalline carbonatite intrusions. However, the highest Nb grade from trench rock chips is isolated @ 200m – 201m in trench ATSHTR004 with Nb 1114ppm.

ii. Steffen, Robertson and Kirsten (SRK)

SRK conducted exploration on the vermiculite deposit on licences now belonging to Wickbury in 2001 (work done for Dinidza Vermiculite Mining Private Limited), culminating in a resource potential report in August 2001.

SRK conducted a trenching program (trenches planned to 2m depth), mainly focused on the then named James 13 and James 14 licences (now James 10 and James 13) where the Watts, Griffis and McQuat

resources mentioned below were situated. SRK could not replicate the resource results of Watts, Griffis and McQuat, reporting an Inferred resource of 164,000t @ 24.1% vermiculite from one area within the licences; and an Inferred resource of 106,250t @ 27.2% vermiculite from another area.

iii. Watts, Griffis and McQuat

Watts, Griffis and McQuat (2000) reported 43-101 resources and reserves on then James 13 and James 14 licences (now James 10 and James 13) of Indicated 426,530t @ 50% vermiculite and Inferred 4,590,000t at 49% vermiculite.

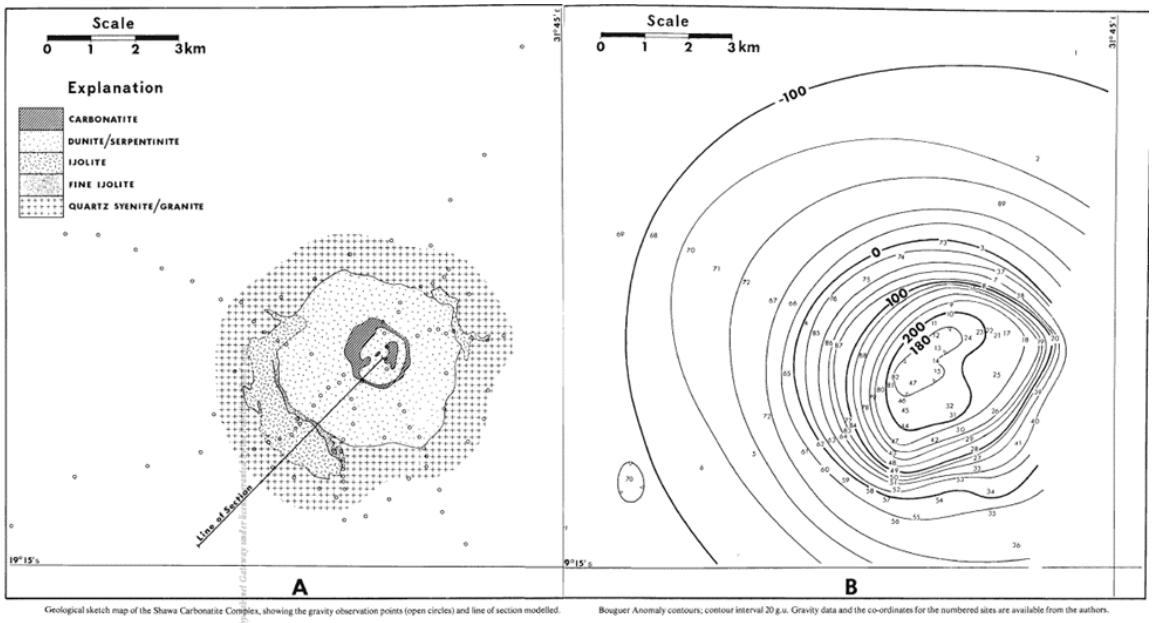
iv. Dodd (1971)

Dodd supplied resource estimation figures in 1971 for the phosphate mineralisation in weathered ijolite, with the majority of this resource situated within the IDC mining licences. The resource from Dodd is 20.3 million tonnes containing 10.8% P2O5, 31.4% Fe2O3 and 1.3% CO2. Dodd calculated a lower CO2 resource with CO2 at 0.8% then with 16.3 million tonnes at 10.4% P2O5 and 32.5% Fe2O3.

v. Gravity survey

A gravity survey was conducted on the Shawa Carbonatite Complex to establish the subsurface of both the dunite and the Complex as a whole. Figure 9A shows the distribution of the gravity observation points. The essentially circular symmetry observed in outcrop is very strongly reflected in the gravity anomaly, allowing the observed Bouguer anomalies for all points to be projected to a radial line as shown in Figure 9B.

The gravity model illustrated is thus of a narrow ijolite feeder to a mass of ijolite which represents the chamber on the floor of which the dunite layer was accumulated by crystal settling of olivine and magnetite. The original thickness of the dunite and the original depth of the magma chamber are not known because of erosion. The gravity model establishes that the present ultrabasic mass is about 500m thick.



Geological sketch map of the Shawa Carbonatite Complex, showing the gravity observation points (open circles) and line of section modelled. Bouguer Anomaly contours; contour interval 20 g.u. Gravity data and the co-ordinates for the numbered sites are available from the authors.

Figure 9A (left): *Geological sketch map of the Shawa Complex showing the gravity observation points (open circles) and line of section modelled.* ***Figure 9B (right):*** *Bouger anomaly contours.*

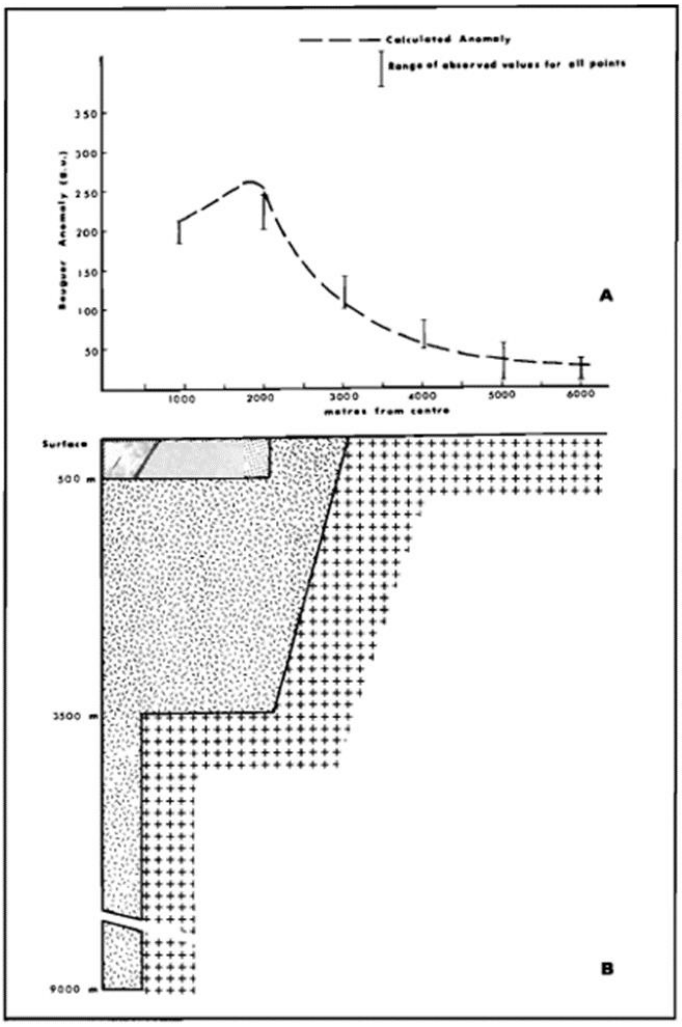


Figure 10A (top): *Calculated Bouger anomaly along the line of section.* ***Figure 10B (bottom):*** *Geological model of the Shawa Carbonatite Complex used in calculating the anomaly shown in Figure 5A.*

Shawa Exploration Commences

In October 2023, MRG commenced its initial exploration program at Shawa (Phase 2 as per the MOU) undertaking an initial field visit to ground check the mining tenements, which was subsequently confirmed with the Zimbabwe Mining Department in December.

During the field visit MRG Geologists visited:

- The Shawa Carbonatite Complex as part of Phase 2 Due Diligence on the project.
- The Wickbury vermiculite mine, including the infrastructure that will be utilised as a base camp during exploration, was inspected during the visit.
- The area in the centre of the carbonatite complex inside the inner ring where some of the Wickbury claims are situated and the area between the inner and outer rings of the complex where the remainder of the Wickbury claims are situated.

Key observations from the visit include:

- The infrastructure, including accommodation and geological offices, will assist exploration in future by reducing related costs.
- There is good access to the southern and central areas of the carbonatite complex, with the northern areas being hillier with denser vegetation.
- Historical trenches were visible in the field, the trenches were all rehabilitated, thus closed.

- Zimbabwe is moving the mining and exploration licencing system to a cadastral system. As part of this, all existing licences must re-register. This process was concluded in December 2023. During the process of re-registering the claims, the exact coordinates of the claims were confirmed with the Zimbabwe Mines Department.
- There are no analytical laboratories in Zimbabwe which analyse for REEs. Several samples were collected during the visit. The samples will be analysed in South Africa and are currently in the Zimbabwean sample export process.

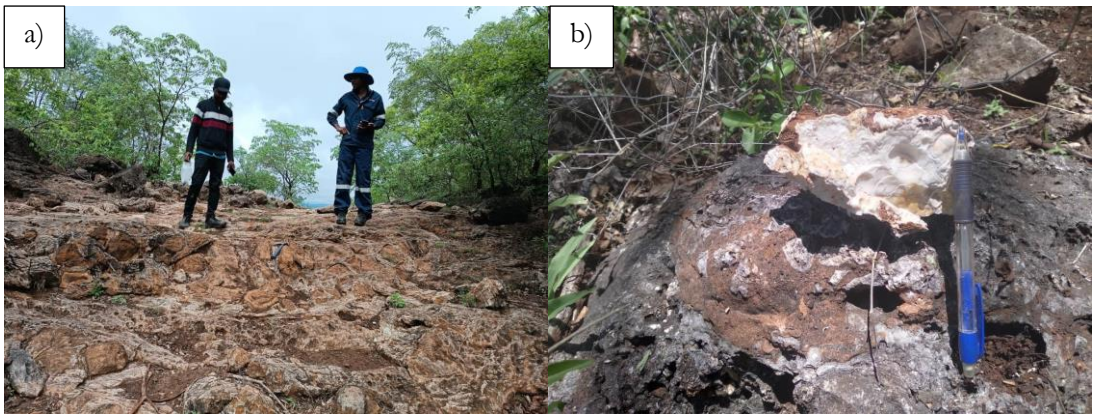


Figure 11: *Geologist conducting outcrop mapping and sampling on Shawa 58 Mining Claim, note stockwork carbonatite alteration in image a), sampling taking place in image b).*

At Shawa, MRG will adopt a multi-commodity approach in its exploration, initially following up the most promising historic results by geological mapping and rock chip sampling, including the use of a handheld XRF device and supported by remote sensing analysis (Stage 2 of the MOU). The budget for Stage 2 is US$70,000 (Due Diligence).

Due Diligence mapping and sampling commenced, with 40 rock chip samples collected over outcrops of the inner carbonatite ring. Regional aerial magnetic survey and remote sensing data has been used to help focus the works.

MRG has identified 6 multi-element / multi-commodity targets in the carbonatite complex:

- Rare Earth Elements (REEs) at and within the inner carbonatite ring;
- Niobium (Nb) and Strontium (Sr) occurrences at the inner ring carbonatite;
- Phosphate at the edge of the inner carbonatite ring;
- Magnesite between the outer and inner carbonatite rings;
- Magnetite within the inner ring and between the outer and inner rings; and
- A Vermiculite deposit, previously mined, between the outer and inner carbonatite rings.

The exploration plan for the existing targets, as well as for generating additional targets at Shawa includes:

- Geological mapping and multi-element sampling, targeting existing outcrops;
- Handheld XRF to assist with rock identification and initial pre-analyses with a focus on REE, phosphate, magnetite and magnesite targets; and
- Upon successful due diligence, grid soil and outcrop sampling into early drilling.

MRG believes there is high potential for an economic discovery to be made at Shawa.

Figure 12: *Wickbury area of mining claims within the inner ring of the carbonatite.*

Figure 13: *Wickbury area of mining claims between the inner and outer carbonatite rings.*

AUSTRALIA

WESTERN AUSTRALIA LITHIUM ACQUISITION

In December, MRG announced it had entered into a Binding Head of Agreement (**HOA**) to acquire 100% of two Western Australian lithium projects located in Lake Johnston and Forrestania.

The Lake Johnston tenement, targeting 136km² of key geological features is not only adjacent to TG Metals Limited's (ASX:TG6) Burmeister Project, but lies in the immediate vicinity of recent lithium (spodumene) discoveries and the NW-SE trending Lake Johnston regional belt. The tenement has 22km of N-S strike along the granite contact.

The Forrestania tenement, targeting 26km² of tenure on a splay structure adjacent to the main Forrestania mineralised belt near Lanthanein Resources Limited's (ASX:LNR) recent acquisition, covers 12km of N-S strike of mapped remnant greenstone (GSWA).

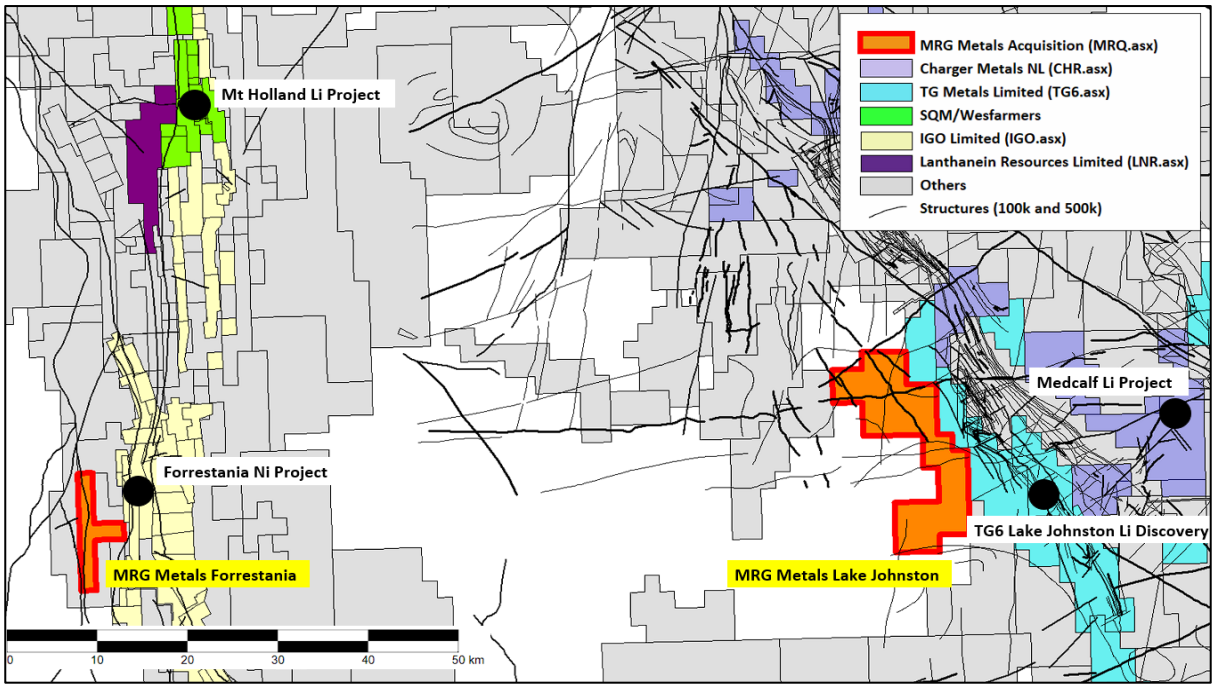


***Figure 14**: Location of the Forrestania (left) and Lake Johnston Projects (right).*

The key terms of the Acquisition of 100% of the issued capital of Lake Hope Lithium Pty Ltd which holds ELA E63/2394 (Lake Johnston Project) and ELA E77/3164 (Forrestania Project) include:

- Initial cash payment of $12,500 and issue of 15,000,000 MRQ Shares;
- Upon gaining access approval to commence surface sampling, issuance of a further 15,000,000 MRQ Shares;
- Total of 30,000,000 Shares issued to vendor are subject to a voluntary escrow for 12 months;
- Performance payment of $100,000 in Cash or Shares at MRG's discretion upon achieving drilling results over greater than 10 metres at over 1% Li_2O; and
- Performance payment of $500,000 in Cash or Shares at MRG's discretion upon achieving a JORC Indicated Resource in excess of 10 million tonnes at greater than 1% Li_2O or 100,000 tonnes of contained Li, within 36 months.

CORPORATE

$0.5M Placement and Options Entitlement Offer

On 1 August 2023, the Company announced an equity raising through a:

- A Placement of 200 million fully paid ordinary shares at $0.0025, with 1 for 2 free attaching options, raising $0.5 million.

Proposed Use of Funds:

- HMS Projects – assistance with Due Diligence being carried out on the HMS Projects under the MOU to form a JV;
- Exploration at HMS, Rare Earth Elements and Uranium Projects should these Exploration Licences be granted; and
- Working Capital, costs of the Placement and expenses of the Offer.

Shares issued in relation to Zimbabwe Carbonatite Project

On 2 October 2023, MRG issued 20 million fully paid ordinary shares at $0.002 in connection with the Zimbabwe Shawa Carbonatite Project.

$0.5M Placement and Options Entitlement Offer

On 7 December 2023, the Company announced an equity raising through a:

- A Placement of 250 million fully paid ordinary shares at $0.002, with 1 for 1 free attaching options, raising $0.5 million; and
- A Placement of fully paid ordinary shares, with 1 for 1 free attaching options, raising $0.04 million from Directors, after approval from a General Meeting to be held on 8 March 2024.

Proposed Use of Funds:

- Lake Johnston and Forrestania Lithium Projects, Western Australia – Grid soil sampling and assaying;
- Adriano REE Project, Mozambique – Reconnaissance auger sampling, rock chip sampling and stream sediment sampling;
- Exploration at HMS, Rare Earth Elements and Uranium Projects should these Exploration Licences be granted;
- Working Capital, costs of the Placement and expenses of the Offer.

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

Shares issued in relation to Australian Lithium Project

On 15 December 2023, MRG issued 15 million fully paid ordinary shares at $0.002 in connection with the acquisition of the Australian Lithium Project.

TENEMENTS:
The Tenements held by the Company at 31 December 2023 are as follows:

Project	Tenement	% Owned	Note
Norrliden	K nr 1	10	
Malanaset	nr 100	10	
Malanaset	nr 101	10	
Corridor Central	11142C	100	
Corridor South	11137C	100	
Corridor North	10779L	100	
Linhuane	7423L	100	Application
Marao	6842L	100	
Patricio	10999L	100	Application
Adriano	11002L	100	
Fotinho	11000L	100	Application
Olinga	11005L	100	Application
Lake Johnston	E63/2394	100	Application
Lake Johnston	E63/2446	100	Application
Forrestania	E77/3164	100	Application

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.

Forward Looking Statement
All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of MRG Metals Ltd ('MRG' or 'Company') are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its Directors and management of MRG that could cause MRG's actual results to differ materially from the results expressed or anticipated in these statements. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. MRG does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements.

Director details

The following persons were directors of MRG Metals Limited during or since the end of the half year.

- Mr Andrew Van Der Zwan
- Mr Christopher Gregory
- Mr Shane Turner

Principal activities

During the period, the principal activities of entities within the Group were exploration and development of Heavy Mineral Sands in Mozambique. Near the end of the period, a licence prospective for Rare Earth Elements in Mozambique was granted and licences prospective for Lithium in Western Australia were applied for. Exploration on these licences will commence in 2024.

Review of operations and financial results

The operating result of the Group for the half year was a loss of $405,485 (31 December 2022 loss $368,215). Earnings per share during the half year were (0.02 cents) (31 December 2022(0.02 cents)).

Significant changes in the state of affairs

On 7 August 2023, MRG issued 200 million fully paid ordinary shares at $0.0025, with 1 for 2 free attaching options, raising $0.5 million.

On 2 October 2023, MRG issued 20 million fully paid ordinary shares at $0.002 in connection with the Zimbabwe Shawa Carbonatite Project.

On 15 December 2023, MRG issued 250 million fully paid ordinary shares at $0.002, with 1 for 1 free attaching options, raising $0.5 million

On 15 December 2023, MRG issued 15 million fully paid ordinary shares at $0.002 in connection with the acquisition of the Australian Lithium Project.

Dividends

There were no dividends declared or paid during the half year.

Events arising since the end of the reporting period

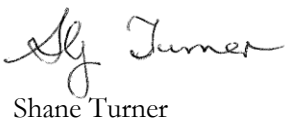
On 8 March 2024, the Company held a General Meeting and all resolutions were passed.

No other significant events have arisen since 31 December 2023.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of the directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



Shane Turner
Director, Melbourne

Date: 12 March 2024

William Buck
ACCOUNTANTS & ADVISORS

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of MRG Metals Ltd

As lead auditor for the review of MRG Metals Ltd for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of MRG Metals Ltd and the entities it controlled during the period.

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director

Melbourne, 12th March 2024

Level 20, 181 William Street, Melbourne VIC 3000
+61 3 9824 8555
vic.info@williambuck.com
williambuck.com.au

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

	Notes	Consolidated 31 December 2023 $	Consolidated 31 December 2022 $
Interest income		4,872	1,048
Foreign exchange gain/(loss)		(13,280)	8,834
Employee benefits expense		(104,010)	(103,259)
Consultants expense		(97,405)	(167,308)
Exploration expenses		(81,206)	-
Corporate expenses		(114,456)	(107,530)
Loss before tax		**(405,485)**	**(368,215)**
Income tax expense		-	-
Loss after income tax expense		**(405,485)**	**(368,215)**
Other comprehensive income, net of tax		-	-
Total comprehensive loss		**(405,485)**	**(368,215)**

		Cents	Cents
Basic loss per share			
Loss from operations	4	(0.02)	(0.02)
Diluted loss per share			
Loss from operations	4	(0.02)	(0.02)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2023

	Notes	Consolidated 31 December 2023 $	Consolidated 30 June 2023 $
Assets			
Current			
Cash and cash equivalents		920,433	575,046
Other receivables		401,233	362,349
Current assets		1,321,666	937,395
Non-current			
Deposits		-	23,096
Plant & equipment		38,229	51,831
Exploration and evaluation	3	6,083,929	5,794,788
Non-current assets		6,122,158	5,869,715
Total assets		7,443,824	6,807,110
Liabilities			
Current			
Trade and other payables		108,690	59,524
Current liabilities		108,690	59,524
Total liabilities		108,690	59,524
Net assets		**7,335,134**	**6,747,586**
Equity			
Issued capital	7	29,631,678	28,638,645
Reserves		312,683	312,683
Accumulated losses		(22,609,227)	(22,203,742)
Total equity		**7,335,134**	**6,747,586**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the half-year ended 31 December 2023

Consolidated	Issued capital	Reserves	Accumulated losses	Total equity
	$	$	$	$
Balance at 1 July 2023	28,638,645	312,683	(22,203,742)	6,747,586
Loss after income tax expense for half year	-	-	(405,485)	(405,485)
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs (note 7)	993,033	-	-	993,033
Balance at 31 December 2023	**29,631,678**	**312,683**	**(22,609,227)**	**7,335,134**
Balance at 1 July 2022	27,761,631	160,168	(21,517,016)	6,404,783
Loss after income tax expense for half year	-	-	(368,215)	(368,215)
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs	841,540	-	-	841,540
Balance at 31 December 2022	**28,603,171**	**160,168**	**(21,885,231)**	**6,878,108**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the half-year ended 31 December 2023

	Consolidated	
	31 December 2023 $	**31 December 2022 $**
Operating activities		
Interest received	4,872	1,048
Payments to suppliers and employees	(386,794)	(405,845)
Net cash used in operating activities	(381,922)	(404,797)
Investing activities		
Payment for term deposit	23,096	(116)
Payment for plant & equipment	-	(3,099)
Payment for exploration & evaluation	(267,764)	(612,548)
Net cash used in investing activities	(244,668)	(615,763)
Financing activities		
Proceeds from issue of capital (note 7)	1,000,000	840,000
Payment of transaction costs (note 7)	(28,023)	(3,500)
Net cash from financing activities	971,977	836,500
Net change in cash and cash equivalents	345,387	(184,060)
Cash and cash equivalents, beginning of period	575,046	1,017,533
Cash and cash equivalents, end of period	920,433	833,473

The accompanying notes form part of these financial statements.

Condensed Notes to the Interim Consolidated Financial Statements

1 Nature of operations

During the period, the principal activities of entities within the Group were exploration for and development of Heavy Mineral Sands within Mozambique. Near the end of the period, a licence prospective for Rare Earth Elements in Mozambique was granted and licences prospective for Lithium in Western Australia were applied for. Exploration on these licences will commence in 2024.

2 Material accounting policy information

(a) Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and public announcements made in accordance with ASX continuous disclosure obligations.

(b) Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

The same accounting policies and methods of computation are followed in the half-year financial report as compared with the Company's most recent annual financial report, for the financial year ended 30 June 2023, except as noted below.

New standards adopted as at 1 July 2023:

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group recorded a loss after tax of $405,485 and net cash outflows from operating and investing activities were $626,590 for the half year ended 31 December 2023. The Group's financial position as at 31 December 2023 was as follows:

- The Group had available cash reserves of $920,433;
- The Group's current assets of $1,321,666 exceed current liabilities of $108,690 by $1,212,976;
- The Group's main activity is exploration and as such it does not presently have a source of operating income, rather it is reliant on equity raisings or funds from other external sources to fund its activities.

Current forecasts indicate that cash on hand as at 31 December 2023 will not be sufficient to fully fund the planned exploration and operational activities during the next twelve months.

The Group's position as at 29 February 2024 was as follows:

- The Group had available cash reserves of $673,042;
- The Group continued to have a positive working capital position; and
- There have been no material changes to the Group's liabilities or non-cancellable commitments since 31 December 2023.

These factors indicate a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors are confident that the Group will be able to secure sufficient funds or reduce or defer expenditure to ensure that the Group can meet essential operational and expenditure commitments for at least the next twelve months.

Accordingly, the financial statements for the year ended 31 December 2023 have been prepared on a going concern basis as, in the opinion of the Directors, the Group will be in a position to continue to meet its essential operating costs and pay its debts as and when they fall due for at least twelve months from the date of this report.

3 Exploration and evaluation assets

	Consolidated 6 months to 31 December 2023 $	Consolidated 12 months to 30 June 2023 $
Opening balance	5,794,788	5176,689
Impairment	-	(112,948)
Other exploration costs	289,141	731,047
Closing balance	**6,083,929**	**5,794,788**

4 Earnings per share

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Consolidated 6 months to 31 December 2023 $	Consolidated 6 months to 31 December 2022 $
Loss after income tax	(405,485)	(368,215)
Weighted average number of shares used in basic earnings per share	2,178,690,367	1,786,981,454
Weighted average number of shares used in diluted earnings per share	2,178,690,367	1,786,981,454
Earnings Per Share	(0.02) cents	(0.02) cents
Diluted Earnings Per Share (a)	(0.02) cents	(0.02) cents

(a) The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for the inclusion in AASB 133 "Earnings per Share". The rights to options are non-dilutive as the Group is loss generating. Diluted earnings per share is the same as basic earnings per share due to the loss for the period.

5 Dividends

There were no dividends declared or paid during the current or previous half year.

6 Equity

The share capital of MRG Metals Ltd consists of fully paid ordinary shares, the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of MRG Metals Ltd.

	Consolidated			
	31 December 2023 Shares	1 July 2023 Shares	31 December 2023 $	1 July 2023 $
Ordinary shares – fully paid	2,471,341,028	1,985,918,628	29,631,678	28,638,645

Details	**Date**	**Shares**	**Issue Price Cents**	**$**
Balance	1 Jul 2023	**1,985,918,628**		**28,638,645**
Capital Raising - placement	7 Aug 2023	200,000,000	0.025	500,000
Issue of Ordinary Shares - Zimbabwe	2 Oct 2023	20,000,000	0.02	40,000
Capital Raising - placement	15 Dec 2023	250,000,000	0.02	500,000
Issue of Ordinary Shares - Lithium	15 Dec 2023	15,000,000	0.02	30,000
Issue of Ordinary Shares – corporate	15 Dec 2023	422,400	0.025	1,056
Costs of shares issued		**-**	**-**	(78,023)
Balance		**2,471,341,028**		**29,631,678**

7 Segment reporting

During the period, the Group was organised into one operating segment, which is the exploration for and development of Heavy Mineral Sands within Mozambique. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources. Near the end of the period, a licence prospective for Rare Earth Elements in Mozambique was granted and licences prospective for Lithium in Western Australia were applied for. Exploration on these licences will commence in 2024.

8 Commitments for expenditure

	Consolidated	
	31 December 2023 $	**30 June 2023 $**
Exploration and evaluation:		
Within 12 months	103,860	45,068
After 12 months but not later than 5 years	415,440	180,272
Exploration and evaluation:		

In order to maintain current rights of tenure for exploration tenements, the Group is required to meet the minimum exploration requirements of the Mining Department. The Group holds four tenements in Mozambique, each year the Mozambique mining regulations require companies to submit exploration programs which indicate the expected mining expenditure for the year.
Mozambique New Mining Law Regulations require a minimum spend of 60% of the exploration program submitted for the year. The commitment for 'after 12 months but not later than 5 years' is the Group's estimated tenement expenses to be incurred for each licence at a rate of 60%, which is expected to be the best estimate of the required commitment.

9 Related parties

The Parent entity is MRG Metals Ltd.

MRG Metals Ltd owns 100% of the shares of MRG Metals (Australia) Pty Ltd. (2022 100%)

MRG Metals Ltd owns 100% of the shares of MRG Metals (Exploration) Pty Ltd. (2022 100%)

MRG Metals Ltd owns 100% of the shares of Lake Hope Lithium Pty Ltd. (2022 0%)

MRG Metals Ltd owns 100% of the shares of Sofala Resources Pty Ltd. (2022 100%)

Sofala Resources Pty Ltd owns 99% of the shares of Sofala Mining & Exploration Lda. (2022 99%), Sofala Mining & Exploration I Lda, Sofala Mining & Exploration II Lda, Sofala Mining & Exploration III Lda, Sofala Mining & Exploration IV Lda, Sofala Mining & Exploration V Lda, Sofala Mining & Exploration VI Lda, Sofala Mining & Exploration VII Lda, Sofala Mining & Exploration VIII Lda, Sofala Mining & Exploration IX Lda and Sofala Mining & Exploration X Lda (Mozambique Companies).

Under Mozambique Mining Legislation a separate Company is required for each tenement licence or application.

MRG Metals (Australia) Pty Ltd, and MRG (Exploration) Pty Ltd have no Assets or Liabilities.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

The following transactions occurred with related parties:

Payment for goods and services:

The Group used the accounting services from Mr. Turner. The amounts billed were based on normal market rates and amounted to $14,000 for the six months (2022 $14,000).

Receivable from and payable to related parties

There were no trade receivable from or trade payables to related parties.

Loans to/from related parties

There were no loans to or from related parties at the reporting date.

Terms and conditions

All transactions are made on normal commercial terms and conditions and at market rates.

10 Contingent assets and contingent liabilities

There were no contingent assets or liabilities as at 31 December 2023 (30 June 2023: Nil).

11 Events after the reporting date

On 8 March 2024, the Company held a General Meeting and all resolutions were passed.

No other significant events have arisen since 31 December 2023.

Directors' declaration

1. In the opinion of the directors of MRG Metals Limited:

   a the consolidated financial statements and notes of MRG Metals Limited are in accordance with the Corporations Act 2001, including

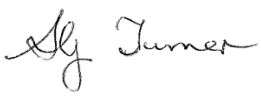
      i. giving a true and fair view of its financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

      ii. complying with Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated at Melbourne this 12th day of March 2024



Shane Turner
Director

William Buck
ACCOUNTANTS & ADVISORS

Independent auditor's review report to the members of MRG Metals Ltd

Report on the half-year financial report

Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of MRG Metals Ltd (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2023,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including a summary of material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

William Buck
ACCOUNTANTS & ADVISORS

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the half-year financial report, which indicates that the consolidated entity incurred a net loss after tax of $405,485, and had net cash outflows from operating and investing activities of $626,590 for the six months ended 31 December 2023. As at that date the consolidated entity had net current assets of $1,212,975. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibilities of the directors for the financial report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

J. C. Luckins
Director

Melbourne, 12th March 2024