



**AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT  
& MEDIA RELEASE**

11 March 2020

**HIGH GRADE HEAVY MINERAL SAND SUCCESS AT  
NHACUTSE TARGET**

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**Key Highlights**

- **AUGER DRILLING AT NHACUTSE TARGET CONFIRMS ANOTHER ZONE OF HIGH GRADE HEAVY MINERAL SAND (HMS) MINERALISATION.**
- **ESTIMATED TOTAL HEAVY MINERAL (THM) GRADES OF >5% INCLUDING:**
  - **19CSHA048 – 9M @ 6.40% THM (LABORATORY ASSAY FROM 2019 AUGER)**
  - **20CSHA296 – 12M @ 5.2% VIS EST THM**
  - **20CSHA288 – 12M @ 5.0% VIS EST THM**
  - **20CSHA281 – 12M @ 5.0% VIS EST THM**
- **CURRENT MINERALISED FOOTPRINT OF >4% THM ZONE IS APPROXIMATELY 3KM X 1KM AND STILL OPEN TO THE SOUTHWEST AND NORTHWEST.**
- **NHACUTSE REPRESENTS THIRD TARGET OUT OF THREE (OF 13 TARGETS) WHERE EXPLORATION BY MRG HAS SUCCESSFULLY IDENTIFIED HIGH CALIBRE AIRCORE DRILLING TARGETS.**

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## Nhacutse Hand Auger Drilling Update

Reconnaissance hand auger drilling at the Nhacutse target (Radiometric anomaly 6 – refer Announcement 4 June, 2019), designed to explore the radiometric anomaly and follow-up the high grade mineralisation previously defined in 2019 auger holes, has now been completed. The initial visual results of the wide-spaced drilling have provided more very encouraging high grade HMS mineralisation over the target. The majority (62%) of auger holes have uncut, average downhole visual estimated grades >4% THM and 57% of holes end in sample intervals with estimated THM grades of >4%.

This zone of HMS of >4% estimated THM has a current footprint of approximately 3km X 1km, with some areas still to be tested in the east and also the west of the Nhacutse target.

A total of 21 auger holes were drilled (Figure 1) with a best result of 5.2% average visual THM in hole 20CSHA296, drilled to 12m depth (Table 1). Hole 20CSHA296 had a maximum of 5.6% visual THM in the sample intervals 0.0-1.5m and 1.5-3.0m and ended in 4.7% visual THM in the 10.5m-12m interval. Hole 20CSHA288 is adjacent (500m northwest on the same drill line) to hole 20CSHA296 and is also significant, with an average visual grade of 5.0% THM from surface to 12m and ended with 4.7% visual THM at the 10.5-12m interval.

A further significant hole was 20CSHA281 with an average downhole grade of 5.0% visual THM over 12m (Table 1) and maximum of 6.1% visual THM in the 3.0-4.5m interval. The final two sample intervals in this hole, 9.0-10.5m and 10.5-12.0m, comprised grades of 5.9% and 4.7% visual THM respectively.

A total of 20 of the 21 holes have >3.0% average visual estimated THM (Table 1), from hole depths ranging from 7.0m–12m.

Drillholes were spaced at either 500m or 1000m stations along drill lines 1000m apart. Samples were collected at 1.5m intervals downhole, with each sample interval panned to estimate a visual THM grade.

Hole depths range from 7.0m–12m deep, with an average depth of 11m (Table 1). A total of 163 samples, including QAQC samples, have been collected in the 21 holes.

***MRG Chairman, Mr Andrew Van Der Zwan, said “With the completion of the Koko Massava Mineral Resource Estimate (MRE) approaching it is pleasing that we can continue our exploration activities in parallel with our stated goal of looking to high grade additional resources from our remaining targets. We announced last week successful initial auger drilling at Poiombo. Nhacutse auger drilling has been equally successful again with grades of THM greater than 5% down to 12m.***

***As a result, a drill program will be formalized shortly, with priorities shaped by progress at Poiombo (due to start drilling shortly as previously announced), additional infill targets identified in the Koko Massava MRE and further auger drilling results at new targets as they are drilled. Our plan is to best use our drill funding on the highest priority opportunities so that the Koko Massava resource is added to with additional economic resources across our targets. We look forward to commencing the Autumn aircore drill program at Poiombo in the coming weeks.”***

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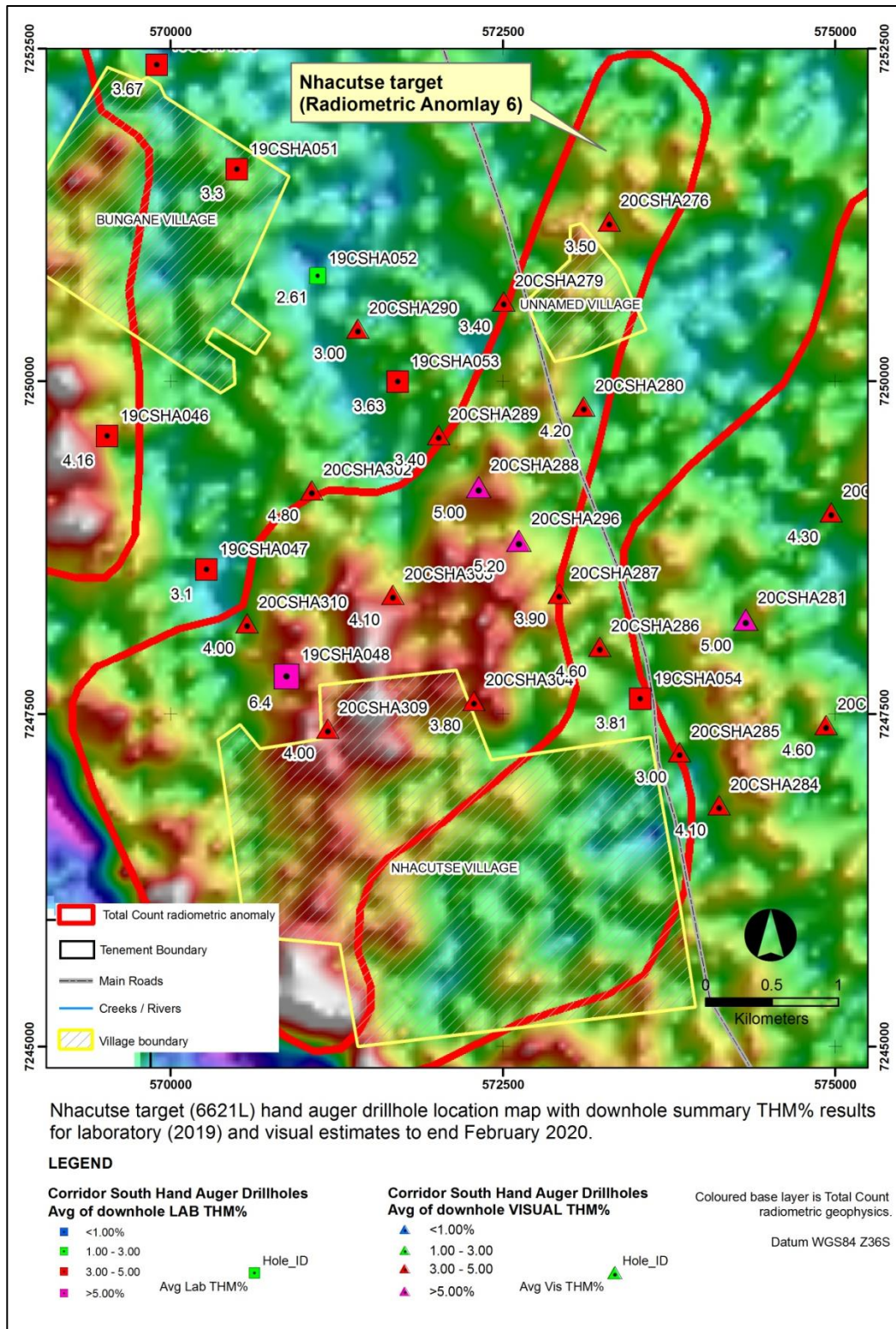


Figure 1: Location map of the Nhacutse target (Corridor South project 6621L) hand auger drillholes reported previously and in this update, showing summary laboratory and visual estimated data for THM grades.

Table 1: Summary collar and visual estimated % THM data for the hand auger drill programme (to end of February, 2020) at the Nhacutse target on the Corridor South project (6621L).

HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	EOH (M)	ELEV'N (M)	DRILL TYPE	DOWNHOLE AVG % VIS EST THM	MIN OF % VIS EST THM	MAX OF % VIS EST THM
20CSHA273	575565	7248222	10.5	74	HAND AUGER	4.0	3.2	4.4
20CSHA274	574966	7249015	12.0	70	HAND AUGER	4.3	3.5	4.9
20CSHA275	577159	7249434	10.5	54	HAND AUGER	2.9	2.5	3.5
20CSHA276	573294	7251199	10.5	61	HAND AUGER	3.5	3.0	3.7
20CSHA279	572500	7250598	10.5	71	HAND AUGER	3.4	2.7	3.9
20CSHA280	573104	7249810	12.0	94	HAND AUGER	4.2	3.6	5.0
20CSHA281	574320	7248208	12.0	82	HAND AUGER	5.0	4.2	6.1
20CSHA282	574927	7247416	12.0	76	HAND AUGER	4.6	3.6	5.5
20CSHA284	574121	7246813	12.0	75	HAND AUGER	4.1	3.5	5.2
20CSHA285	573825	7247211	10.5	65	HAND AUGER	3.0	2.1	3.8
20CSHA286	573223	7248004	12.0	91	HAND AUGER	4.6	3.8	5.2
20CSHA287	572919	7248402	10.5	90	HAND AUGER	3.9	3.4	4.3
20CSHA288	572311	7249205	12.0	78	HAND AUGER	5.0	4.6	5.5
20CSHA289	572011	7249594	10.5	71	HAND AUGER	3.4	2.3	4.5
20CSHA290	571403	7250394	10.5	69	HAND AUGER	3.0	2.6	3.4
20CSHA296	572614	7248801	12.0	76	HAND AUGER	5.2	4.7	5.6
20CSHA302	571057	7249179	7.0	79	HAND AUGER	4.8	4.0	5.5
20CSHA303	571668	7248394	10.5	75	HAND AUGER	4.1	3.6	4.6
20CSHA304	572277	7247599	12.0	69	HAND AUGER	3.8	3.5	4.2
20CSHA309	571177	7247389	10.5	92	HAND AUGER	4.0	3.7	4.3
20CSHA310	570570	7248181	10.5	83	HAND AUGER	4.0	3.4	4.2

Note: VIS EST= visual estimated; All data averages are grade weighted and uncut from surface. Dip for all holes if -90° and azimuth is 360°.

### Competent Persons' Statement

The information in this report, as it relates to Mozambique Exploration Results is based on information compiled and/or reviewed by Dr Mark Alvin, who is a member of The Australasian Institute of Mining and Metallurgy. Dr Alvin is an 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". Dr Alvin 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:  
Mr Andrew Van Der Zwan  
Chairman  
MRG Metals Ltd

# Appendix 1

## JORC Code, 2012 Edition – Table 1

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>A sample of sand, approximately 20g, was scooped from the sample bag of each sample interval for wet panning and visual estimation.</li> <li>The same sample mass is used for every pan sample visual estimation.</li> <li>The consistent sized pan sample is to ensure visual calibration is maintained for consistency in percentage visual estimation of total heavy mineral (THM).</li> <li>Geotagged photographs are taken of each panned sample with the corresponding sample bag to enable easy reference at a later date</li> <li>The larger 1.5m interval auger drill samples were homogenized prior to being grab sampled for panning.</li> <li>The large 1.5m drill samples have an average of about 4kg and were split down in Mozambique to approximately 300-600g by riffle splitter for export to the Primary processing laboratory.</li> <li>At the laboratory the 300-600g laboratory sample will be dried and split to 100g, de-slimed (removal of -45µm fraction) and oversize (+1mm fraction) removed, then subjected to heavy liquid separation using TBE to determine total heavy mineral (THM) content.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Hand Auger drilling is a manual hand operated system produced by Dormer Engineering in Australia.</li> <li>Drill rods and drill bits are 1m long.</li> <li>The auger is a 62mm open hole drilling technique.</li> <li>All holes have been drilled vertically.</li> <li>The drilling onsite is governed by a Hand Auger Drilling Guideline to ensure consistency in application of the method.</li> <li>A wooden surface collar is placed on the ground at the beginning of each hole to prevent widening of the collar and material falling into the hole.</li> </ul>
Drill sample	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries</li> </ul>	<ul style="list-style-type: none"> <li>Auger drilling is considered to be an early stage relatively</li> </ul>

Criteria	JORC Code explanation	Commentary
recovery	<p>and results assessed.</p> <ul style="list-style-type: none"> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<p>unsophisticated technique of drilling.</p> <ul style="list-style-type: none"> <li>The auger drill used is an open hole method and recovery of sample extracted from the holes is measured by spring balance at the drill site.</li> <li>Samples are consistently collected at 1.5m intervals.</li> <li>No significant losses of auger sample were observed due to the shallow depths of drilling (&lt;12m).</li> <li>The initial 0 – 1.5m interval in each auger hole is drilled with care to maximize sample recovery.</li> <li>There is potential for contamination in open hole drilling techniques but sample bias is not likely due to the shallow drill hole depths.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>The 1.5m auger drill intervals were logged onto paper field log sheets prior to transcribing into a Microsoft Excel spreadsheet.</li> <li>The auger samples were logged for lithology, colour, grainsize, rounding, sorting, estimated %THM, estimated %slimes and any relevant comments, such as slope and vegetation.</li> <li>Geological logging is governed by a Hand Auger Drilling Guideline with predefined log codes and guidance of what to include in log fields to ensure consistency between individuals logging data.</li> <li>Data is backed-up each day at the field base to a cloud storage site.</li> <li>Data from the Microsoft Excel spreadsheets is imported into a Microsoft Access database and the data is subjected to numerous validation queries to ensure data quality.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>The 1.5m drill sample composites were homogenized at the drill site and then cone-and-quarter split onsite and inserted into clean calico sample bags with metal sample tag according to the Hand Auger Drilling Guideline.</li> <li>At the field base, the samples were homogenized within the calico bag by rotating it and then fed through a single tier riffle splitter that is placed on a hard surface and leveled, to reduce samples to 300-600g sub-samples for export to the Primary processing laboratory.</li> <li>The 300-600g sub-sample is deposited into a new labeled calico sample bag with metal sample tag and prepared to be sent to the Primary laboratory for analysis.</li> <li>Where samples were wet when sampled, they were dried in clean plastic basins prior to riffle splitting.</li> <li>All of the samples collected have been sand or silty-sand and the preparation techniques are considered appropriate for this sample type.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>The sample sizes were deemed suitable based on industry experience of the geologists involved and consultation with laboratory staff.</li> <li>Field duplicates of the samples were completed at a rate of 5%, or at a frequency of approximately 1 per 25 primary samples.</li> <li>A geologist supervises both the cone-and-quarter and riffle sample splitting processes.</li> </ul>
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>The wet panning of samples provides an estimate of the %THM content within the sample which was sufficient for the purpose of determining approximate concentrations of THM.</li> <li>The field derived visual panned THM estimates are compared to a range of laboratory derived THM images of pan concentrates. This allows the field geologists to calibrate the field panned visual estimated THM with known laboratory measured THM grades.</li> </ul> <p><b>Laboratory Analysis Methodology</b></p> <ul style="list-style-type: none"> <li>The individual 300-600g auger sub-samples will be sent to Western GeoLabs in Perth, Western Australia, which is considered the Primary laboratory.</li> <li>The 300-600g auger samples will be first oven dried, disaggregated to break up any clay balls, and riffle split to 100g sub-samples. They will then wetted and attritioned and screened for removal and determination of Slimes (-45µm) and Oversize (+1mm) contents.</li> <li>The +45µm-1mm sample fraction will be then analysed for THM% content by heavy liquid separation (HLS).</li> <li>The laboratory uses TBE as the heavy liquid medium for HLS – with density 2.95 g/ml, measured daily.</li> <li>This is an industry standard technique for HLS to determine THM in HMS exploration.</li> <li>Field duplicates of the auger samples were collected at a frequency of 1 per 25 primary samples and are submitted ‘blind’ to the Primary laboratory with the field sample batch.</li> <li>Western GeoLabs completes its own internal QA/QC checks that include laboratory repeats every 10th sample prior to the results being released.</li> <li>Analysis of the Company and laboratory QA/QC samples show the laboratory data to be of acceptable accuracy and precision.</li> <li>The adopted QA/QC protocols are acceptable for this stage test work.</li> </ul>
<p>Verification of</p>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or</i></li> </ul>	<ul style="list-style-type: none"> <li>Selected visual estimated THM field data are checked by the Chief</li> </ul>



Criteria	JORC Code explanation	Commentary
<p>sampling and assaying</p>	<p><i>alternative company personnel.</i></p> <ul style="list-style-type: none"> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<p>Geologist.</p> <ul style="list-style-type: none"> <li>Significant visual estimated THM &gt;5% are verified by the Chief Geologist. This is done either in the field or via field photographs of the pan sample.</li> <li>The Chief Geologist makes regular visits to the field drill sites to check on process and procedure.</li> <li>No twinned holes have been completed due to the early nature of the auger drilling technique.</li> <li>The field data has been manually transcribed into a master Microsoft Excel spreadsheet which is appropriate for this early stage in the exploration program. Data is then imported into a Microsoft Access database where it is subjected to various validation queries.</li> <li>Test work has not yet been undertaken at a Secondary laboratory to check the veracity of the Primary laboratory data. This work is planned as part of the Company's standard QA/QC procedure.</li> <li>A process of laboratory data validation using mass balance is undertaken to identify entry errors or questionable data.</li> <li>Field and laboratory duplicate data pairs (THM/oversize/slime) of each batch are plotted to identify potential quality control issues.</li> </ul>
<p>Location of data points</p>	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>Downhole surveys for shallow auger holes are not required due to the very shallow nature.</li> <li>A handheld 16 channel Garmin GPS was used to record the positions of the auger holes in the field.</li> <li>The handheld Garmin GPS has an accuracy of +/- 5m.</li> <li>The datum used for coordinates is WGS84 zone 36S.</li> <li>The accuracy of the drillhole locations is sufficient for this early stage exploration.</li> </ul>
<p>Data spacing and distribution</p>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>Auger holes were typically drilled at 500m between hole stations and 1000m between drill lines for reconnaissance drilling.</li> <li>The reconnaissance auger hole spacing was systematic and hole locations were designed to test for extensions to known heavy mineral sand mineralisation.</li> <li>The data has not been used for resource estimation.</li> </ul>
<p>Orientation of data in relation to geological</p>	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li><i>If the relationship between the drilling orientation and the orientation</i></li> </ul>	<ul style="list-style-type: none"> <li>The auger drilling was placed as perpendicular as possible on lines cutting geophysical anomalies obtained from an airborne survey undertaken by the Company during April 2019.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>structure</i>	<i>of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	
<i>Sample security</i>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Auger samples remain in the custody of Company representatives until they are transported to Maputo for final packaging and securing.</li> <li>• The Company uses a commercial shipping company, Deugro, to ship samples from Mozambique to Perth.</li> <li>• The Company dispatches these hand auger samples to Western GeoLabs in Perth for heavy liquid separation analysis.</li> <li>• Western GeoLabs is a dedicated and specialist heavy sand analysis laboratory.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Internal data and procedure reviews are undertaken.</li> <li>• No external audits or reviews have been undertaken.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The exploration work was completed on the Corridor South tenement (6621L) which is 100% owned by the Company through its 100% ownership of its subsidiary, Sofala Mining &amp; Exploration Limitada, in Mozambique.</li> <li>All granted tenements have initial 5 year terms, renewable for 3 years. An application for renewal of tenement 6621L was submitted in 23 September 2019 and is under review.</li> <li>Traditional landowners and village Chiefs within the areas of influence were consulted prior to the auger programme and were supportive of the programme.</li> <li>An Environment Management Plan was prepared by an independent consultant and submitted to the Provincial Directorate of Lands, Environment and Rural Development in accordance with Mining Law and Regulations. An Environmental License has been obtained by the Company.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Historic exploration work was completed by Corridor Sands Limitada, a subsidiary of Southern Mining Corporation and subsequently Western Mining Corporation, in 1999. BHP-Billiton acquired Western Mining Corporation and undertook a Bankable Feasibility Study of the Corridor Deposit 1 about 15km north of the Company's tenements.</li> <li>The Company has obtained digital data in relation to this historic information.</li> <li>The historic data comprises limited Aircore/Reverse Circulation drilling.</li> <li>The historic results are not reportable under JORC 2012.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>Two types of heavy mineral sand mineralisation styles are possible along coastal Mozambique:               <ol style="list-style-type: none"> <li>Thin but high grade strandlines which may be related to marine or fluvial influences, and</li> <li>Large but lower grade deposits related to windblown sands.</li> </ol> </li> <li>The coastline of Mozambique is well known for massive dunal systems such as those developed near Inhambane (Rio Tinto's Mutamba deposit), near Xai Xai (Rio Tinto's Chilubane deposit) and in Nampula Province (Kenmare's Moma deposit). Buried strandlines</li> </ul>

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		are likely in areas where palaeoshorelines can be defined along coastal zones.																																																												
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:               <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Summary drill hole information is presented within Table 1 of the main body of text of this announcement.</li> </ul>																																																												
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>No cut-offs were used in the downhole averaging of results.</li> <li>An example of the data averaging is shown below.</li> </ul> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>HOLE_ID</th> <th>FROM</th> <th>TO</th> <th>PCT VIS THM</th> <th>Average visTHM</th> <th>Average visTHM</th> </tr> </thead> <tbody> <tr><td>19CCAC104</td><td>0.0</td><td>3.0</td><td>6.0</td><td rowspan="13" style="text-align: center; vertical-align: middle;">37.5m @ 4.9%</td><td rowspan="13" style="text-align: center; vertical-align: middle;">27m @ 6.3%</td></tr> <tr><td>19CCAC104</td><td>3.0</td><td>6.0</td><td>6.0</td></tr> <tr><td>19CCAC104</td><td>6.0</td><td>9.0</td><td>6.0</td></tr> <tr><td>19CCAC104</td><td>9.0</td><td>12.0</td><td>8.0</td></tr> <tr><td>19CCAC104</td><td>12.0</td><td>15.0</td><td>6.2</td></tr> <tr><td>19CCAC104</td><td>15.0</td><td>18.0</td><td>6.6</td></tr> <tr><td>19CCAC104</td><td>18.0</td><td>21.0</td><td>5.5</td></tr> <tr><td>19CCAC104</td><td>21.0</td><td>24.0</td><td>8.0</td></tr> <tr><td>19CCAC104</td><td>24.0</td><td>27.0</td><td>4.0</td></tr> <tr><td>19CCAC104</td><td>27.0</td><td>30.0</td><td>2.5</td></tr> <tr><td>19CCAC104</td><td>30.0</td><td>33.0</td><td>2.0</td></tr> <tr><td>19CCAC104</td><td>33.0</td><td>36.0</td><td>1.7</td></tr> <tr><td>19CCAC104</td><td>36.0</td><td>37.5</td><td>1.5</td></tr> </tbody> </table>	HOLE_ID	FROM	TO	PCT VIS THM	Average visTHM	Average visTHM	19CCAC104	0.0	3.0	6.0	37.5m @ 4.9%	27m @ 6.3%	19CCAC104	3.0	6.0	6.0	19CCAC104	6.0	9.0	6.0	19CCAC104	9.0	12.0	8.0	19CCAC104	12.0	15.0	6.2	19CCAC104	15.0	18.0	6.6	19CCAC104	18.0	21.0	5.5	19CCAC104	21.0	24.0	8.0	19CCAC104	24.0	27.0	4.0	19CCAC104	27.0	30.0	2.5	19CCAC104	30.0	33.0	2.0	19CCAC104	33.0	36.0	1.7	19CCAC104	36.0	37.5	1.5
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<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>Auger holes are thought to represent close to true thicknesses of the mineralisation.</li> <li>Downhole widths are reported.</li> </ul>																																																												
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being</li> </ul>	<ul style="list-style-type: none"> <li>Figures are displayed in the main text body.</li> </ul>																																																												

Criteria	JORC Code explanation	Commentary
	<i>reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>A summary of the laboratory data is presented in Table 1 of the main part of the announcement, comprising downhole averages, together with maximum and minimum estimated THM values in each hole. Slime and oversize statistics are also presented.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>No other material exploration information has been gathered by the Company.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Further work will include additional auger drilling and sampling, infill auger sampling and heavy liquid separation analysis.</li> <li>High quality targets generated from reconnaissance work are planned to be drilled with aircore techniques.</li> <li>Additional mineral assemblage and ilmenite mineral chemistry analyses will also be undertaken on suitable composite HM samples to determine valuable heavy mineral components.</li> <li>As the project advances, TiO<sub>2</sub> and contaminant test work analyses will also be undertaken.</li> </ul>