

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE

3 July 2020

NEW AUGER LABORATORY RESULTS CONFIRM HIGH GRADE HEAVY MINERAL SAND MINERALISATION AT NHACUTSE AND BUNGANE, CORRIDOR SOUTH PROJECT, MOZAMBIQUE

Key Highlights

- **NEW HAND AUGER LABORATORY RESULTS CONFIRM EXTENSIVE HIGH GRADE MINERALISATION AT NHACUTSE, PREVIOUSLY DEFINED BY VISUAL ESTIMATES.**
- **RESULTS INDICATE THE NHACUTSE TARGET HAS A CENTRAL HIGH GRADE CORE WITH >5% TOTAL HEAVY MINERAL (THM) UP TO 2.5KM X 1.5KM (REFER FIGURE 1 HATCHED AREA).**
- **HIGHEST GRADE LABORATORY ASSAY TO DATE FROM ANY AUGER HOLE IN MRG'S CORRIDOR PROJECTS RETURNED FROM BUNGANE TARGET (12M @ 7.82% THM).**
- **11 OF 50 AUGER HOLES ASSAYED IN THIS BATCH HAVE AVERAGE UNCUT DOWNHOLE GRADES >5% THM.**
- **16 OF 50 HOLES ENDED WITH THE BOTTOM OF HOLE SAMPLE (12 M DEPTH) ASSAYING >5% THM, INCLUDING THE EXCEPTIONAL HOLE AT BUNGANE, >7% THM.**
- **SIGNIFICANT RESULTS FROM NHACUTSE - BUNGANE AUGER ASSAY DATA INCLUDE:**
 - **12M @ 7.82% THM (HOLE 20CSHA312) FROM SURFACE & ENDED IN 7.79% THM**
 - **12M @ 5.98% THM (HOLE 20CSHA288) FROM SURFACE & ENDED IN 6.38% THM**
 - **12M @ 5.67% THM (HOLE 20CSHA347) FROM SURFACE & ENDED IN 5.99% THM**
 - **10.5M @ 5.60% THM (HOLE 20CSHA309) FROM SURFACE & ENDED IN 5.54% THM**
- **AUGER DRILLING WILL CONTINUE TESTING THE REMAINDER OF OUTSTANDING DISTRICT ANOMALIES (REFER ASX ANNOUNCEMENT 12 MAY 2020) WITH AIRCORE DRILLING TO FOLLOW.**

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Corridor South Project Auger Drilling Update

MRG Metals (ASX Code:MRQ) is pleased to provide significant laboratory assay results from auger drilling on the Nhacutse and Bungane targets within the Corridor South tenement (6621L). This new auger data set for Nhacutse and Bungane confirms the previous visual estimate data and moreover, further underpins the significant potential for definition of a new high grade heavy mineral sand (HMS) resource at Nhacutse.

The laboratory results are for a batch of 377 samples (including QAQC samples) from a total of 50 auger holes, comprising 540m of drilling (Figure 1).

Overall, the laboratory results show all 50 of the holes attained an uncut average downhole grade >3% THM, with 32 of the 50 holes having an uncut average downhole grade of >4% THM and 11 holes with >5% THM. There are 16 holes that end in $\geq 5\%$ THM and there are 7 holes that were collared at surface with grade $\geq 5\%$ THM.

These laboratory results confirm there is a new high grade HMS mineralised zone emerging at Nhacutse that remains open in all directions at >4% THM, with a significant higher-grade core >5% THM. The visual estimated THM% grades reported previously (refer ASX announcement 9 April 2020) noted the footprint of HMS mineralisation at Nhacutse is about 3km x 1.9km with a long axis northeast-southwest. The new laboratory results support this previous interpretation, but more importantly define a 2.5km x 1.5km core of >5% average downhole THM (Figure 1).

At the Bungane target, laboratory results confirm the highest grade auger hole there was collared at surface in >7% THM. This very high grade zone at Bungane is limited in surface area, but is surrounded by auger holes with grades that are typically 3.5–4.5% THM.

MRG Chairman, Mr Andrew Van Der Zwan, said **“At Nhacutse/Bungane our targeted auger drilling has generated at least one new aircore drill target to test the potential for very high grade >5%THM resource from surface to augment Koko Massava in a mine start-up scenario. The target zone of 4 sqkm delivers another significant follow up target of potential multi year mine production (already representing circa 100mt) with surface grades suitable for mill feed with the possibility of continued high grades below (refer recent Poiombo aircore assay results ASX announcements 18 and 19 June 2020).**

Through our rapid and cost-effective auger exploration of the Corridor Central and Corridor South tenements, we have now identified multiple very high grade aircore drilling targets from assay results that continue to confirm our strong visual estimates.

We are delighted to be putting ourselves in the position of having such a portfolio of aircore drill targets with potential to achieve our stated goal of augmenting the impressive Koko Massava mineral resource with high grade, early mine life potential feed.

All such targets that are identified will be prioritised at completion of the auger drilling, including comparable targets recently identified within Koko Massava and from recent aircore drilling success at Poiombo, with a view to an Aircore program later this year to help us know if there is an even higher grade start-up resource to develop in the Corridor projects before Koko Massava. We continue to gain momentum towards this objective with the ongoing exploration success we are enjoying in the Corridor mineral province.”

Nhacutse Target Auger Sample Laboratory Results

The auger drilling data reported here forms part of a program of broad-spaced holes at 250m to 500m stations on traverses 500m to 1000m apart and designed to test geophysical anomalies.

The best hole returned within this new laboratory batch for Nhacutse target is 20CSHA288, which is located in north-central part of the target and returned 12m @ 5.98% THM (from 0.0–12m). This hole ended in 6.38% THM (10.5m–12.0m) which was also the maximum individual grade from the hole (Table 1; Figure 1). Slime values related to hole 20CSHA288 are moderate, with a range of 11.72%–24.23% and an average of 18.58%.

The next best result is from hole 20CSHA347, located about 700m south of hole 20CSHA288 (Figure 1), comprising 12m @ 5.67% THM uncut from surface to 12m. The hole was collared (0.0–1.5m) in 5.3% THM and ended at the 10.5–12m interval with a grade of 5.99% THM. Slime for this hole has an average of 19.35%.

Also, significant in the new data for Nhacutse is hole 20CSHA309, located at the southwest end of the high grade zone. The hole comprises an uncut downhole average of 5.60% THM, from 0.0–10.5m (Table 1; Figure 1). Hole 20CSHA309 has a peak grade of 6.28% THM in the sample interval 7.5–9.0m and ended at 10.5m in 5.54% THM. Slime values have a range 12.45%–25.20%, with an average of 20.59%.

The oversize fraction characteristics of the auger sample batch reported here for the Nhacutse target have a range from 0.24%–1.54%, with a low average of 0.70%.

In terms of visual results versus laboratory results for the downhole THM grade averages, the range of absolute variance is 0.04%–1.60% THM. The average visual grade was over estimated in only 11 of the holes, with the over estimation only between 0.14%–1.09%. The average visual grade in the remainder of holes was typically under estimated by only <0.5% THM.

The consistency of high grade auger holes with >5% THM downhole average, large footprint of the HMS mineralisation and near surface nature of the mineralisation suggest the Nhacutse target could yield another significant HMS discovery for the Company at the Corridor projects.

Additional auger sample results from the remainder of holes in the Nhacutse target, particularly on the east side, will be reported as soon as the sample batch is available and data has been validated and interpreted.

Composite samples for mineral assemblage characterisation by Qemscan analysis for the Nhacutse target are currently being prepared, and will be reported when available.

Bungane Target Auger Sample Laboratory Results

The Bungane target contains the highest grade auger hole for this sample batch and the highest average grade auger hole drilled to date by the Company on the Corridor projects. Hole 20CSHA312 comprises 12m @ 7.8% THM (Table 1). This hole was collared at surface in 7.66% THM and had a peak grade of 8.11% THM in the interval 9.0–10.5m. The sample interval 4.5–6.0m also contained an excellent result of 8.02% THM. The hole ended in 7.79% THM from 10.5–12m (Table 2). Slimes values for this high grade hole are relatively low, with a range of 11.82%–17.47% and average of 14.87%, which is an encouraging result.

Hole 20CSHA312 correlates directly with the north end of a discrete high intensity thorium anomaly 1.3km X 0.5km (refer ASX announcement 9 April 2020). Hole 20CSHA330 was drilled at the south end of this same anomaly and yielded 10.5m @ 3.79% THM, which suggests the very high grade mineralisation noted in hole 20CSHA312 may be relatively localized or may not have been intersected in the south due to the hole being collared a higher elevation.

The second most significant hole, 20CSHA298, at Bungane is located at the north end of the broader target area and includes a laboratory result of 10.5m @ 4.99% THM. This hole had a peak grade of 5.63% THM in the final sample interval of 9.0–10.5m. Slime levels are slightly higher in this hole than is typical for the Corridor area, with a range of 15.99%–31.58% and average of 24.43%.

A comparison of visual results versus laboratory results for the downhole THM grade averages, shows the range of absolute variance is 0.12%–0.92% THM. The average visual grade was typically over estimated, however as noted the variance was <1% THM.

While the results for Bungane target show a relatively localized high grade zone, given the near-surface nature, very high grades, and consistency of the grade downhole (all samples >7% THM from surface), this area warrants further follow-up drilling.

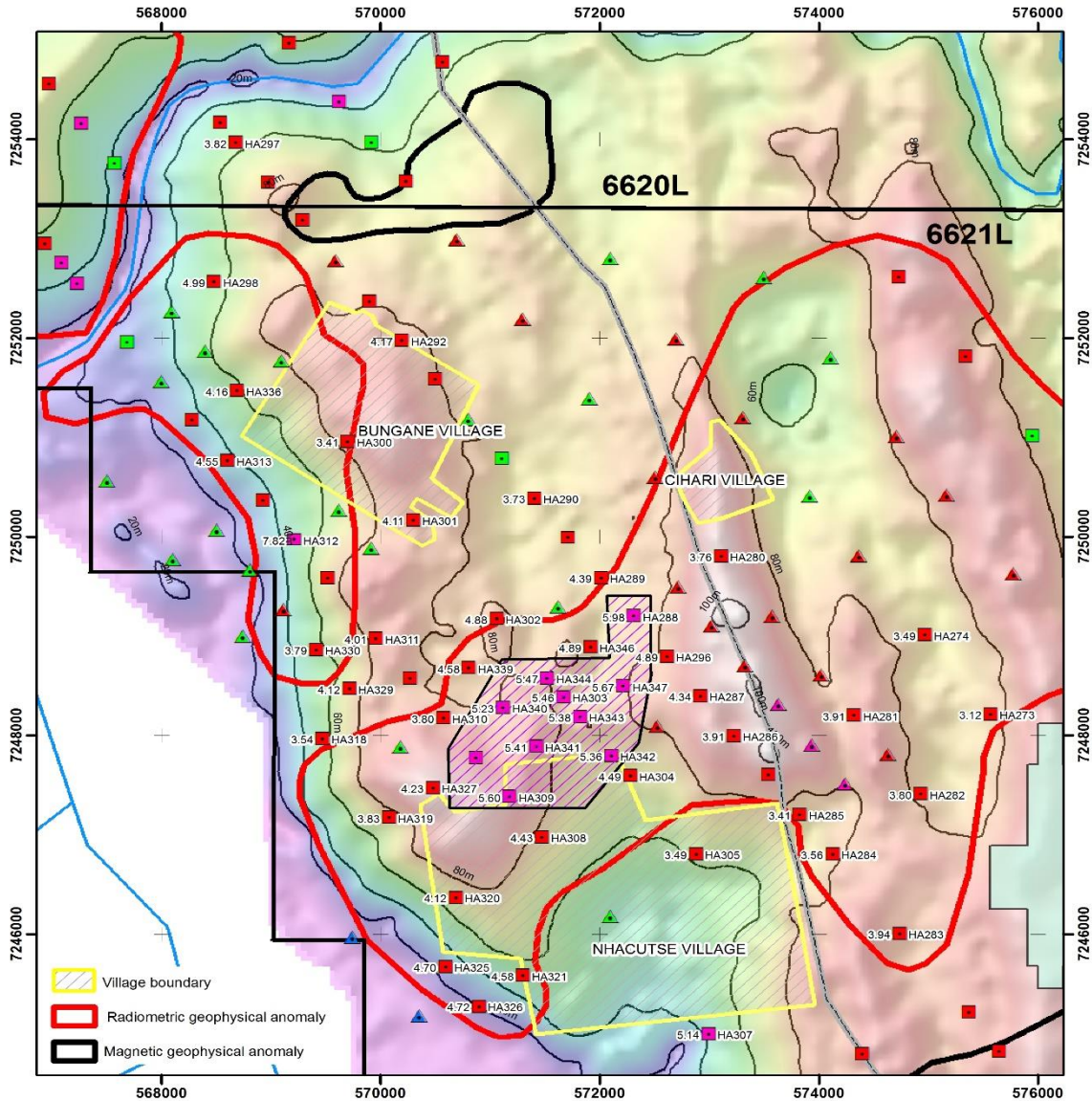
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Auger Drilling Details

Auger holes were selected for laboratory analysis by filtering average downhole visual estimated THM%, with only samples from those holes attaining $\geq 3\%$ average visual THM being selected for laboratory analysis.

Auger samples were sent to Western GeoLabs in Perth for heavy liquid separation analysis. Samples were initially oven dried and disaggregated if required by hand, weighed and then split to approximately 100g sub-samples. The sub-sample was wetted and attritioned to ensure further breakdown of any clay aggregates and then de-slimes at $45\mu\text{m}$ to measure Slime percent. The sub-sample was then screened at +1mm to remove and measure Oversize percent. The + $45\mu\text{m}$ -1mm fraction was then subjected to heavy liquid separation (HLS) with tetrabromoethane (TBE) at specific gravity of 2.95. The settling time for HLS was 45 minutes with several stirs of the liquid to ensure adequate heavy mineral 'drop'.

In terms of QAQC, field duplicate samples are prepared at a frequency of 1 per 25 primary samples and submitted 'blind' to the laboratory. A Standard Reference Material (SRM) sample was inserted into the field sample batch at a frequency of 1 per 50 primary samples. At the laboratory, additional duplicates are routinely prepared at a frequency of 1 per 10 primary samples.



Corridor South project auger drillhole location map with downhole summary THM% results for the Nhacutse and Bungane targets.

**Hand Auger Drillholes
Avg of downhole LAB THM%**

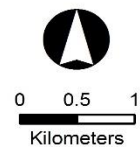
- <1.00%
- 1.00 - 3.00
- 3.00 - 5.00
- >5.00%

Avg Lab THM% ■ Hole_ID

**Hand Auger Drillholes
Avg of downhole VISUAL THM%**

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

- ▨ High grade zone >5% THM
- ▭ Poiombo airstrip
- ▭ Tenement Boundary
- Main Roads
- Creeks / Rivers



Coloured base layer is Digital Terrain Model.
Datum WGS84 Z36S

Figure 1: Location map of hand auger holes in the Nhacutse and Bungane target areas showing summary laboratory data for THM grades. Hole numbers have been shortened for presentation, but are all prefixed by "20CS".

Table 1: Summary laboratory sample data returned for auger drilling in the Nhacutse and Bungane target areas. Visual field estimate data (VIS THM%) are included to demonstrate relative correlation with laboratory data.

HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	EOH (M)	ELEV'N (M)	DIP	AZI	AVG HOLE VIS THM%	AVG HOLE THM%	MAX HOLE THM%	MIN HOLE THM%	AVG HOLE SLIME%	AVG HOLE O/S%
20CSHA273	575565	7248222	10.50	74	-90	360	4.0	3.12	3.45	2.73	10.44	1.22
20CSHA274	574966	7249015	12.00	70	-90	360	4.3	3.49	3.71	3.12	13.37	0.87
20CSHA280	573104	7249810	12.00	94	-90	360	4.2	3.76	4.07	3.41	10.73	1.04
20CSHA281	574320	7248208	12.00	82	-90	360	5.0	3.91	4.19	3.55	14.65	0.88
20CSHA282	574927	7247416	12.00	76	-90	360	4.6	3.80	3.99	3.39	15.93	1.00
20CSHA283	574734	7246012	12.00	73	-90	360	3.8	3.94	4.18	3.66	16.25	0.53
20CSHA284	574121	7246813	12.00	75	-90	360	4.1	3.56	3.83	3.30	11.35	0.91
20CSHA285	573825	7247211	10.50	65	-90	360	3.0	3.41	3.82	2.81	11.10	0.86
20CSHA286	573223	7248004	12.00	91	-90	360	4.6	3.91	4.21	3.49	18.69	0.76
20CSHA287	572919	7248402	10.50	90	-90	360	3.9	4.34	4.54	3.93	17.45	0.60
20CSHA288	572311	7249205	12.00	78	-90	360	5.0	5.98	6.38	5.40	18.58	0.43
20CSHA289	572011	7249594	10.50	71	-90	360	3.4	4.39	4.74	3.81	16.00	0.66
20CSHA290	571403	7250394	10.5	69	-90	360	3.0	3.73	4.02	3.34	13.74	0.91
20CSHA292	570196	7251980	10.5	76	-90	360	3.5	4.17	4.43	3.79	17.78	0.55
20CSHA294	578106	7243235	10.5	78	-90	360	3.5	3.36	3.64	3.05	14.32	0.68
20CSHA295	578426	7242847	10	80	-90	360	4.7	4.49	4.73	3.96	12.68	0.97
20CSHA296	572614	7248801	12	76	-90	360	5.2	4.89	5.34	4.26	17.74	0.46
20CSHA297	568679	7253968	10.5	51	-90	360	3.7	3.82	5.58	3.34	16.82	0.41
20CSHA298	568481	7252568	10.5	47	-90	360	4.3	4.99	5.63	4.27	24.43	0.84
20CSHA300	569700	7250967	4.5	82	-90	360	3.1	3.41	3.51	3.25	13.12	0.95
20CSHA301	570297	7250175	10.5	83	-90	360	3.7	4.11	4.38	3.73	16.28	0.52
20CSHA302	571057	7249179	7	79	-90	360	4.8	4.88	5.10	4.71	14.99	0.49
20CSHA303	571668	7248394	10.5	75	-90	360	4.1	5.46	5.73	4.79	19.71	0.44
20CSHA304	572277	7247599	12	69	-90	360	3.8	4.49	5.10	3.73	18.01	0.74
20CSHA305	572876	7246812	10.5	55	-90	360	3.2	3.49	3.76	3.01	10.83	1.11
20CSHA307	572991	7245003	10.5	37	-90	360	4.2	5.14	5.46	4.43	14.35	0.45
20CSHA308	571472	7246983	10.5	74	-90	360	4.1	4.43	4.85	3.99	17.43	0.88
20CSHA309	571177	7247389	10.5	92	-90	360	4.0	5.60	6.28	5.14	20.59	0.44
20CSHA310	570570	7248181	10.5	83	-90	360	4.0	3.80	4.21	3.14	14.16	0.76
20CSHA311	569960	7248982	10.5	76	-90	360	3.8	4.01	4.44	3.66	15.7	0.87
20CSHA312	569211	7249976	12	39	-90	360	7.2	7.82	8.11	7.42	14.87	0.56
20CSHA313	568602	7250772	10.5	37	-90	360	3.6	4.55	5.50	4.13	12.35	0.74
20CSHA318	569471	7247976	10.5	57	-90	360	3.5	3.54	3.86	3.27	11.36	0.82
20CSHA319	570077	7247178	10.5	67	-90	360	3.7	3.83	4.20	3.46	15.49	0.53
20CSHA320	570687	7246377	10.5	69	-90	360	3.7	4.12	4.37	3.76	14.1	0.87

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HOLE ID	UTM EAST WGS84	UTM NORTH WGS84	EOH (M)	ELEV'N (M)	DIP	AZI	AVG HOLE VIS THM%	AVG HOLE THM%	MAX HOLE THM%	MIN HOLE THM%	AVG HOLE SLIME%	AVG HOLE O/S%
20CSHA321	571297	7245590	12	49	-90	360	4.0	4.58	4.94	4.15	16.56	0.72
20CSHA325	570589	7245680	10.5	25	-90	360	4.1	4.70	5.10	4.15	22.17	0.69
20CSHA326	570894	7245282	10	11	-90	360	4.4	4.72	6.16	3.92	15.28	0.85
20CSHA327	570475	7247481	10.5	94	-90	360	3.7	4.23	4.53	3.91	14.56	0.31
20CSHA329	569715	7248475	10.5	69	-90	360	3.2	4.12	4.50	3.59	15.33	0.6
20CSHA330	569412	7248869	10.5	51	-90	360	3.1	3.79	4.10	3.57	13.09	0.9
20CSHA336	568692	7251474	10.5	49	-90	360	3.4	4.16	4.64	3.58	13.85	0.99
20CSHA339	570807	7248682	10.5	67	-90	360	4.0	4.58	4.89	4.04	16.58	0.48
20CSHA340	571118	7248287	12	77	-90	360	4.6	5.23	5.56	4.9	18.88	0.6
20CSHA341	571419	7247891	12	74	-90	360	4.3	5.41	5.72	4.95	22.49	0.52
20CSHA342	572104	7247803	10.5	73	-90	360	4.0	5.36	5.65	4.61	19.29	0.82
20CSHA343	571818	7248194	12	73	-90	360	4.8	5.38	5.74	4.7	19.25	0.49
20CSHA344	571520	7248581	10.5	75	-90	360	4.9	5.47	5.98	5.04	15.62	0.32
20CSHA346	571913	7248896	12	68	-90	360	4.8	4.89	5.22	4.41	16.11	0.58
20CSHA347	572216	7248500	12	59	-90	360	5.1	5.67	5.99	5.3	19.35	0.51

Note: VIS = visual estimated; O/S = Oversize (+1mm); All data averages are grade weighted and uncut and from surface.

Table 2: Detailed laboratory sample data for significant auger drillhole 20CSHA312 at the Bungane target.

HOLE ID	SAMPLE NUMBER	FROM (M)	TO (M)	THM%	SLIME%	O/S%	SAMPLE TYPE	SAMPLE CATEGORY
20CSHA312	2031201	0.0	1.5	7.66	11.82	0.48	HAND AUGER	PRIMARY
20CSHA312	2031202	1.5	3.0	7.72	15.36	0.50	HAND AUGER	PRIMARY
20CSHA312	2031203	3.0	4.5	7.99	13.85	0.51	HAND AUGER	PRIMARY
20CSHA312	2031204	4.5	6.0	8.02	13.05	0.61	HAND AUGER	PRIMARY
20CSHA312	2031205	6.0	7.5	7.42	17.47	0.60	HAND AUGER	PRIMARY
20CSHA312	2031206	7.5	9.0	7.83	16.65	0.63	HAND AUGER	PRIMARY
20CSHA312	2031207	9.0	10.5	8.11	15.59	0.51	HAND AUGER	PRIMARY
20CSHA312	2031208	10.5	12.0	7.79	15.15	0.64	HAND AUGER	PRIMARY

Note: O/S = Oversize (+1mm).

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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.

Authorised by the Board of MRG Metals Ltd

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Appendix 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. 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. 	<ul style="list-style-type: none"> A sample of sand, approximately 20g, was scooped from the sample bag of each sample interval for wet panning and visual estimation. The same sample mass is used for every pan sample visual estimation. The consistent sized pan sample is to ensure visual calibration is maintained for consistency in percentage visual estimation of total heavy mineral (THM). Geotagged photographs are taken of each panned sample with the corresponding sample bag to enable easy reference at a later date The larger 1.5m interval auger drill samples were homogenized prior to being grab sampled for panning. 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. At the laboratory the 300-600g laboratory sample was 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.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Hand Auger drilling is a manual hand operated system produced by Dormer Engineering in Australia. Drill rods and drill bits are 1m long. The auger is a 62mm open hole drilling technique. All holes have been drilled vertically. The drilling onsite is governed by a Hand Auger Drilling Guideline to ensure consistency in application of the method. 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.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure 	<ul style="list-style-type: none"> Auger drilling is considered to be an early stage relatively unsophisticated technique of drilling. The auger drill used is an open hole method and recovery of sample

Criteria	JORC Code explanation	Commentary
	<p><i>representative nature of the samples.</i></p> <ul style="list-style-type: none"> • <i>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.</i> 	<p>extracted from the holes is measured by spring balance at the drill site.</p> <ul style="list-style-type: none"> • Samples are consistently collected at 1.5m intervals. • No significant losses of auger sample were observed due to the shallow depths of drilling (<12m). • The initial 0–1.5m interval in each auger hole is drilled with care to maximize sample recovery. • There is potential for contamination in open hole drilling techniques but sample bias is not likely due to the shallow drill hole depths.
Logging	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • The 1.5m auger drill intervals were logged onto paper field log sheets prior to transcribing into a Microsoft Excel spreadsheet. • The auger samples were logged for lithology, colour, grainsize, rounding, sorting, estimated %THM, estimated %slimes and any relevant comments, such as slope and vegetation. • 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. • Data is backed-up each day at the field base to a cloud storage site. • 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.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • 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. • 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. • 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. • Where samples were wet when sampled, they were dried in clean plastic basins prior to riffle splitting. • All of the samples collected have been sand or silty-sand and the preparation techniques are considered appropriate for this sample type. • The sample sizes were deemed suitable based on industry experience of the geologists involved and consultation with laboratory

Criteria	JORC Code explanation	Commentary
		<p>staff.</p> <ul style="list-style-type: none"> Field duplicates of the samples were completed at a rate of 5%, or at a frequency of approximately 1 per 25 primary samples. Standard Reference Material (SRM) samples are inserted into the sample stream in the field at a frequency of 1 per 50 samples. Employees undertaking the primary sampling and splitting are closely monitored by a geologist to ensure sampling quality is maintained.
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <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> <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> 	<ul style="list-style-type: none"> 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. 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. <p>Laboratory Analysis Methodology</p> <ul style="list-style-type: none"> The individual 300-600g auger sub-samples were sent to Western GeoLabs in Perth, Western Australia, which is considered the Primary laboratory. The 300-600g auger samples were first oven dried, disaggregated to break up any clay balls, and riffle split to 100g sub-samples. They were then wetted and attritioned and screened for removal and determination of Slimes (-45µm) and Oversize (+1mm) contents. The +45µm-1mm sample fraction was then analysed for THM% content by heavy liquid separation (HLS). The laboratory used TBE as the heavy liquid medium for HLS – with density 2.95 g/ml, measured daily. This is an industry standard technique for HLS to determine THM in HMS exploration. Field duplicates of the auger samples were collected at a frequency of 1 per 25 primary samples and submitted 'blind' to the Primary laboratory with the field sample batch. Western GeoLabs completed its own internal QA/QC checks that included laboratory repeats every 10th sample prior to the results being released. Analysis of the Company and laboratory QA/QC samples show the laboratory data to be of acceptable accuracy and precision. The adopted QA/QC protocols are acceptable for this stage test work.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • Selected visual estimated THM field data are checked by the Chief Geologist. • Significant visual estimated THM >5% are verified by the Chief Geologist. This is done either in the field or via field photographs of the pan sample. • The Chief Geologist makes regular visits to the field drill sites to check on process and procedure. • No twinned holes have been completed due to the early nature of the auger drilling technique. • 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. • 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. • A process of laboratory data validation using mass balance is undertaken to identify entry errors or questionable data. • Field and laboratory duplicate data pairs (THM/oversize/slime) of each batch are plotted to identify potential quality control issues.
Location of data points	<ul style="list-style-type: none"> • 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. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Downhole surveys for shallow auger holes are not required due to the very shallow nature. • A handheld 16 channel Garmin GPS was used to record the positions of the auger holes in the field. • The handheld Garmin GPS has an accuracy of +/- 5m. • The datum used for coordinates is WGS84 zone 36S. • The accuracy of the drillhole locations is sufficient for this early stage exploration.
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • 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. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Auger holes were typically drilled at 250m, 500m and 1000m between hole stations and 500m between station lines for reconnaissance drilling. • The reconnaissance auger hole spacing was systematic and hole locations were designed to test for heavy mineral sand mineralisation related to geophysical anomalism. • The data has not been used for resource estimation.
Orientation of data in	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering 	<ul style="list-style-type: none"> • The auger drilling was placed as perpendicular as possible on lines cutting the geophysical anomalies obtained from an airborne survey

Criteria	JORC Code explanation	Commentary
<i>relation to geological structure</i>	<p><i>the deposit type.</i></p> <ul style="list-style-type: none"> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<p>undertaken by the Company during April 2019.</p>
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Auger samples remain in the custody of Company representatives until they are transported to Maputo for final packaging and securing. The Company uses a commercial shipping company, Deugro or DHL, to ship samples from Mozambique to Perth. The Company dispatched these hand auger samples to Western GeoLabs in Perth for heavy liquid separation analysis. Western GeoLabs is a dedicated and specialist heavy sand analysis laboratory.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> Internal data and procedure reviews are undertaken. No external audits or reviews have been undertaken.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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 & Exploration Limitada, in Mozambique. • 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. Additional supporting information was requested by the Ministry of Mineral Resources on 14 April 2020 and this was submitted by the Company on 29 April, 2020. • Traditional landowners and village Chiefs within the areas of influence were consulted prior to the auger programme and were supportive of the programme. • 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. • Representatives from the Provincial Directorate of Mineral Resources and Directorate of Lands, Environment and Rural Development, and District Planning and Infrastructure Departments are also part of the consent and consultation process.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • 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. • The Company has obtained digital data in relation to this historic information. • The historic data comprises limited Aircore/Reverse Circulation drilling. • The historic results are not reportable under JORC 2012.
<i>Geology</i>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • Two types of heavy mineral sand mineralisation styles are possible along coastal Mozambique:

Criteria	JORC Code explanation	Commentary																																																												
		<ol style="list-style-type: none"> Thin but high grade strandlines which may be related to marine or fluvial influences, and Large but lower grade deposits related to windblown sands. <ul style="list-style-type: none"> 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 are likely in areas where palaeoshorelines can be defined along coastal zones. 																																																												
Drill hole Information	<ul style="list-style-type: none"> 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"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. 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. 	<ul style="list-style-type: none"> Summary drill hole information is presented within Table 1 of the main body of text of this announcement. 																																																												
Data aggregation methods	<ul style="list-style-type: none"> 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. 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. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No cut-offs were used in the downhole averaging of results. The visual estimated THM% averaging is grade-weighted. An example of the data averaging is shown below. <table border="1" data-bbox="1429 1034 1937 1388"> <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="14">37.5m @ 4.9%</td><td rowspan="14">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"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i> 	<ul style="list-style-type: none"> • Auger holes are thought to represent close to true thicknesses of the mineralisation. • Downhole widths are reported.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Figures are displayed in the main text.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • 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.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • No other material exploration information has been gathered by the Company.
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Further work will include additional auger drilling and sampling, infill auger sampling and heavy liquid separation analysis. • High quality targets generated from reconnaissance work are planned to be drilled with aircore techniques. • Mineral assemblage analyses by QEMSCAN will be undertaken on suitable composite HM samples to determine valuable heavy mineral components. • Metallurgical test work is underway on a bulk sample from the Koko Massava deposit on tenement 6620L. This work will determine product suite, product quality and product yields.