

ASX ANNOUNCEMENT

16 February 2021

EXPRESSION OF INTEREST SUBMITTED TO AFRICAN RENAISSANCE PIPELINE PROJECT

MRG Metals Limited (“**MRG**” or “**the Company**”) (ASX Code: MRQ) is pleased to advise that following its recent status update in relation to the proposed African Renaissance Pipeline Project (“**ARP**”), the Company has formally submitted its expression of interest to utilise the ARP for the supply of natural gas feedstock to the MRG assets via pipeline and grid source electricity for its power and heat conversion needs, for its Heavy Sands mining operations in Gaza Province, Mozambique.

The ARP looks to address the lack of pipeline infrastructure to deliver natural gas to consumers within Mozambique, South Africa and neighbouring countries in the Southern Africa Development Community. The ARP will also feed several other major industrial and infrastructure investments, including the Chongoene Deep-water Seaport, associated railway, eco-industrial and a clean energy park project, which are being developed in the coming years, as part of the Chongoene Development Corridor Project (“**CDC**”). (See ASX Announcement 6 August 2020)

MRG is encouraged by the progress African Renaissance Pipeline Limitada (“**ARPL**”) (ARP Project Company and Developer) is making and notes the significance of this project to its heavy mineral sands assets, given that access to adequate and reliable energy supply is often a hurdle many junior exploration companies hit on their growth and development path to becoming major miners.

MRG Metals Chairman, Mr Andrew Van Der Zwan said: “We are thrilled to have submitted our formal Expression of Interest to ARPL for the supply of natural gas feedstock and grid source electricity for our Mozambican projects. Projects like ARP and the Chongoene Development Corridor Project (CDC) are key for the development of Mozambique as the development and installation of massive infrastructure like these can significantly propel the economy.

We are very excited that these projects will facilitate the specific infrastructure we at MRG require to develop our Heavy Minerals Sands assets into production. Of great importance is they provide the opportunity for significant cost reductions on gas / electricity / transport and wharf costs which will likely translate to the lowest quartile costs for MRG.

Whilst at this stage direct investment into these projects is not required by MRG, we do not rule it out as we move to develop our World class HMS assets. Mine development economics may warrant it as we look to expand and accelerate our investment plans for Mozambique.”

Background

In November 2020, the Application for a Concession to Finance, Build and Operate the ARP was submitted to the Government of Mozambique by the Project Company and Developer, African Renaissance Pipeline Limitada ("ARPL").

The 42-inch, large-diameter, onshore pipeline will be approximately 2,600km in length with 2,175km running through 8 provinces in Mozambique and 425 km via 2 provinces in South Africa. It will have an annual capacity to transport 18 billion m³ of natural gas feedstock, which is equivalent to 13.2 million tons of LNG. (See Figure 1)

Currently it is proposed that the ARP will be constructed in three phases:

- Phase 1-1: from the Mozambique Basin to Maputo Province to commence in 2023 and scheduled for completion by 2025;
- Phase 1-2: from the Mozambique Basin to Rovuma to commence in 2023 and scheduled for completion by 2025; and
- Phase 2: construction of pipeline from Maputo Province to Springs, Gauteng Province, South Africa from 2024 to 2026.

Currently it is proposed that the CDC project will be constructed in three phases:

- Phase 1-1: A Greenfield, world class, 150Mtpa multipurpose deep-water seaport at Chongoene, (10km east of the Provincial Capital of Xai Xai) constructed to 10Mtpa capacity by 2025;
- Phase 1-2: 221km New Rail Link to CFM Line including 62km for Chibuto link, passing loops and yards by 2025; and
- Phase 2: increase Multipurpose Port to 100Mtpa – 2026 to 2032.

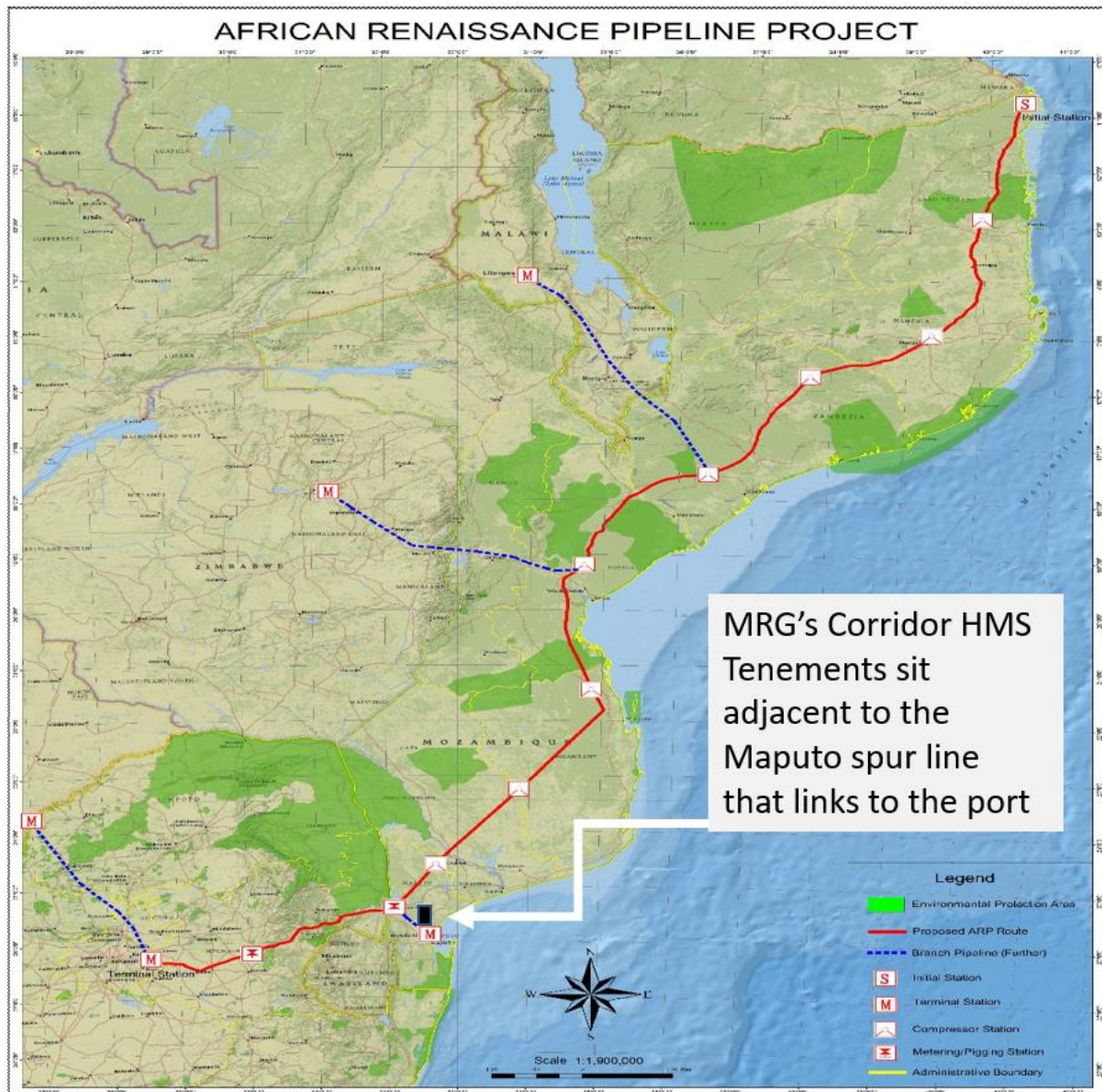


Figure 1. African Renaissance Pipeline Project showing location of MRG's Corridor HMS Projects

Authorised by the Board of MRG Metals Ltd.

For more Information please contact:

MRG Metals

Andrew Van Der Zwan

Chairman

M: +61 (0) 400 982 987

E: andrew@mrgmetals.com.au

Investor Relations

Victoria Humphries

NWR Communications

M: +61 (0) 431 151 676

E: victoria@nwrcommunications.com.au