

ASX ANNOUNCEMENT

6 October 2020

PHASE 2 AIRCORE DRILLING PROGRAM TO COMMENCE AT NHACUTSE PRIORITY TARGETS

Key Highlights

- Phase 2 aircore drilling to commence at Nhacutse mid October to follow up strong drilling results from the Phase 1 Nhacutse aircore drilling completed in September 2020
- Drilling to focus on two priority targets with 16 holes to be completed:
 - Priority 1 – A High Grade Strandline surface footprint of approximately 16 km². Drilling to follow up high Total Heavy Mineral (THM) grades from Phase 1 drilling with highlights including (refer ASX Announcement 21 September 2020):
 - 20CSAC543 – 36m @ 8.9% visual THM
 - 20CSAC544 – 36m @ 6.6% visual THM
 - 20CSAC545 – 30m @ 6.6% visual THM
 - Priority 2 – A Valuable Heavy Mineral (VHM) surface footprint of approximately 5 km². Follow up of earlier auger drilling, which identified highly encouraging mineral assemblage results including 68.29% Ilmenite+Leucoxene, 2.91% Zircon and 2.17% Rutile (refer ASX Announcement 31 July 2020).
- Both of the Phase 2 Nhacutse targets have the potential to meet or surpass MRG's current exploration prize of 100MT of higher value per tonne Resource than that contained at Koko Massava and as such, could represent a start-up to a future mining operation
- Auger and aircore drill holes are positioned to possibly allow for JORC Inferred Mineral Resource estimation to be considered should they be successful

MRG Metals Limited ("MRG" or "the Company") (ASX Code: MRQ) is pleased to announce that following the release of initial visual aircore results from the Company's Nhacutse Target located in the Corridor South Project in Mozambique (refer ASX Announcement 21 September 2020) that uncovered very high grade strandline style heavy mineral sand mineralisation, the Company is to commence a Phase 2 Nhacutse aircore drilling program in mid October.

The Company's drill contractor is currently carrying out the maiden aircore program at the Zulene-Viaria mineralised zone, which contains a combined footprint of approximately 17km² and once completed, the rig will move to commence the Phase 2 Nhacutse drilling.

Phase 2 Nhacutse drilling will focus on two priority targets for a total of 16 holes, with 12 holes to be completed at Priority 1 and 4 holes at Priority 2 (Figure 1).

MRG Metals Chairman, Mr Andrew Van Der Zwan said: *"As we are nearing the completion of the Company's maiden aircore drilling program across our Corridor South Project in Mozambique, we are thrilled to report from the review of initial results received that we have decided to proceed immediately with Phase 2 drilling at Nhacutse to follow up on the very high grade strandline mineralisation encountered in Phase 1.*

"We will also allocate some metres to building our knowledge of the zone of favourable mineral assemblage encountered by auger drilling in the east of Nhacutse. This is an unfolding story which, due to it not being possible to visually estimate the mineral assemblage in the field during drilling, will require Qemscan analysis of Phase 1 and Phase 2 drill samples before we commit further funds. We anticipate this Phase 2 drilling to commence mid-October and will update the market accordingly."

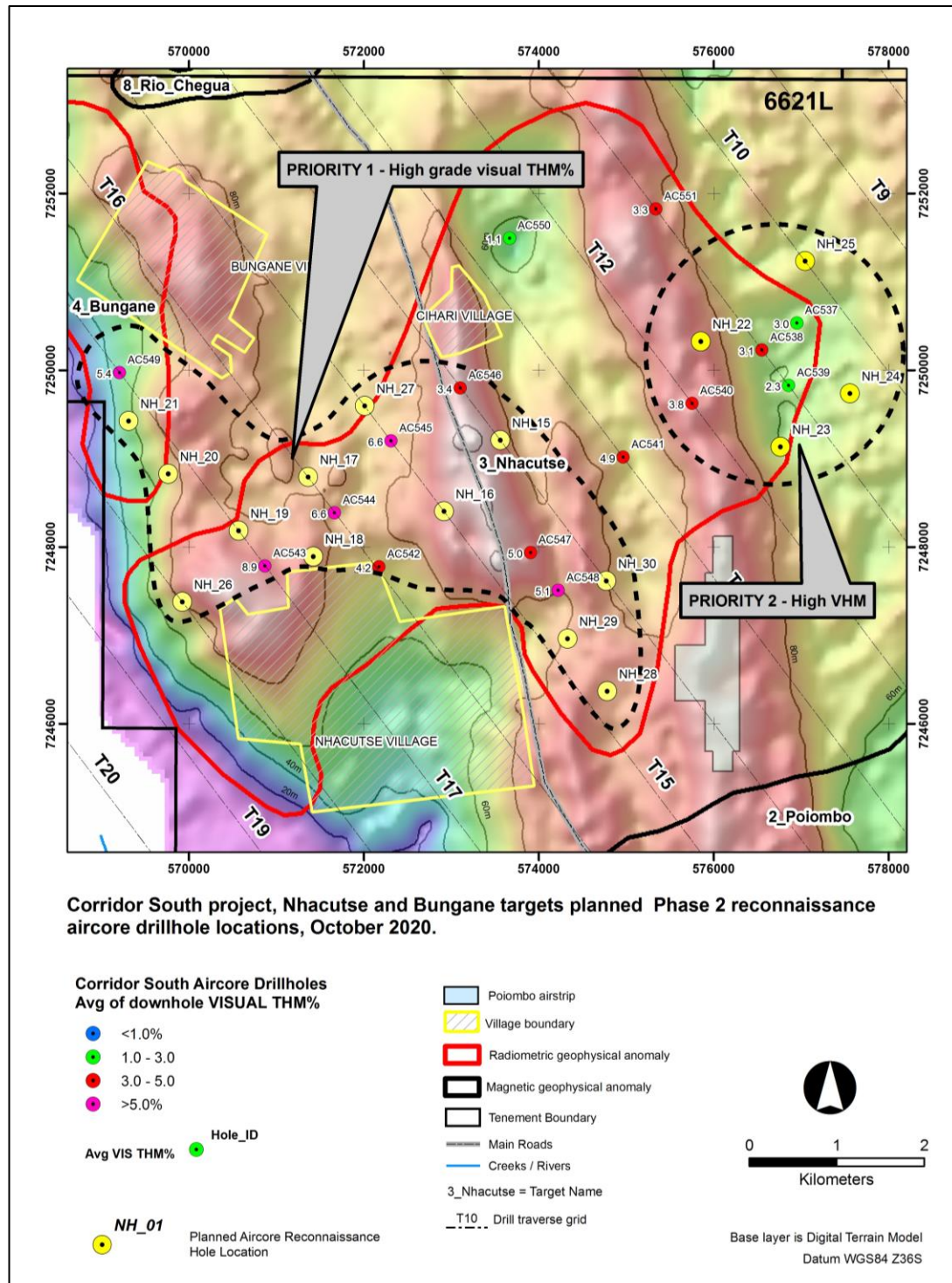


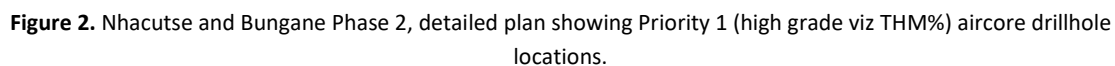
Figure 1. Nhacutse Phase 2 – Priority 1 & 2 Targets to test high THM strandline and high VHM targets.

Phase 2 Drilling Program

The Phase 2 drilling at Nhacutse/Bungane includes 12 aircore holes focussed on testing the extensions of previously reported visually estimated high grade holes that are interpreted to represent a strandline deposit. The combination of auger and aircore drill holes are positioned to allow for JORC Inferred Mineral Resource estimation to be considered should they be successful. The size of the potential mineralised footprint being tested is approximately 16 km² (Figure 2).

If successful, assuming an arbitrary depth of 12–20 metres, this represents possibly over 500MT of high grade mineralised sand being tested.

The Phase 2 program also includes 4 additional holes in the eastern part of Nhacutse. These holes are designed to gain a better understanding of the continuity of an emerging zone of high VHM interpreted from previous Qemscan analysis of samples from auger drilling to 12 metres. A successful test of this emerging zone will deliver a mineralised footprint of approximately 5 km² of exceptionally high value ilmenite assemblage that would in turn have the potential to deliver a high value per ton future resource, even at moderate to high THM grade (Figure 3).



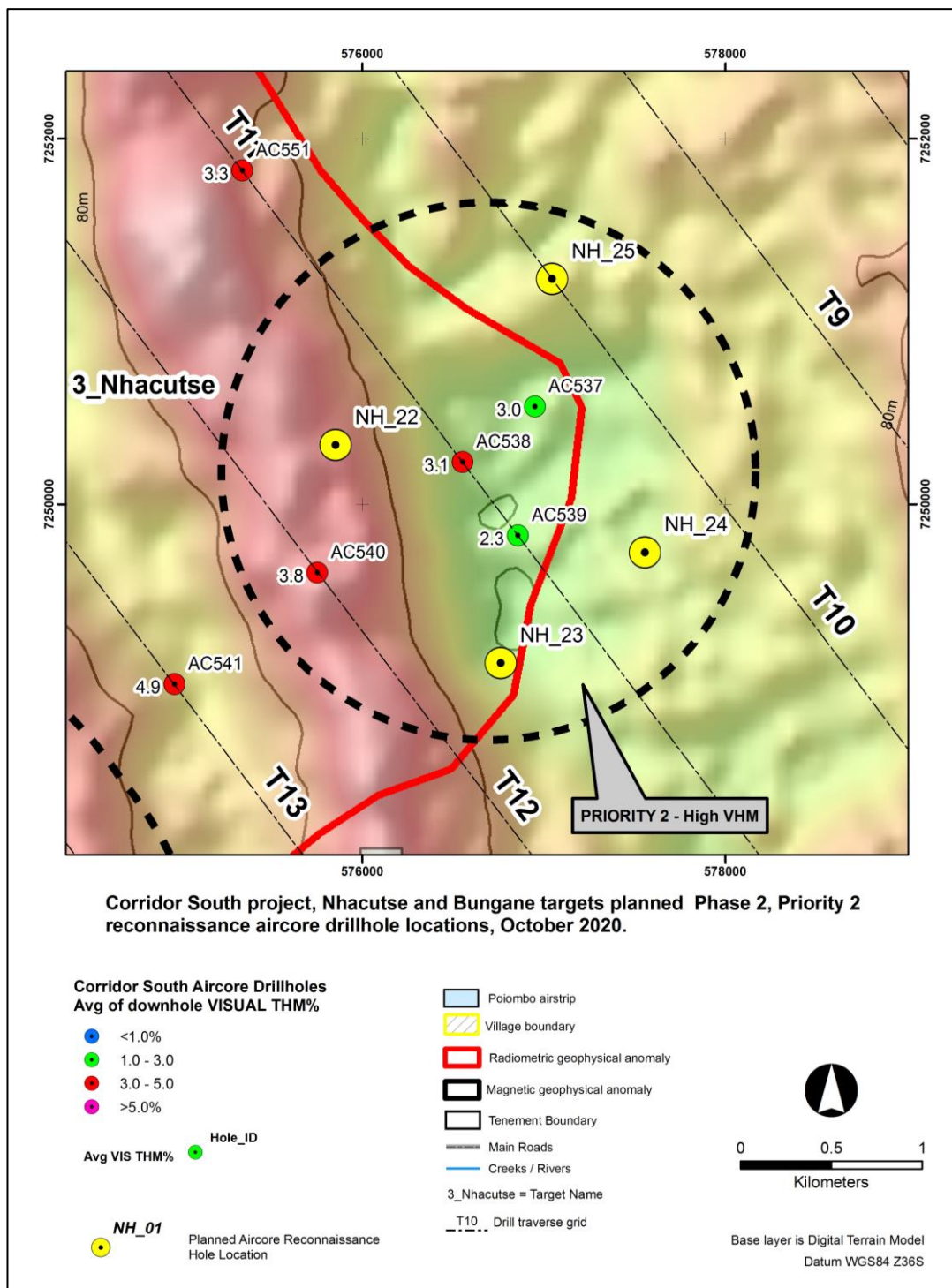


Figure 3. Nhacutse Phase 2, detailed plan showing Priority 2 (mineral assemblage) aircore drillhole locations.

Authorised by the Board of MRG Metals Ltd.

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