ASX ANNOUNCEMENT

9 October 2020

# POIOMBO PHASE 2 AIRCORE DRILLING FURTHER DEFINES ZONES OF HIGH GRADE HEAVY MINERAL SAND MINERALISATION

## Key Highlights

- **Phase 2 aircore drilling at Poiombo has expanded zones of high grade Heavy Mineral Sand (HMS) mineralisation.**
- **Aircore hole 20SCAC556 contains multiple consecutive 3m sample intervals with visually estimated grade ranging from 6.1% to 8.2% Total Heavy Mineral (THM).**
- **Significant program results to date include:**
  - **20CSAC556 – 30m @ 5.0% vis THM;**
  - **20CSHA562 – 30m @ 4.8% vis THM;**
  - **20CSHA559 – 30m @ 4.3% vis THM; and**
  - **20CSAC563 – 30m @ 4.3% vis THM.**
- **Consistency of high grade HMS mineralisation over significant thicknesses up to 30m, particularly in the southwest and central zones at Poiombo, adds further substantial value to the Company's Corridor Projects.**
- **Closer spaced aircore drilling is required to more closely define the very high grade HMS.**
- **3D geological modelling now underway to better understand mineralisation controls and guide further drill planning.**
- **Aircore drilling operations are continuing on the Corridor Projects, with the drill rig having been mobilised from Poiombo Target area to Zulene and Viaria Targets.**

**MRG Metals Chairman, Mr Andrew Van Der Zwan said:** *"It gives me great pleasure to report that the commencement of Phase 2 drilling in the Corridor South Project at the Poiombo Target has kicked off with a bang, with both known zones of heavy mineral sand mineralisation at the Target being expanded – one in the southwest and one in the central sectors. The fact that we are now witnessing consistencies of high grade HMS mineralisation over thicknesses up to 30m is a fantastic result and certainly adds value to our ever evolving and develpoing Corridor Projects."*

## Corridor South Project Aircore Drilling Update

MRG Metals Limited ("the **Company**" or "**MRQ**") (ASX code: MRQ) is pleased to announce the completion of Phase 2 reconnaissance aircore drilling at the Poiombo Target (Figure 1) located within the Company's Corridor South Project and provide an update on results for visually estimated field data. This new Phase 2 aircore data set has extended both zones of high grade heavy mineral sand (**HMS**) mineralisation at Poiombo; one located in the southwest end of the Target, adjacent to the Limpopo River valley; the other in the central region of the Target.

The Phase 2 Poiombo aircore program comprised 13 holes, with 8 holes located in the southwest zone and 5 holes in the central and eastern zones. Initial visual results of the total heavy mineral (**THM**) grades are significant, with 2 of the 13 holes at Poiombo intersecting grades >7% visual THM. Both of these aircore holes (20CSAC556, and '559) are located on the southwestern end of the target, adjacent to the two very high grade holes 20CSAC355 and 20CSAC356 (refer ASX Announcement 18 June and 19 June 2020) discovered in the Poiombo Phase 1 drill program.

### Poiombo Phase 2 Reconnaissance Aircore Visual Results

The aircore program was designed to follow up the excellent, high grade THM mineralisation discovered in the Phase 1 drilling in March 2020 (refer ASX Announcement 18 June 2020), with holes 20CSAC355 and 20CSAC356 yielding 36m @ 7.09% THM and 51m @ 5.40% THM, respectively. A total of 390m was drilled in the 13 holes (20CSAC552 to 20CSAC564) with the collection of 135 samples, including QA/QC samples. Hole depths had an average depth of 30m (Figure 2 and Table 1).

The most significant results were returned from hole 20CSAC556, with an average downhole result of 5.0% visual THM from surface, drilled to 30m depth (Figure 1 and Table 1). Hole 20CSAC543 was collared at surface (0-3m) in 3.8% visual THM and had a maximum of 8.2% visual THM in the final sample interval 27-30m. The adjacent sample intervals 21-24m and 24-27m are also high grade, comprising 7.0% and 6.1% visual THM, respectively.

This aircore hole 20CSAC556 is 250m along strike to the west of the previously drilled very significant Phase 1 reconnaissance aircore hole 20CSAC356 which returned 9m @ 8.42% THM from 30-39m (refer ASX Announcement 18 June 2020). The HMS mineralisation in both holes correlate with approximately the same elevation, between about 0-12m above sea level (Figure 3).

Hole 20CSAC557 was drilled in the southwest zone, approximately 250m along strike to the west of the previously drilled high grade hole 20CSAC355 and comprised visual grades ranging 4.5–4.9% THM in the 3 sample intervals to 9m depth (Figure 2). The visual estimated grades in hole 20CSAC557 were not as high as in 20CSAC355. However, the elevation of the highest grades in both holes do correlate between 8-22m above sea level.

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The second most significant hole overall in Phase 2 drilling is 20CSAC562; collared in the central zone, with 4.8% downhole average visual THM over 30m from surface, including 9m @ 6.0% visual THM from 12–21m (Figure 2 and Table 1). This hole was collared at surface in 4.0% visual THM, with a peak individual sample interval from 18-21m containing an estimated THM grade of >6.4%.

The highest individual grade from the Poiombo Phase 2 program was 9.2% visual THM, within hole 20CSAC559 from 21-24m depth and located in the southwestern zone. This hole yielded 30m @ 4.3% visual THM from surface to 30m, and ended in 4.2% visual THM from 27-30m.

The Phase 2 Poiombo aircore drilling has demonstrated continuity of high grade HMS mineralisation along the interpreted northeast-southwest strike. However, closer spaced more systematic drilling across strike (northwest-southeast) at 250m intervals will be needed to more closely define the strandline style mineralisation at the Poiombo Target.

The process of building a 3D model on the basis of lithological, THM grade and slime content domains has now begun, which will allow the Company to better understand the Poiombo geology and controls on HMS mineralisation.

**General**

Owing to the reconnaissance phase of this aircore drilling, where appropriate, holes were spaced variably at 500m stations along drill lines. The drill lines are oriented northwest-southeast and were spaced 250m, 500m, 1000m and 2000m apart (Figure 2) based on the previous Phase 1 results and correlation with geophysical anomalism.

Samples were collected at 3m intervals downhole, with each sample interval panned to estimate a visual THM% grade. It should be noted that visual estimation of THM in pan concentrates becomes increasingly difficult >5%, with the error margins between laboratory and estimates obviously increasing with higher grades. Significant effort is made to get estimated THM as accurate as possible.

Aircore drill samples are now being split in the field in preparation for transport to Maputo and export permit application. The reduction in international flights related to ongoing COVID-19 Pandemic has created some constraints on the efficiency and timeframes of exporting samples from Mozambique to Australia. Importantly, the export system is still working and samples are still being processed for permits and are being exported.

Additional aircore drilling is being planned, with the drill rig currently working at the Zulene and Viaria Targets. Laboratory results for Poiombo Phase 2 drill samples will be reported as soon as possible.

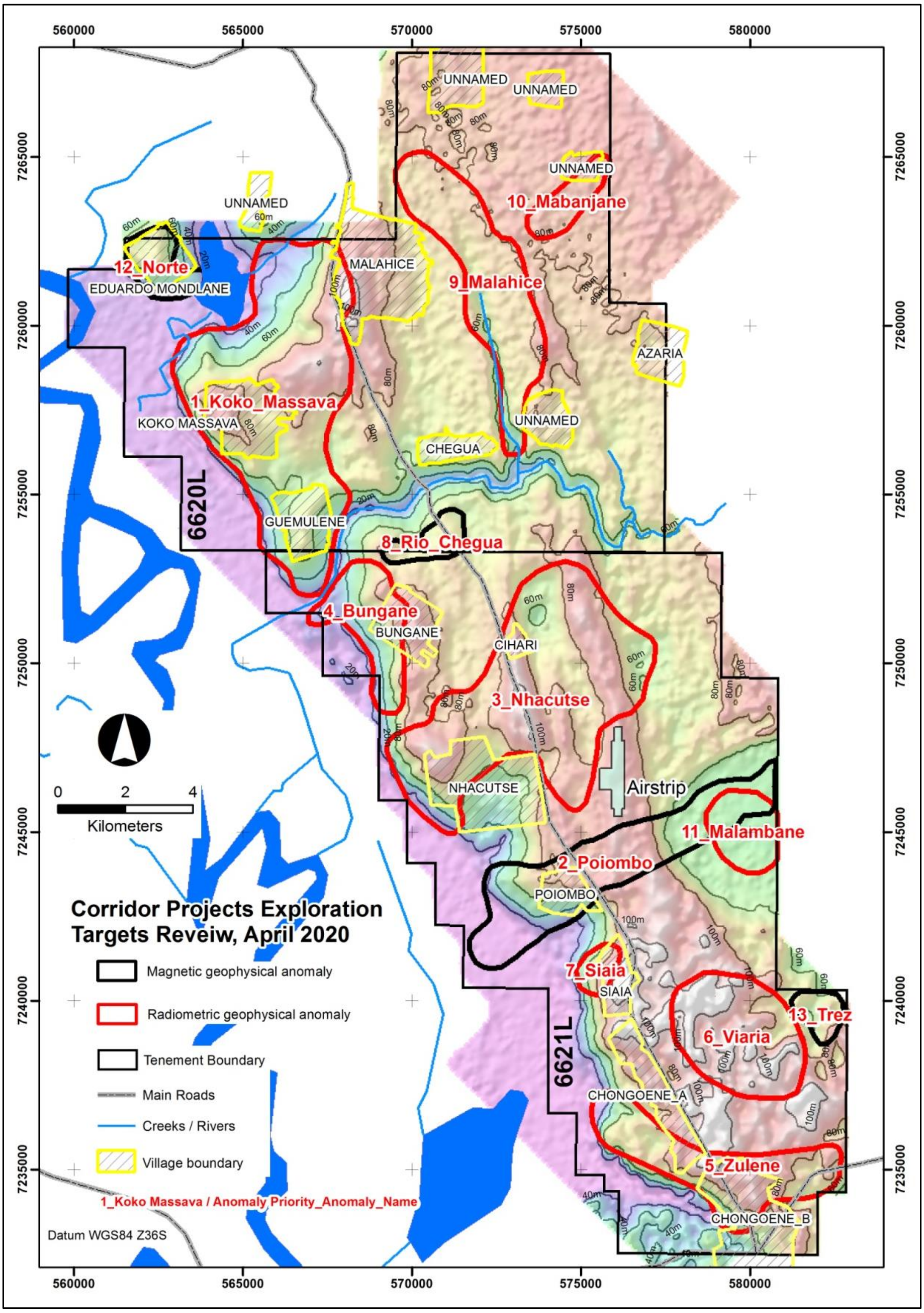


*Figure 1: Map of the Corridor Projects detailing the location of Poiombo Target.*

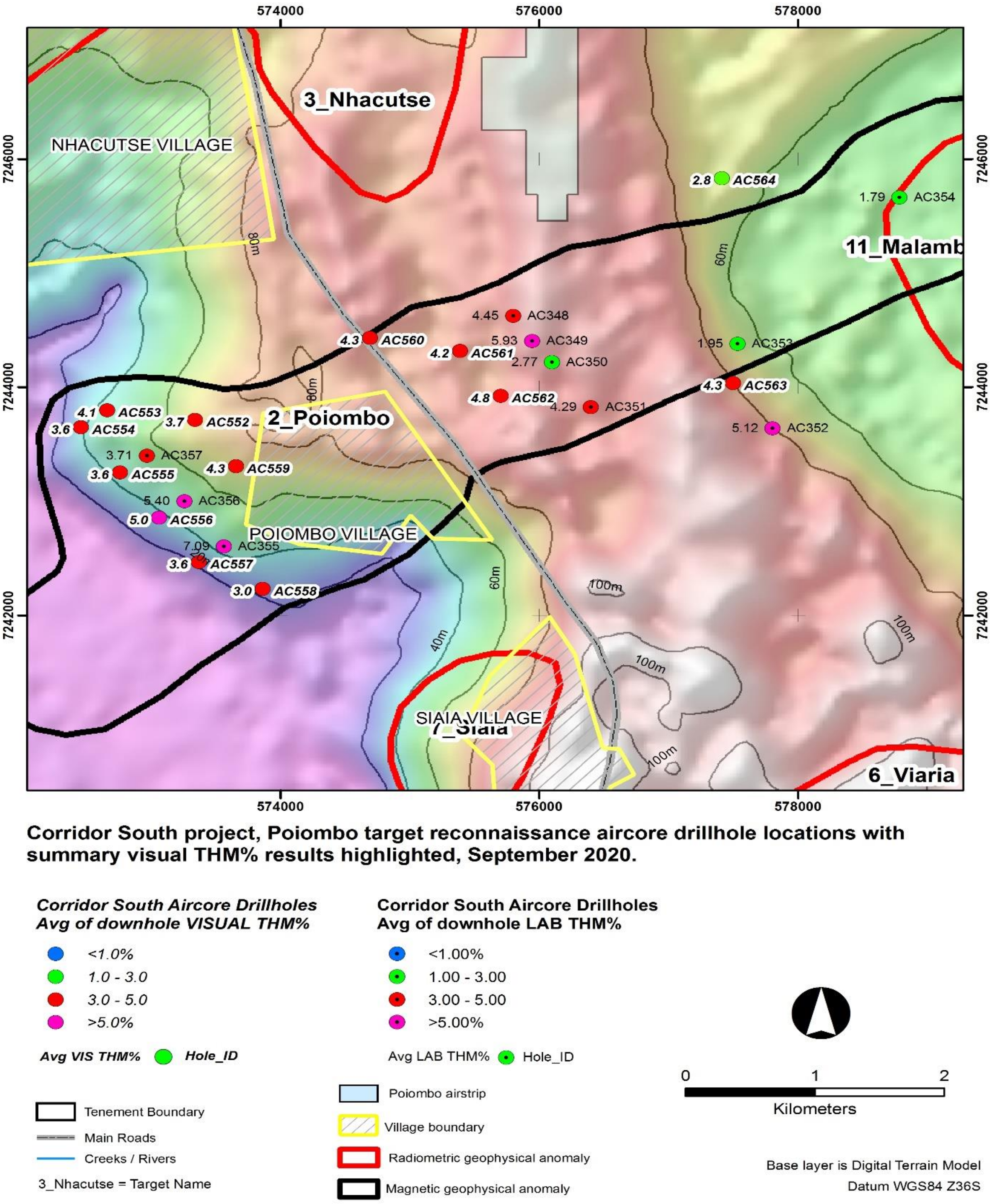


***Figure 2****: Location map of the Poiombo Target (Corridor South Project 6621L) aircore drillholes completed in September 2020, showing summary visual estimated data for THM% grades.*

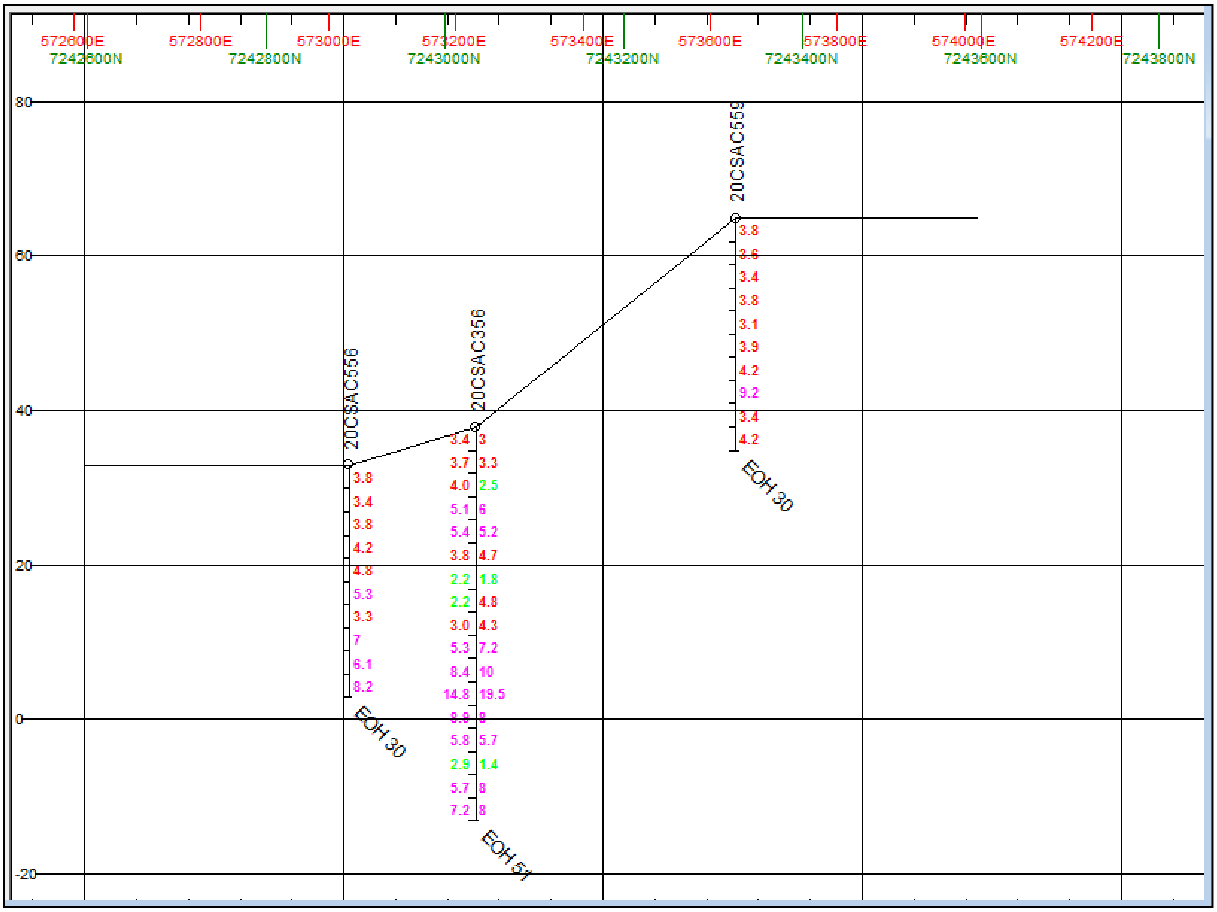


***Figure 3**: Simplified cross section through aircore holes 20CSAC556, '356 and '559 showing the correlation of high grade mineralisation at the same elevation (0-12m above sea level) between holes '556 and '356. Righthand post is visual THM% and lefthand post is laboratory THM%.*

***Table 1**: Summary collar and visual estimated THM% results for aircore drill data for the Poiombo target completed during September, 2020.*

| 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 |
|---|---|---|---|---|---|---|---|---|
| 20CSAC552 | 573339 | 7243713 | 30 | 64 | AIRCORE | 3.7 | 1.8 | 4.7 |
| 20CSAC553 | 572659 | 7243798 | 30 | 40 | AIRCORE | 4.1 | 1.2 | 5.5 |
| 20CSAC554 | 572457 | 7243649 | 30 | 34 | AIRCORE | 3.6 | 2.3 | 5.0 |
| 20CSAC555 | 572759 | 7243252 | 30 | 40 | AIRCORE | 3.6 | 1.5 | 4.8 |
| **20CSAC556** | **573060** | **7242855** | **30** | **33** | **AIRCORE** | **5.0** | **3.3** | **8.2** |
| 20CSAC557 | 573369 | 7242466 | 30 | 22 | AIRCORE | 3.6 | 1.5 | 4.9 |
| 20CSAC558 | 573862 | 7242231 | 30 | 20 | AIRCORE | 2.9 | 1.1 | 4.6 |
| **20CSAC559** | **573655** | **7243306** | **30** | **65** | **AIRCORE** | **4.3** | **3.1** | **9.2** |
| 20CSAC560 | 574692 | 7244433 | 30 | 80 | AIRCORE | 4.3 | 3.2 | 4.7 |
| 20CSAC561 | 575387 | 7244317 | 30 | 74 | AIRCORE | 4.2 | 2.6 | 6.5 |
| **20CSAC562** | **575702** | **7243925** | **30** | **77** | **AIRCORE** | **4.8** | **3.4** | **6.4** |
| 20CSAC563 | 577498 | 7244035 | 30 | 74 | AIRCORE | 4.3 | 3.5 | 4.9 |
| 20CSAC564 | 577411 | 7245833 | 30 | 71 | AIRCORE | 2.8 | 1.5 | 5.2 |

*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 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 in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | • *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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *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.* | • Aircore drilling was used to obtain samples at 3.0m intervals.<br>• The larger 3.0m interval aircore drill samples were homogenized by rotating the sample bag prior to being grab sampled for panning.<br>• A sample of sand, approximately 20g, was scooped from the sample bag of each sample interval for wet panning and visual estimation.<br>• The same sample mass is used for every pan sample visual estimation.<br>• The consistent sized pan sample is to ensure visual calibration is maintained for consistency in percentage visual estimation of total heavy mineral (THM).<br>• Images of pan concentrate samples with associated laboratory THM results are used in the field as comparisons to further refine visual estimation of THM.<br>• Geologists enter the laboratory THM results for each sample on field log sheets against the visual estimation of THM to refine and further calibrate field visual estimation of THM.<br>• Geotagged photographs are taken of each panned sample with the corresponding sample bag to enable easy reference at a later date.<br>• A sample ledger is kept at the drill rig for recording sample intervals and sample mass, and photographs are taken of samples for each hole to cross-reference with logging.<br>• The large 3.0m drill samples have an average of about 17kg and are being split down in Mozambique to approximately 300-600g using a three tier riffle splitter for export to the Primary processing laboratory. |
| *Drilling techniques* | • *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).* | • Reverse Circulation 'Aircore' drilling with inner tubes for sample return was used.<br>• Aircore drilling is considered a standard industry technique for heavy mineral sand (HMS) mineralization. Aircore drilling is a form of reverse circulation drilling where the sample is collected at the face and returned inside the inner tube. |

| Criteria | JORC Code explanation | Commentary |
| --- | --- | --- |
| | | • Aircore drill rods used were 3m long.<br>• Drill rods used were 76mm in diameter and NQ diameter (80mm) Harlsan aircore drill bits were used.<br>• All drill holes were drilled vertical.<br>• The drilling onsite is governed by an Aircore Drilling Guideline to ensure consistency in application of the method between geologists. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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.* | • Drill sample recovery is monitored by measuring and recording the total mass of each 3.0m sample at the drill rig with a standard spring balance.<br>• While initially collaring the hole, limited sample recovery can occur in the initial 0.0m to 3.0m sample interval owing to sample and air loss into the surrounding loose soil.<br>• The initial 0.0m to 3.0m sample interval is drilled very slowly in order to achieve optimum sample recovery.<br>• The entire 3.0m sample is collected at the drill rig in large numbered plastic bags for dispatch to the onsite initial split preparation facility.<br>• At the end of each drill rod, the drill string is cleaned by blowing down with air to remove any clay and silt potentially built up in the sample pipes and cyclone.<br>• The twin-tube aircore drilling technique is known to provide high quality samples from the face of the drill hole.<br>• Wet and moist samples are placed into large plastic basins to dry prior to splitting. |
| *Logging* | • *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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • The 3.0m aircore drill intervals are logged onto paper field log sheets at the drill site prior to transcribing into a Microsoft Excel spreadsheet at the field office.<br>• The aircore samples were logged for lithology, colour, grainsize, rounding, sorting, estimated %THM, estimated %slimes and any relevant comments, such as slope and vegetation.<br>• Geological logging is governed by an Aircore Drilling Guideline document with predefined log codes and guidance of what to include in data fields to ensure consistency between individuals logging data.<br>• Data is backed-up each day at the field office to a cloud storage site.<br>• 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* | • *If core, whether cut or sawn and whether quarter, half or all core taken.* | • The entire 3.0m aircore drill sample collected at the rig was dispatched to a sample preparation facility to split with a three tier |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *and sample preparation* | • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | riffle splitter to reduce sample mass.<br>• The water table depth was noted in all geological logs if intersected.<br>• Employees undertaking the primary sampling and splitting are closely monitored by a geologist to ensure sampling quality is maintained.<br>• Almost all of the samples are sand, silty sand, sandy silt, clayey sand or sandy clay and this sample preparation method is considered appropriate.<br>• The sample sizes were deemed suitable to reliably capture THM, slime, and oversize characteristics, based on industry experience of the geologists involved and consultation with laboratory staff.<br>• Field duplicates of the samples are completed at a frequency of 1 per 25 primary samples.<br>• Standard Reference Material (SRM) samples are inserted into the sample stream at a frequency of 1 per 50 samples. |
| *Quality of assay data and laboratory tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *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.*<br>• *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.* | • 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.<br>• 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. |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Selected visual estimated THM field data are checked by the Chief Geologist.<br>• 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.<br>• The Chief Geologist has made numerous visits to the field drill sites to train and embed process and procedure with field staff.<br>• No twinned holes have been completed during this programme to date but twin holes are planned.<br>• The geologic field data is manually transcribed into a master Microsoft Excel spreadsheet which is appropriate for this stage in the exploration program. Data is then imported into a Microsoft Access database where it is subjected to various validation queries. |
| *Location of* | • *Accuracy and quality of surveys used to locate drill holes (collar and* | • Downhole surveys for these aircore holes are not required due to the |

| Criteria | JORC Code explanation | Commentary |
| --- | --- | --- |
| *data points* | *down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | relatively shallow nature.<br>• A handheld 16 channel Garmin GPS is used to record the positions of the aircore holes in the field.<br>• The handheld Garmin GPS has an accuracy of +/- 5m in the horizontal.<br>• The datum used for coordinates is WGS84 zone 36S.<br>• The accuracy of the drillhole locations is sufficient for this early stage exploration. |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • Grid spacing used in this reconnaissance drill program is variable at 250m, 500m, 1000m, and 2000m between drill lines (traverses) and about 500m between hole stations. The holes were located from a regular grid but are reconnaissance phase holes and were selected based on previous auger hole locations.<br>• The 500m space between aircore holes and 250m, 500m, 1000m and 2000m between lines is sufficient to provide a reasonable degree of confidence in geological models and grade continuity between the holes for aeolian style HMS deposits.<br>• Closer spaced drilling in a follow-up phase (250m x 500m and 250m x 1000m spaced holes) will provide a higher confidence in geological models and grade continuity between the holes.<br>• Each aircore drill sample is a single 3.0m sample of sand intersected down the hole.<br>• No compositing has been applied to values of THM, slime and oversize. |
| *Orientation of data in relation to geological structure* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *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.* | • The aircore drilling was oriented perpendicular and along strike to the interpreted strike of mineralization defined by reconnaissance auger drill data and geophysical data interpretation.<br>• Drill holes were vertical and the nature of the mineralisation is relatively horizontal.<br>• The orientation of the drilling is considered appropriate for testing the lateral and vertical extent of mineralization without any bias. |
| *Sample security* | • *The measures taken to ensure sample security.* | • Field photographs are taken of each sample with corresponding sample number in order to track numbers of samples per hole and per batch.<br>• Aircore samples remained in the custody of Company representatives while they were transported from the field to Chibuto field camp for splitting and other processing.<br>• Aircore samples remain in the custody of Company representatives |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | until they are transported to Maputo for final packaging and securing.<br>• The Company uses a commercial shipping company, Deugro or DHL, to ship samples from Mozambique to Perth. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • Internal data and procedure reviews are undertaken.<br>• 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 |
|---|---|---|
| *Mineral tenement and land tenure status* | • *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.*<br>• *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.* | • 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.<br>• 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.<br>• Traditional landowners and village Chiefs within the areas of influence were consulted prior to the aircore drilling programme and were supportive of the programme.<br>• 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.<br>• An Environment Management Plan was prepared by an independent consultant and submitted to the Gaza Provincial Directorate of Lands, Environment and Rural Development in accordance with Mining Law and Regulations. An Environmental License has been obtained by the Company. |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • 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.<br>• The Company has obtained digital data in relation to this historic information.<br>• The historic data comprises limited Aircore/Reverse Circulation drilling.<br>• The historic results are not reportable under JORC 2012. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • Two types of heavy mineral sand mineralisation styles are possible along coastal Mozambique:<br>1. Thin but high grade strandlines which may be related to marine or fluvial influences, and<br>2. Large but lower grade deposits related to windblown sands. |

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td><ul><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 are likely in areas where palaeoshorelines can be defined along coastal zones.</li></ul></td></tr>
<tr><td>Drill hole Information</td><td><ul><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><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></td><td><ul><li>Summary drill hole information is presented within Table 1 of the main body of text of this announcement.</li></ul></td></tr>
<tr><td>Data aggregation methods</td><td><ul><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></td><td><ul><li>No cut-offs were used in the downhole averaging of results.</li><li>The visual estimated THM% averaging is grade-weighted.</li><li>An example of the data averaging is shown below.</li></ul>
<table>
<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>
<tr><td>19CCAC104</td><td>0.0</td><td>3.0</td><td>6.0</td><td rowspan="13">37.5m @ 4.9%</td><td rowspan="9">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>
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<tr><td>19CCAC104</td><td>27.0</td><td>30.0</td><td>2.5</td><td></td></tr>
<tr><td>19CCAC104</td><td>30.0</td><td>33.0</td><td>2.0</td><td></td></tr>
<tr><td>19CCAC104</td><td>33.0</td><td>36.0</td><td>1.7</td><td></td></tr>
<tr><td>19CCAC104</td><td>36.0</td><td>37.5</td><td>1.5</td><td></td></tr>
</table></td></tr>
<tr><td>Relationship between mineralisation widths and</td><td><ul><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></ul></td><td><ul><li>The nature of the mineralisation is broadly horizontal, thus vertical aircore holes are thought to represent close to true thicknesses of the mineralisation.</li></ul></td></tr>
</table>

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *intercept lengths* | • *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').* | • Downhole widths are reported. |
| *Diagrams* | • *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.* | • Figures are displayed in the main text. |
| *Balanced reporting* | • *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.* | • A summary of the visual estimated THM% 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. |
| *Other substantive exploration data* | • *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.* | • No other material exploration information has been gathered by the Company. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • Further work will include heavy liquid separation analysis for quantitative THM% data.<br>• Additional mineral assemblage and ilmenite mineral chemistry analyses will also be undertaken on suitable composite HM samples to determine valuable heavy mineral components.<br>• As the project advances, $TiO_2$ and contaminant test work analyses will also be undertaken. |