

ASX ANNOUNCEMENT

24 DECEMBER 2024

JOINT VENTURE PROGRESS UPDATE, YEAR END 2024.

MRG Metals Limited (“MRG” or “the Company”) (ASX Code: MRQ) is pleased to provide a market update on the Joint Venture (JV) with Sinowin Lithium (HK) Co Ltd and Sinowin Lithium Cobalt LTD, collectively (“SLC”) on its Mozambique Corridor Sands projects (Corridor Central and Corridor South) and its other HMS projects that are part of the JV and highlighted in the Figure below (Refer previous update, ASX Announcement 20 September 2024)

Key Highlights:

JV Equity structure Update

- The Hong Kong JV company, Terriland, (SLC 70%; MRG 30%) is now operational.
- Terriland owns 100% of a newly established UAE company (Tailan Mining Ltd (UAE). The transfer of MRG’s Mozambique companies, Sofala Mining & Exploration LDA and Sofala Mining and Exploration 1 LDA, which hold Corridor Central and Corridor South Mining Licence applications, has progressed to near completion, awaiting tax assessment from the Mozambique Government.
- Simultaneous with the transfer, SLC will deposit US\$3 million, the first part of an initial US\$6M injection into the JV Trust Account, being working capital.
- Subsequently, the JVC will own Corridor Central and Corridor South via ownership of the Mozambique Holding Companies.

JV Expenditure

In accordance with the JV Agreement, SLC has funded the following to date:

- USD \$150,000 comprising 6 months @ \$25,000/Month to cover MRG’s in-country costs.
- USD \$90,000 comprising 6 months @ \$15,000/Month to cover MRG Management – this will continue to a minimum 12 months into the JV.
- USD \$55,000 of approved funding for exploration on Marao and Corridor North projects to meet minimum work commitments as required by INAMI under the Mining Law.
- A Revised Scoping Study (not ASX reportable).
- Re-submission of Mining Licence applications in July utilizing revised Scoping Study data.
- Initiation of an Environmental and Social Impact Assessment (ESIA) Study with contract value of circa USD \$500,000 (refer ASX Announcement 8 November 2024).

- Multiple field trips of SLC Management together with Design and Construction Engineering Consultants.
- Initial Offtaker negotiations including additional metallurgy to refine product specifications.

JV Operational Update

The JV parties have agreed, effective 12 December 2024, for SLC to take over operational control of the Mozambique companies controlling Corridor Central and Corridor South.

Operational changes include:

- Corridor Central and Corridor South Mining Licence Applications.
The payment to MRG of USD \$25,000/Month to cover MRG's in-country costs is now replaced by the JV directly funding the Mozambique JV operations. This involves:
 - Employment of the existing necessary staff in Mozambique;
 - Development (progressively) of the additional staffing needs as company transitions to mine development and operations;
 - Necessary line management to administer all permitting and regulatory steps;
 - In-country supervision of supply and logistics developments;
 - JV Office will initially be shared until larger more appropriate office space is found; and
 - Vehicles/other equipment will similarly be shared until the JV finalizes its needs.
- Marao, Corridor North and Linhuane Projects
These projects are included as part of the JV. They remain 100% MRG-owned until the JV meets increased concentrate production milestones as defined in the JV Agreement (JVA) (see below under "Stage 1")
 - MRG will manage, on behalf of the JV, on a pre-agreed service contract agreement, all costs associated with maintaining these projects.
 - In accordance with the JVA, SLC will fund all expenditure on these projects and they must be kept in good standing with INAMI.
 - Minimum work and expenditure commitments must be complied with.
Linhuane project is still at Exploration Licence Application stage.

MRG will retain and fund an organization necessary to administer the remainder of its exploration portfolio in Mozambique, including Adriano and Fotinho projects (REE) and Olinga (Uranium) project that are not part of the JV.

Interview by MRG Chairman, Mr Andrew Van Der Zwan

MRG Chairman, Mr Andrew Van Der Zwan recently participated in an Interview with Peak TV providing an update on progress of the JV to date and plans for 2025. This interview can be viewed on the Company's website www.mrgmetals.com.au under Investors/Media or via the following link [Media - MRG Metals](#)

MRG Chairman, Mr Andrew Van Der Zwan, said:

“We are extremely pleased to have partnered with SLC which is a transformative step for MRG Metals. The establishment of Terriland Mining (HK) and Tailan Mining Ltd (UAE), along with the imminent transfer of our Mozambique companies, marks significant progress. With SLC’s substantial funding and operational expertise, we are well-positioned to advance the development of Corridor Central and Corridor South and realise full potential of the projects. For shareholders, the key milestones targeted for early 2025 are the granting of mining licences and finalisation of the mine design. Along with the progression of the ESIA and ongoing discussions with Offtakers, will see a substantial project de-risking as each of the milestones is met.

We thank our shareholders for your patience and we look forward to keeping you updated on developments in 2025.

JV Properties and Definitions:

- Corridor Projects means Heavy Mineral Sands Projects in Mozambique (refer Figure 1) including Corridor Central (11142C), Corridor South (11137C), Corridor North (10779L), Linhuane (7423L) and Marao (6842L).
- “Initial Project” means the first of the Corridor Projects chosen by the JV for commencement of mining and production.

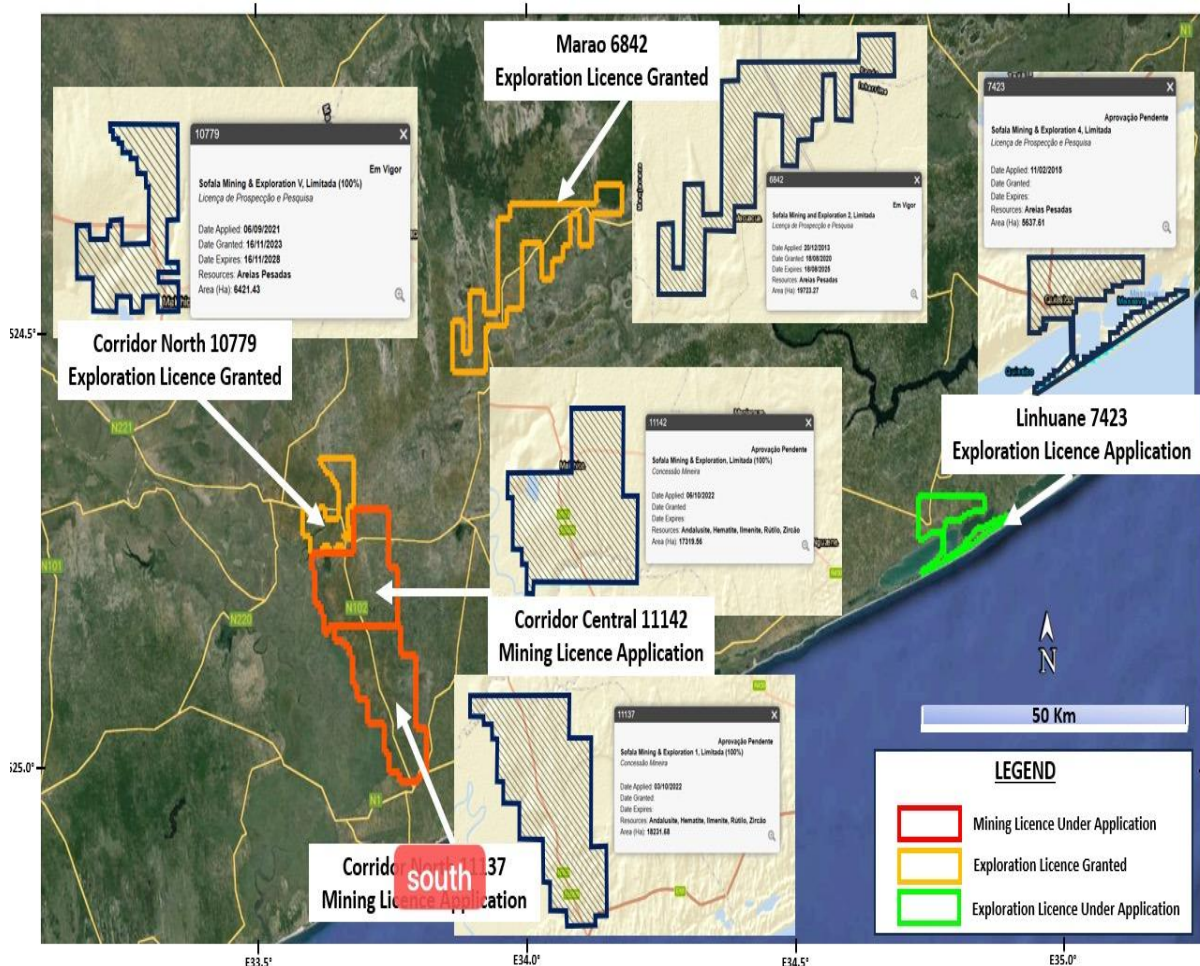


Figure 1: MRG's Heavy Mineral Sands Projects

JV Equity structure

- Effective immediately, upon receipt of US\$3-6 million working capital funding SLC shall have 70% of the JV equity and MRG shall have 30% of the JV equity. The JVC shall own Corridor Central and Corridor South via ownership of the Mozambique Holding Companies.
- **Stage 1:** After the JV has achieved 110,000 Tonnes of annual capacity of Heavy Mineral Sands Concentrate. Stage 1 to be achieved within 21 months of receipt of mining licence. Milestone benefit: Corridor North is added to the JVC.
- Stage 2: After the JV has achieved 220,000 Tonnes of annual capacity of Heavy Mineral Sands Concentrate. Stage 2 to be achieved within 2 years after Stage1.
- Milestone Benefit: SLC increases equity to 75%. MRG reduces equity to 25% and Linhuane is added to the JV.
- Stage 3: After the JV has achieved 440,000 Tonnes of annual capacity of Heavy Mineral Sands Concentrate. Stage 3 to be achieved within 4 years after Stage 1.

- Milestone Benefit: SLC increases equity to 80%. MRG reduces equity to 20% and Marao is added to the JVC.
- SLC shall invest all funds necessary to develop the initial mining operation up to 480,000 KT of concentrate. Further expansion will be funded by the JVC but MRG's equity in the Joint Venture will not be diluted below 20%. It is anticipated that the JVC will have the financial capacity to fund expansion, or have the capacity to arrange debt financing as needed.

Authorised by the Board of MRG Metals Ltd.

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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 Mr JN Badenhorst, who is a member of the South African Council for Natural Scientific Professions (SACNASP) and the Geological Society of South Africa (GSSA). Mr Badenhorst is a consultant 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". Mr Badenhorst consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned exploration program and corporate activities. When used in this document, the words such as "could", "plan" "estimate", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results, events and outcomes achieved will be consistent with these forward looking statements.