

ASX ANNOUNCEMENT

21 September 2020

AIRCORE DRILLING AT NHACUTSE TARGET UNCOVERS VERY HIGH GRADE STRANDLINE STYLE HEAVY MINERAL SAND MINERALISATION

Key Highlights

- Very high grade, Strandline style mineralisation has been intersected in the initial aircore drilling at Nhacutse Target;
- Aircore hole 20SCAC543 contains multiple consecutive 3 metre sample intervals with visually estimated grades ranging from 8% to 14.0% Total Heavy Mineral (THM);
- Adjacent aircore holes 20CSAC543, '544 & '545, located 1km apart, were collared at surface in visual grades >5.0% THM;
- Highlights from the initial program to date include:
 - 20CSAC543 – 36m @ 8.9% visual THM (Nhacutse Target)
 - 20CSAC544 – 36m @ 6.6% visual THM (Nhacutse Target)
 - 20CSAC545 – 30m @ 6.6% visual THM (Nhacutse Target)
 - 20CSAC549 – 30m @ 5.4% visual THM (Bungane Target)
- This significant thickness of very high grade THM mineralisation demonstrated at both the Nhacutse and Bungane Targets continues to add substantial value to and highlight the prospectivity of the Company's Corridor Projects;
- Further aircore drilling is required to test the lateral extent to 30 metres depth of this very high grade zone; and
- These initial Aircore drilling results from Nhacutse have also established visually estimated high grade THM zones adjacent to previously reported very high value mineral assemblage auger drilling results; essential ingredients for a potential future economic HMS development.

Aircore drilling operations continue with the drill rig having been mobilised from the Nhacutse Target to the Poiombo Target area.

MRG Metals Chairman, Mr Andrew Van Der Zwan said: *“The results being presented so far from our initial aircore drilling program at the Corridor South Program continue to excite the team with 2 of the 14 holes at the Nhacutse Target having intersected grades that suggest Strandline style mineralisation exists in the area. This is fantastic news for the Company as these very high estimated THM grades confirm the discovery of a zone of Strandline style heavy mineral sand mineralisation that is open to lateral extension and also from surface to 30 metres.*

The results also demonstrated great progress with our exploration strategy, to discover potentially higher value per ton heavy mineral sand. Our identification here of coincident zones of high grade, together with high valuable heavy mineral (VHM) content are extremely encouraging.

Further aircore drilling will certainly be required as this great story unfolds. We will announce an expanded program in the coming days, designed to follow up and expand the size of the high grade Strandline mineralization at Nhacutse-Bungane and to better understand the continuity and potential footprint of areas in East Nhacutse where high value ilmenite assemblage coincides with visually estimated high THM grade. We will also be undertaking first aircore drill testing across our southern targets. This expanded drilling program will be funded from our recent capital raise.

MRG Metals Limited (“**the Company**” or “**MRQ**”) (ASX code: MRQ) is pleased to provide the market with an update of its ongoing Aircore Drilling program currently being carried out across multiple targets at the Company’s Corridor South Project located in Mozambique. To date, the Company has completed 15 holes of the 28 hole program with drilling completed at both the Nhacutse and Bungane Targets. The drill rig has now mobilised to the Poiombo Target to complete the final 13 holes.

Nhacutse Aircore Drilling

A reconnaissance phase aircore drill program comprising 15 holes has now been completed at the Nhacutse Target (14 holes) and Bungane Target (1 hole) with initial visual results of the THM grades being very significant. 2 of the 14 holes at the Nhacutse Target have intersected grades that suggest Strandline style mineralisation exists in the area. Two aircore holes (20CSAC543 and 20CSAC544) 1km apart at Nhacutse yielded individual 3 metre sample intervals with visual estimated grade >10% THM, with the best interval having an estimated THM grade of 14.0%. These very high estimated THM grades at Nhacutse confirm the discovery of a zone of heavy mineral sand mineralisation with estimated Strandline style grades that is both laterally extensive and can extend from surface to depths of >30m.

The aircore program was designed to follow-up the excellent near surface, high grade THM mineralisation and good quality mineral assemblage results defined from hand auger holes over several zones of the Nhacutse and Bungane Targets (refer ASX Announcement 3 July 2020). A total of 465m was drilled in the 15 holes (20CSAC537 to 20CSAC551) with the collection of 162 samples, including QA/QC samples. Hole depths range from 30m–36m deep, with an average depth of 31m (Table 1).

Nhacutse Aircore Visual Results

The most significant results were returned from hole 20CSAC543, with an average downhole result of 8.9% visual THM from surface, drilled to 36m depth (Figure 1 and Table 1). Hole 20CSAC543 was collared at surface (0-3m) in 8.3% visual THM and had a maximum of 14.0% visual THM in the sample interval 30-33m. The adjacent end of hole sample interval 33-36m comprises 13.5% visual THM (Figure 2). This aircore hole 20CSAC543 correlates with mineral assemblage sample CSNH01 (refer ASX Announcement 31 July 2020) which yielded 41.30% ilmenite+leucoxene and 1.44% zircon.

The second most significant hole was 20CSAC544 with 6.6% downhole average visual THM over 36m from surface, with 10.2% visual THM from 30-33m. This hole was collared at surface in 5.5% visual THM, with every sample interval from 3m to 33m containing an estimated THM grade of >6%.

Another significant hole at Nhacutse is 20CSAC545 with downhole average visual THM over 30m from surface, with peak visual THM grade of 9% from the sample interval 15-18m. This aircore hole 20CSAC545 correlates with mineral assemblage sample CSNH06 (refer ASX Announcement 31 August 2020) which yielded 40.16% ilmenite+leucoxene and 1.62% zircon (Figure 2).

These three significant holes (viz. 20CSAC543, '544, and '545) in the central zone of the Nhacutse Target are approximately 1km apart, along a line oriented southwest-northeast and sub-parallel to the interpreted long axis of the broader radiometric anomaly. The very high grades intersected in 20CSAC543 and '544 are indicative of Strandline-style HMS mineralisation. Based on these aircore visual results, additional drilling is warranted to further define the extent of this very thick HMS mineralisation.

Aircore hole 20CSAC547, located in the southeast of the Nhacutse Target, comprised 33m @ 5.0% visual THM and was drilled at the location of mineral assemblage sample CSNH08 which contains 45.45% ilmenite+leucoxene and 1.77% zircon (refer ASX Announcement 31 August 2020; Figure 2). In this hole, 20CSAC547, the individual visual grades between 0m and 27m downhole range from 3.6%–7.0% visual THM, comprising 27m @ 5.2% visual THM (0-27m).

Hole 20CSAC538 was drilled in the far southeastern zone of the Nhacutse Target, at the location of the extremely good mineral assemblage sample CSNH03, comprising 68.29% ilmenite+leucoxene, 2.17% rutile and 2.91% zircon (refer ASX Announcement 31 July 2020; Figure 2). This aircore hole returned an uncut result of 30m @ 3.1% visual THM, with an individual peak sample interval grade of 5.0% visual THM from 3–6m. Of significance in hole 20CSAC538 is that the upper portion of the hole contains 21m @ 3.7% visual THM, which confirms a significant thickness of well mineralised HMS with very good valuable heavy mineral (VHM) assemblage characteristics known in the related auger hole (19CSHA067).

In the southeastern zone of the Nhacutse Target in general, the aircore holes drilled in that area (20CSAC537, '538, '540, and '541; Figure 1) all demonstrate significant high grade visual THM zones in the upper part of each hole, from surface to 21m. The significant intercepts (0-21m) include 21m @ 5.5% visual THM (20CSAC541), 21m @ 3.8% visual THM (20CSAC540), 21m @ 3.7% visual THM (20CSAC538) and 21m @ 3.3% visual THM (20CSAC537). These holes represent approximately 2.5km of strike of interpreted Palaeo-shoreline, which combined with the significant thickness and good VHM

assemblage that generally occurs in the eastern area, provide an important exploration target that warrants further follow up.

Overall, within the Nhacutse Target, a total of 12 of the 14 holes have >3.0% downhole average visual estimated THM (Table 1) from surface to end of hole depths ranging from 30m–36m. Seventy percent (11 of 15) of the holes were collared in visual THM grades >3%, and 46% of holes ended in visual THM grades >3%. Holes which have average grades <3% visual THM typically contain a lithology of grey-brown, well sorted sand, whereas holes with >3% visual THM generally comprise a red-brown, medium sorted sand.

Bungane Aircore Visual Results

The single aircore hole drilled at Bungane (Figure 1) was designed to test the depth potential of the very high grade auger hole (refer ASX Announcement 3 July 2020) 20CSHA312 which yielded a laboratory result of 12m @ 7.82% THM. The aircore hole 20CSAC549 attained 30m @ 5.4% visual THM. The hole was collared (0-3m) in 5.5% visual THM and the downhole zone between 9-21m comprises individual samples with visual estimated THM results ranging 6.2%–8.0%.

This is a very good result for the Bungane Target and supports additional drilling to further define the extent of HMS mineralisation.

General

Owing to the reconnaissance phase of this aircore drilling, appropriate holes were spaced variably at 500m stations along drill lines. The drill lines are oriented northwest-southeast and were spaced at up to 1 and 2km apart (Figure 1). 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 the ongoing COVID-19 Pandemic has created some constraints on the efficiency and timeframes of exporting samples from Mozambique to Australia. Importantly, is that the export system is still working and samples are still being processed for permits and continue to be exported.

The aircore drilling is still in progress, with the drill rig having been mobilised to the Poiombo Target to carry out the remaining 13 holes. Results from the Poiombo Target will be reported as soon as possible.

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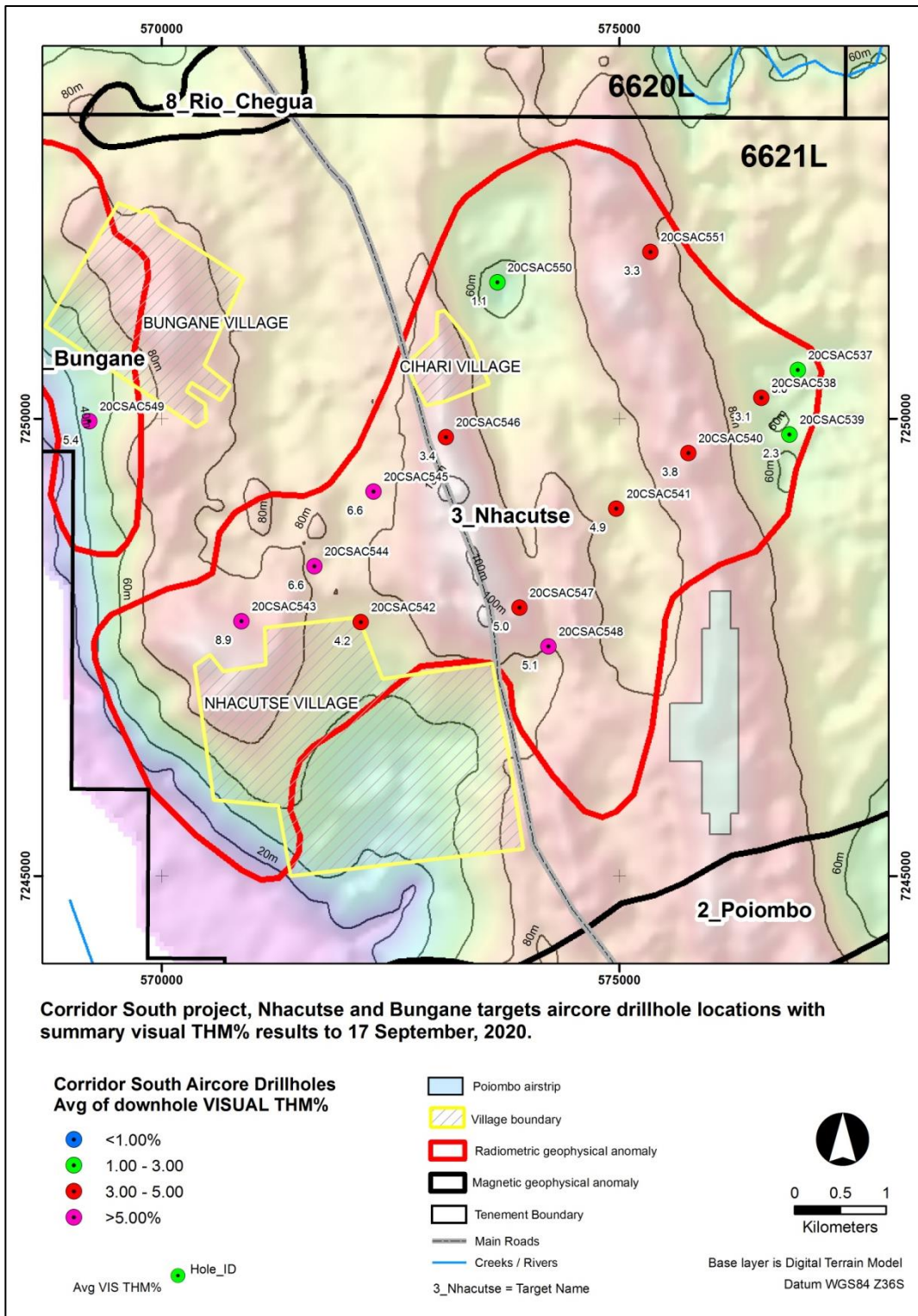


Figure 1: Location map of the Nhacutse and Bungane targets (Corridor South project 6621L) aircore drillholes completed in September 2020, showing summary visual estimated data for THM grades.

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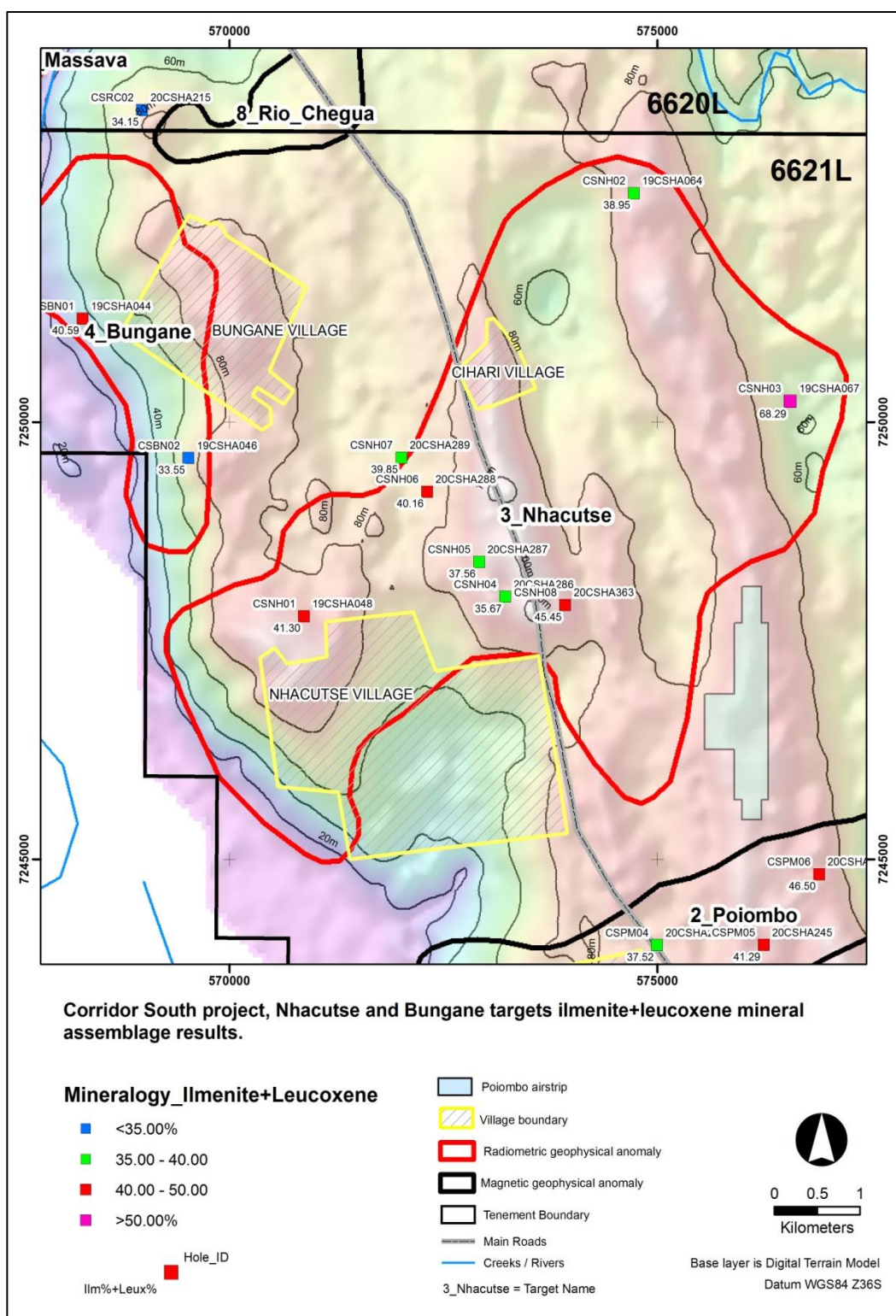


Figure 2: Location map of mineral assemblage results for ilmenite+leucoxene in the Nhacutse and Bungane target areas, reported previously (refer ASX Announcements 31 July and 31 August 2020).

Table 1: Summary collar and visual estimated % THM aircore drill data for the complete Nhacutse and Bungane targets programme, 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
20CSAC537	576952	7250534	30	56	AIRCORE	3.0	1.2	4.2
20CSAC538	576553	7250230	30	50	AIRCORE	3.1	1.4	5.0
20CSAC539	576859	7249829	30	54	AIRCORE	2.3	0.3	4.9
20CSAC540	575753	7249625	30	86	AIRCORE	3.8	2.5	4.2
20CSAC541	574966	7249016	30	58	AIRCORE	4.9	1.2	6.2
20CSAC542	572175	7247775	30	68	AIRCORE	4.2	2.5	5.1
20CSAC543	570871	7247787	36	87	AIRCORE	8.9	5.0	14.0
20CSAC544	571666	7248387	36	75	AIRCORE	6.6	3.0	10.2
20CSAC545	572313	7249203	30	71	AIRCORE	6.6	4.4	9.0
20CSAC546	573104	7249800	30	92	AIRCORE	3.4	2.5	4.4
20CSAC547	573908	7247936	33	93	AIRCORE	5.0	3.5	7.0
20CSAC548	574225	7247510	30	72	AIRCORE	5.1	2.0	7.6
20CSAC549	569208	7249972	30	48	AIRCORE	5.4	2.5	8.0
20CSAC550	573667	7251493	30	51	AIRCORE	1.1	0.2	2.2
20CSAC551	575340	7251825	30	83	AIRCORE	3.3	2.3	4.5

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°.

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Figure 3: Field pan concentrate photos of samples from aircore drillhole 20CSAC543 showing the mineralised profile (beginning top left) and the high grade mineralisation discovered in the main Nhacutse zone.

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-

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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	<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"> Aircore drilling was used to obtain samples at 3.0m intervals. The larger 3.0m interval aircore drill samples were homogenized by rotating the sample bag prior to being grab sampled for panning. 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). Images of pan concentrate samples with associated laboratory THM results are used in the field as comparisons to further refine visual estimation of THM. 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. Geotagged photographs are taken of each panned sample with the corresponding sample bag to enable easy reference at a later date. 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. 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	<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"> Reverse Circulation 'Aircore' drilling with inner tubes for sample return was used. 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
		<ul style="list-style-type: none"> • Aircore drill rods used were 3m long. • Drill rods used were 76mm in diameter and NQ diameter (80mm) Harlsan aircore drill bits were used. • All drill holes were drilled vertical. • The drilling onsite is governed by an Aircore Drilling Guideline to ensure consistency in application of the method between geologists.
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <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> 	<ul style="list-style-type: none"> • 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. • 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. • The initial 0.0m to 3.0m sample interval is drilled very slowly in order to achieve optimum sample recovery. • 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. • 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. • The twin-tube aircore drilling technique is known to provide high quality samples from the face of the drill hole. • Wet and moist samples are placed into large plastic basins to dry prior to splitting.
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 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. • The aircore 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 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. • Data is backed-up each day at the field office 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	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <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"> • riffle splitter to reduce sample mass. • The water table depth was noted in all geological logs if intersected. • Employees undertaking the primary sampling and splitting are closely monitored by a geologist to ensure sampling quality is maintained. • Almost all of the samples are sand, silty sand, sandy silt, clayey sand or sandy clay and this sample preparation method is considered appropriate. • 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. • Field duplicates of the samples are completed at a frequency of 1 per 25 primary samples. • 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	<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.
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<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 has made numerous visits to the field drill sites to train and embed process and procedure with field staff. • No twinned holes have been completed during this programme to date but twin holes are planned. • 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	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and</i> 	<ul style="list-style-type: none"> • Downhole surveys for these aircore holes are not required due to the

Criteria	JORC Code explanation	Commentary
<i>data points</i>	<p><i>down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <ul style="list-style-type: none"> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<p>relatively shallow nature.</p> <ul style="list-style-type: none"> A handheld 16 channel Garmin GPS is used to record the positions of the aircore holes in the field. The handheld Garmin GPS has an accuracy of +/- 5m in the horizontal. The datum used for coordinates is WGS84 zone 36S. The accuracy of the drillhole locations is sufficient for this early stage exploration.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>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.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> Grid spacing used in the reconnaissance drill program is 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 and were selected based on previous auger hole locations. The 500m space between aircore holes and 1000m between lines is sufficient to provide a reasonable degree of confidence in geological models and grade continuity within the holes for aeolian style HMS deposits. Closer spaced drilling in a follow-up phase (500m x 500m and 1000m x 250m spaced holes) will provide a higher confidence in geological models and grade continuity between the holes. Each aircore drill sample is a single 3.0m sample of sand intersected down the hole. No compositing has been applied to values of THM, slime and oversize.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <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> 	<ul style="list-style-type: none"> 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. Drill holes were vertical and the nature of the mineralisation is relatively horizontal. The orientation of the drilling is considered appropriate for testing the lateral and vertical extent of mineralization without any bias.
<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"> Field photographs are taken of each sample with corresponding sample number in order to track numbers of samples per hole and per batch. 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. 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. <ul style="list-style-type: none"> The Company uses a commercial shipping company, Deugro or DHL, to ship samples from Mozambique to Perth.
<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
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 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. 	<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. Traditional landowners and village Chiefs within the areas of influence were consulted prior to the aircore drilling programme and were supportive of the programme. 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. 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	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<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.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Two types of heavy mineral sand mineralisation styles are possible along coastal Mozambique: <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.

Criteria	JORC Code explanation	Commentary																																																												
		<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" style="margin-left: auto; margin-right: auto;"> <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" style="text-align: center; vertical-align: middle;">37.5m @ 4.9%</td><td rowspan="14" style="text-align: center; vertical-align: middle;">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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Relationship between mineralisation widths and	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. 	<ul style="list-style-type: none"> The nature of the mineralisation is broadly horizontal, thus vertical aircore holes are thought to represent close to true thicknesses of the mineralisation. 																																																												

Criteria	JORC Code explanation	Commentary
<i>intercept lengths</i>	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> Downhole widths are reported.
<i>Diagrams</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Figures are displayed in the main text.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> 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. 	<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"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Further work will include heavy liquid separation analysis for quantitative THM% data. Additional mineral assemblage and ilmenite mineral chemistry analyses will also be undertaken on suitable composite HM samples to determine valuable heavy mineral components. As the project advances, TiO₂ and contaminant test work analyses will also be undertaken.