

ASX ANNOUNCEMENT

27 October 2025

All 37 Auger Holes and 126 Samples Show Significant Heavy Mineral Concentrate as Drilling Identifies Four Alluvial Deposits at Adriano

- 100% of 37 auger holes and 126 samples at Adriano (11002 L) contained visible heavy minerals. Imminent laboratory analyses will define the REE content of the heavy mineral concentrate (HMC).
- Drilling has now confirmed four (4) separate alluvial deposit areas, each adjacent to previously reported high-grade TREO stream-sediment anomalies (up to 32,393 parts per million Total Rare Earth Oxide).
- Thin, high-grade HMC layers identified within the active river system, indicating potential for very high-grade alluvial deposits and supporting MRG's interpretation that Adriano and adjacent Fotinho form part of a potential district-scale mineralised catchment.
- Pegmatite mapping and sampling commenced to test potential primary rare earth source rock and will be reported very shortly, planned to be dispatched and results expected December 2025 – January 2026.
- Alluvial samples to be analysed at Scientific Services, and pegmatite samples at SGS South Africa, with results expected January–February 2026.
- Exploration at neighbouring Fotinho Licence (11000L) scheduled to commence in early November.

MRG Metals Limited (ASX: MRQ) ("MRG" or "the Company") advises that auger drilling at its Adriano Rare Earth Project in Mozambique has now confirmed four (4) distinct alluvial deposit areas. All 37 holes drilled to date have returned significant visible heavy-mineral material, confirming the potential of rare earth mineralisation across the tested zones.

An additional 20 holes (hole IDs AAG25018–AAG25037) were completed to depths of 1–5 metres, bringing the total to 37 hand-auger holes and 126 samples. Most holes terminated in coarse gravels or near the water table (Figure 1). Thin, high-grade HMC layers were also observed in the active river system near sample 2402SED042 (Figure 2).

All samples are being exported for laboratory analysis. Alluvial samples will be processed at Scientific Services, a specialist heavy-mineral and magnetic-separation laboratory in South Africa, while pegmatite samples will be dispatched to SGS South Africa for rare-earth element (REE) analysis. Interpretation of the results will follow the same deposit-style modelling used successfully at MRG's Corridor Central and Corridor South Heavy Mineral Sands Projects.

The auger drilling is taking place in the close vicinity of historic sampling (**ASX Announcement 17 October 2024**) which returned 100% anomalous results across 42 stream-sediment samples — 74% above 1,000 parts per million (ppm) Total Rare Earth Oxides (TREO) with a peak of 32,393 ppm TREO and a strong magnetic rare earth component (~22%).

The 4 alluvial areas drilled to date are adjacent to stream sediment samples 2402SED002, 2402SED017, 2402SED018 and 2402SED042.

The samples returned TREO results of 32,393ppm, 31,246, 27,015 and 8,915 ppm respectively (**ASX Announcement 17 October 2024**).

Thin, extremely high HMC concentrations have been identified in the active river system close to 2402SED042 (Figure 2). As the area is waterlogged, auger drilling could not take place. Further exploration is planned in this area in future.

The presence of this high-grade HMC layer within the active drainage system further supports MRG's interpretation that the Adriano and adjacent Fotinho licences are part of a single mineralised catchment. This connection strengthens the potential for a continuous rare earth system extending across both projects.

The next phase of work will include systematic auger drilling to further delineate the extent of alluvial deposits, followed by sampling and mapping of the pegmatite veins. Trenching of the gravels below the auger drilling to determine REE grades and continuity, followed by tighter-spaced auger drilling and trenching where warranted, will follow depending on the results of the current program.

Mapping and sampling of outcropping pegmatite veins has commenced and will be reported shortly. The work is designed to test the hypothesis that the pegmatites represent the primary source rocks for the rare earth enrichment seen within the alluvial system.

Pegmatite occurrences adjacent to some of the auger drilling — typical of late-stage granitic fluids enriched in REE-bearing minerals such as monazite and xenotime — could suggest a fertile intrusive system within the Adriano–Fotinho corridor.



Figure 1: Panned Heavy Mineral Concentrate (HMC) samples from drill samples within each of the four (4) drilled areas within Adriano (11002L).



Figure 2: Very high concentration of Heavy Minerals within the stream seen near stream sedimentary sampling point 2402SED042 within Adriano (11002L).

Table 1: Hand-auger drillholes completed within Adriano 11002 (handheld GPS data, UTM)

Hole ID	Easting	Northing	Elevation	Final Depth (m)	Stream_Sample ID
AAG25001	185527.41	8053462.33	87.3	1.50	2402SED017
AAG25002	185462.13	8053451.34	92.3	1.50	2402SED017
AAG25003	185460.8	8053427.28	92.2	1.00	2402SED017
AAG25004	185358.17	8052951.31	87.6	3.50	2402SED018
AAG25005	185354.75	8052959.68	89.1	3.50	2402SED018
AAG25006	185357.98	8052970.81	81.0	2.50	2402SED018
AAG25007	185372.13	8052962.28	84.7	3.00	2402SED018
AAG25008	185392.92	8052971.46	90.3	5.00	2402SED018
AAG25009	185410.17	8052948.69	82.2	3.00	2402SED018
AAG25010	185421.79	8052912.31	81.0	2.00	2402SED018
AAG25011	185395.11	8052913.01	87.5	2.00	2402SED018
AAG25012	185413.84	8052877.07	89.2	3.00	2402SED018
AAG25013	185432.06	8053437.57	93.6	2.00	2402SED017
AAG25014	185416.51	8053487.74	94.5	4.00	2402SED017
AAG25015	185382.62	8053385.62	91.9	3.00	2402SED017
AAG25016	185430.56	8053227.62	99.5	1.00	2402SED017
AAG25017	185401.55	8053506.67	88.3	3.50	2402SED017
AAG25018	185375.26	8053516.45	88.1	2.00	2402SED017
AAG25019	185378.34	8053475.4	91.7	2.50	2402SED017
AAG25020	185384.47	8053443.48	92.7	3.50	2402SED017
AAG25021	185405.44	8053454.77	88.6	3.00	2402SED017
AAG25022	185433.01	8053390.29	87.6	1.00	2402SED017
AAG25023	185402.95	8053369.76	89.1	3.50	2402SED017
AAG25024	185387.09	8053405.3	92.7	2.50	2402SED017
AAG25025	185366.16	8053418.93	90.8	3.50	2402SED017
AAG25026	185348.25	8053382.2	91.8	3.00	2402SED017
AAG25027	191808.96	8047533.85	62.3	3.80	2402SED042
AAG25028	191780.4	8047581.27	65.6	3.30	2402SED042
AAG25029	191767.46	8047663.6	64.3	4.90	2402SED042
AAG25030	191716.72	8047626.7	60.6	4.00	2402SED042
AAG25031	191694.65	8047729.16	62.0	3.50	2402SED042
AAG25032	191602.89	8047817.81	60.8	2.00	2402SED042
AAG25033	183610.44	8055474.42	90.1	2.35	2402SED002
AAG25034	183573.09	8055477.27	91.9	3.50	2402SED002
AAG25035	183462.88	8055593.3	99.5	3.00	2402SED002
AAG25036	183455.81	8055630.96	103.9	2.50	2402SED002
AAG25037	183423.67	8055694.49	105.9	3.00	2402SED002

Exploration at the neighbouring Fotinho Licence (11000L) is still scheduled to commence in early-November. Fotinho sits directly adjacent to Adriano and, together, the two licences form a large, continuous drainage catchment with demonstrated rare earth potential. Fotinho has historical primary outcrop samples with high REE analytical results (**ASX Announcements 11 May 2022 and 22 October 2024**).

The exploration program is expected to run for approximately eight weeks, with samples to be dispatched in December/January and assay results anticipated in February/March 2026.

Historic Results and Geological Context

Sampling conducted in October 2024 at Adriano returned anomalous TREO results in all 42 samples, with 74% exceeding 1,000 ppm and a peak grade of 32,393 ppm (3.24% TREO). Magnetic rare earth oxides (Nd, Pr, Dy, Tb) represented approximately 22% of TREO content, confirming the project's strong potential for high-value magnet feedstock.

The discovery of a pegmatite dyke adjacent to these results reinforces MRG's interpretation that Adriano and the adjacent, Fotinho, form part of a broader district-scale REE system capable of hosting both hard-rock and alluvial mineralisation.

Strategic Context

The Adriano & Fotinho Rare Earth Project complements MRG's fully funded, two-billion-tonne Heavy Mineral Sands Joint Venture with Sinowin Lithium, which remains on track for initial production of 110,000 tonnes per annum of heavy mineral concentrate within 12–18 months.

The current exploration phase at Adriano prioritises near-surface testwork to define grade potential, while concurrently expanding hard-rock targets for long-term resource development.

Non-Executive Director, Chris Gregory, commented:

"We are exploring at the edge of the REE-endowed basement, availing ourselves of the chance to discover both hard rock and alluvial deposits rich in magnet rare earths. The heavy mineral concentrates seen in the follow-up auger drilling, to date, strongly supports the earlier stream sediment high grade anomalism and demonstrates the potential for discovery of significant alluvial REE deposits. Assay results are expected early in 2026 and will determine the way forward on the alluvial REE program. Mapping and sampling of the previously reported pegmatite outcrops is underway, to ascertain if there is also hard rock REE potential at Adriano."

Chairman Andrew Van Der Zwan added:

"Exploration at Adriano continues to deliver positive results, with the identification of multiple heavy-mineral-rich alluvial deposits marking another important milestone for the project. The Board remains highly confident in this asset and the exploration team driving it forward. With clear next steps in place, MRG is well-positioned to advance from early-stage sampling toward defining a resource

capable of generating long-term shareholder value.”

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.

This announcement has been authorised for release by the Board of Directors.

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