

ASX ANNOUNCEMENT

16th October 2025

Adriano Drilling Identifies Potential Alluvial Rare Earth Deposit & Field Mapping Uncovers Possible Primary Source Rock

- All of the 17 Auger drillholes completed at Adriano (11002L) drilled to depths of 1-5m, have delivered substantial quantities of panned heavy mineral concentrate in alluvium (Figure 1).
- The drilling is a follow-up at the location of a previously reported stream-sediment assay result of 32,393 ppm Total Rare Earth Oxides (refer ASX Announcement 17 October 2024).
- Potential for the discovery of an alluvial rare earth deposit will be confirmed by assays.
- Pegmatites have been found outcropping in five locations along a 500-metre stretch of the riverbed (Figure 2).
- Early geological interpretation suggests these pegmatite outcrops may represent, or be closely related to, the primary source rocks shedding rare earths into the alluvium.
- Assay results will be required to confirm whether the pegmatites are mineralised in rare earth elements.

MRG Metals Limited (ASX: MRQ) (“MRG” or “the Company”) advises that auger drilling is progressing well, with Heavy Mineral Concentrate (HMC) mineralised alluvial material found in all 17 holes drilled to date (refer Figure 1).

Pegmatite veins at 5 separate locations have also been discovered outcropping in the river where the auger drilling is currently taking place (refer Figure 2). The outcrops are being geologically mapped and sampled, with further maps and field analyses to be reported shortly

Field teams, led by GeoActiv, have completed 17 hand-auger holes ranging from 1-to-5 metres in depth, with most holes terminating in coarse gravels or into the water table. All the auger holes are hosting visible heavy minerals (refer Figure 1).

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

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.

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 (Left): A pan showing heavy mineral concentrate (HMC) from hand auger drilling hole 17 in alluvial material within Adriano (11002L).

Figure 2 (Right): A primary pegmatite vein outcropping as a bedrock bar in the riverbed.

Exploration at the neighbouring Fotinho Licence (11000L) is 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.

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:

"MRG pegged these tenements based on historical results and our geological interpretation of this area holding great potential for the discovery of both primary and alluvial rare earth deposits. The 32,393 ppm assay result from first pass stream sediment sampling, together with this early excitement from follow up auger drilling and mapping around that stream sediment anomaly has met with early signs of exploration success. We are excited to be building an extensive alluvial footprint of gravels showing high heavy mineral contents. The occurrence of 5 outcrops of pegmatite over a 500 metre stretch of the river course is highly encouraging and requires immediate detailed investigation and assaying to establish if they are mineralised in rare earths."

Chairman Andrew Van Der Zwan added:

"Exploration in Adriano is continuing, with the presence of significant heavy mineral enriched alluvial deposits, which is a very positive development. The Board remains highly confident in this asset and the exploration team driving it forward. With clear next steps in place, we're well positioned to move from early-stage sampling to defining a resource that can create long-term value for shareholders."

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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