ASX ANNOUNCEMENT
17 December 2025

Exploration Commences at Fotinho to Test District-Scale Rare Earth Corridor Potential

- **Exploration activity has commenced at the Fotinho licence (11000L), with sediment stream sampling underway.**
- **The administrative and community public participation process at Fotinho has been completed and the Company has received permission to commence work on the licence.**
- **Exploration will focus on 2014 historical work, which showed the presence of monazite and highly elevated Th and REE grades, with Th assays 1,000 ppm in soil and panned heavy mineral concentrate and 559 ppm in rock (refer ASX Announcement 11 May 2022).**
- **Initial stream sampling will be undertaken across the entire tenement, located adjacent to known mineralised basement rocks. It will include drainages that connect directly to MRG's abutting Adriano licence, where recent work confirmed high-grade alluvial deposits and mapped a 3 km zone of pegmatite outcrops, which are being assayed.**
- **Recent auger drilling at Adriano completed 37 auger holes and 126 samples, with laboratory analysis confirming high-grade Total Heavy Mineral (THM) results. 83 samples the basement rocksreturned THM grades above 4.0%, including 26 samples grading above 6.0% THM, confirming four alluvial deposits aligned with historic high-grade TREO sediment stream anomalies.**
- **October 2024 sediment stream sampling at Adriano previously returned 100% anomalous results across 42 samples, 74% above 1,000 ppm TREO, with a peak of 32,393 ppm and ~22% magnetic rare earths.**
- **Fotinho fieldwork is exploring for new deposits draining off the basement, including to test the continuity of the Adriano alluvial channels and pegmatite trend, assessing whether both licences form a single, connected mineralised catchment representing a potential district-scale project.**

MRG Metals Limited (ASX: MRQ) ("MRG" or "the Company") is pleased to advise that exploration activity has now commenced at MRG's 100%-owned Fotinho licence (11000L) in Mozambique, following completion of the administrative and community public participation (PP) process and receipt of approval to begin work on the licence.

The initial program has two objectives. The first is to validate and extend historical exploration results, including strong monazite occurrences identified in 2014.

The second objective is to determine whether Fotinho shares the same mineralised system as MRG's neighbouring 100% owned Adriano licence, providing continuity with the high-grade alluvial results identified to date.

At Adriano, drilling and sampling conducted between October and December 2025 returned strong laboratory results, confirming high-grade alluvial deposits that align with October 2024 sediment stream sampling, which returned a peak grade of 32,393 ppm TREO.

Figure 1: Exploration activities underway at the Fotinho licence, with the administrative and community public participation process completed.

Geological Context & Exploration Strategy

The current field program builds on the strong momentum generated during the October to November 2025 drilling and mapping campaign at MRG's neighbouring Adriano licence.

During this period, MRG completed 37 auger holes and collected 126 samples, with 100% of holes returning visible heavy mineral concentrate (HMC) and confirming four separate alluvial deposit areas aligned with historic high-grade sediment stream testing.

Laboratory analysis of the auger samples from the 37 holes (125 samples) returned high to very high Total Heavy Mineral (THM) grades, with 83 samples above 4.0% THM, including 26 samples above 6.0% THM.

Individual samples returned grades of up to 9.56% THM over 1.0 metre, while five drill holes recorded weighted average grades greater than 6.0% THM, including a peak result of 7.16% THM over 2.0 metres in hole AAG25011.

Mineralogical and chemical analysis of the heavy mineral concentrate is planned for early 2026 to determine the valuable heavy mineral content, particularly monazite, and to assess TREO and Th/U content.

This auger drilling program and associated laboratory results represent the first program to demonstrate that the previously reported 32,393 ppm TREO sediment stream anomaly is linked to laterally continuous alluvial channels rather than isolated or anomalous sediment points.

Following receipt of these high-grade laboratory results (refer ASX Announcement 11 December 2025), a further nine auger holes were drilled at a fifth alluvial target.

Ongoing geological mapping across the Adriano licence, now nearing completion, has identified this fifth alluvial target in the south-east of the licence area, where significant alluvial development was observed in proximity to one of Adriano's earlier high-grade sediment stream anomalies.

Hand auger drilling was immediately initiated at this target, with several holes producing strong visual HMC responses in pan concentrates, consistent with previous alluvial discoveries across the licence.

In parallel, the Company has completed mapping and sampling of multiple pegmatite bodies along a 3-kilometre trend at Adriano, where several outcrops and bedrock exposures were identified. These pegmatites occur within the same drainage system feeding the alluvial zones.

Laboratory results from the pegmatite samples are expected in January 2026.

Given these strong results, early sediment stream work and mapping at Fotinho is designed to test the geological continuity of the mineralised system, including whether:

- the Adriano alluvial channels extend into Fotinho;
- whether the mapped pegmatite trend extends further downstream; and
- the elevated TREO grades reported historically at Fotinho correlate with the upstream high-grade zones.

Previous sediment stream sampling at Adriano (ASX Announcement 17 October 2024) returned 100% anomalous results across 42 samples, with 74% above 1,000 ppm TREO, a peak grade of 32,393 ppm TREO, and a strong magnetic rare earth component of ~22%.

Additionally, the Adriano and Fotinho licences are supported by existing infrastructure:

- A well maintained sealed road runs through both licences, providing direct access to the regional centre of Quelimane.
- A major electricity transmission line also traverses the licence areas, offering potential access to grid power.
- The Port of Quelimane, located approximately 100 km from the project area, is currently used for iron ore exports, providing an established export pathway for future operations.

Taken together, the combined Adriano drilling results, pegmatite mapping and shared-drainage interpretation continue to strengthen the view that Adriano and Fotinho may form a single, connected mineralised system with both hard-rock and alluvial rare earth potential.

This emerging connection underpins the broader concept of a district scale Adriano–Fotinho Rare Earth Corridor, where rare earths are shed from upstream source rock and distributed through a continuous mineralised drainage network.

Figure 2: Supporting infrastructure across the Adriano–Fotinho licences, showing the sealed access road linking the project area directly to Quelimane, a major electricity transmission line crossing the licences and the Port of Quelimane, located approximately 100 km from site and currently used for iron ore exports.

Non-Executive Director, Chris Gregory, said:

"With Adriano continuing to deliver strong technical momentum, it is timely to commence work at Fotinho as a coherent geological model emerges. The immediate focus of the program is to determine whether the mineralised pathways mapped and drilled at Adriano extend into Fotinho. Confirmation of continuity would support our interpretation of a shared, mineralised drainage system with district-scale potential."

MRG Metals Chairman, Andrew Van Der Zwan, said:

"MRG continues to advance a diversified, multi-resource business with multiple assets progressing in parallel. Alongside our fully funded heavy mineral sands project, which is moving steadily toward production, we are also building strong momentum across our rare earth portfolio. The combination of advanced heavy mineral sands and emerging rare earth assets provides scale, diversification and multiple pathways to value as we continue to grow MRG into a broader minerals company."

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 MRG Metals Limited Board of Directors.

For more information please contact:

MRG Metals
Andrew Van Der Zwan
Chairman
M: +61 (0) 400 982 987
E: andrew@mrgmetals.com.au

Investor Relations
Angus Kennelly
Massive Intelligence
E: angus@massiveintelligence.com.au