



Step-Out Grid Auger Drilling at High Grade Adriano Rare Earth Element Alluvial Target Area 2

Highlights

- A pitting program was conducted to test mature, well compacted, highly mineralised terrace gravel deposits in alluvial Target 2 area in Adriano (11002) (refer ASX Announcement 8 July 2026).
- The grid drilling program aims to develop an understanding of the mineralised alluvial terraces associated with the river system connected across Adriano and Fothino.
- Grid drilling is expected to continue to test the exploration potential of all mature gravel alluvial targets generated at Adriano and Fothino Rare Earth Element (REE) Projects.
- High THM analytical results were received from target generation auger drillholes in the alluvial Target Area 2 (refer ASX Announcement 11 December 2025), with highlights:
 - AAG25015 with 6.41% THM over 3.00m depth.
 - AAG25017 with 5.71% THM over 3.50m depth.
 - AAG25021 with 6.20% THM over 3.00m depth.
 - AAG25024 with 6.94% THM over 3.00m depth.
- A grid drilling program, with initial grid spacing of 200m X 200m, has commenced around the high grade holes and the two Exploration Pits at Adriano Target Area 2 (Figures 1 & 2).
- Mineralogical studies will be conducted on a lithological basis from different lithologies identified in Pit 3.
- Additional mineralogical studies will also be conducted on samples from the grid drilling, with the aim of determining if the bulk sample mineralogy, with samples from Adriano Area 2 included, is consistent.
- The reported mineralogy results from a composite HMC sample from 4 alluvial targets within Adriano showing high Valuable Heavy Mineral (VHM) content:
 - 1.9% Monazite;
 - 2.3% Rutile;
 - 1.90% Zircon;
 - 1.8% Leucoxene; and
 - 24.4% Ilmenite.
 - 32.2% Total VHM of the HMC.
 - Chemical analytical results showed 1.46% Total Rare Earth Oxides

MRG Metals Limited (ASX: MRQ) ("MRG" or "the Company") is pleased to announce the start of a grid drilling program at one of the alluvial targets, target Area 2, within the Adriano REE project (refer ASX Announcement 11 December 2025 and Figures 1 & 2).



The 200 X 200m auger grid drilling programs follows on from very positive result from a pitting program to test alluvial gravel and sand deposits, particularly the depth to subcrop, with 2 pits dug in alluvial Target 2 area (**refer ASX Announcement 8 July 2026 and Figure 2**).

Pit 3, at hole AAG25015 locality, was dug in a terrace to subcrop at between 3.6m and 3.7m depth, with pit sampling showing well mineralised terrace sands and gravels to subcrop (**refer ASX Announcement 8 July 2026**).

The grid drilling program has been initiated around the high grade holes and the 2 pits within the Adriano Target Area 2 (**Figures 1 & 2**).

The goal is to develop an understanding of the alluvial terraces around the river, with grid drilling then continuing at the numerous additional targets generated within both the Adriano and Forinho licences (**refer ASX Announcements 9 October 2025, 16 October 2025, 23 October 2025, 27 October 2025 and 4 March 2026 for Adriano targets; 01 June 2026 and 1 July 2026 for Fotinho targets**).

Initial target generation auger drilling defined a high grade THM alluvial Target, Area 2, within Adriano (**refer ASX Announcement 11 December 2025**), with analytical results showing the following:

- AAG25015 with 6.41% THM over 3.00m depth.
- AAG25017 with 5.71% THM over 3.50m depth.
- AAG25021 with 6.20% THM over 3.00m depth.
- AAG25024 with 6.94% THM over 3.00m depth.
- Area 2 shows a weighted >5% THM if the low grade holes east of the river are excluded (**refer Figure 2**).

A pitting program, with 2 pits dug in alluvial Target Area 2, was conducted to test alluvial gravel and sand deposits, particularly the depth to subcrop. Pit 2 was dug at hole AAG25017, while Pit 3 was dug at hole AAG25015, with Pit 2 intersection subcrop at between 3.6m and 3.7m depth, with pit sampling showing well mineralised terrace sands and gravels to subcrop (**refer ASX Announcement 8 July 2026**).

Initial mineralogical investigations and chemical analyses from a Heavy Mineral Concentrate (HMC) sample derived from Adriano confirmed the TREO potential of the Adriano-Fotinho area (**refer ASX Announcements 13 May 2026**). This initial mineralogy study showed the high Valuable Heavy Mineral (VHM) content of an HMC sample to be as follows:

- 1.9% Monazite;
- 2.3% Rutile;
- 1.90% Zircon;
- 1.8% Leucoxene; and
- 24.4% Ilmenite.

- A 32.2% Total VHM of the HMC.

Mineralogical investigations based on lithological units will be conducted from samples generated at Pit 3, Adriona; while additional mineralogical studies will be conducted on areas tested via grid drilling programs.

Non-Executive Director, Chris Gregory, said:

“Each work phase continues to add confidence to the geological model. Again we see here MRG Metals delivering an industry-best standard of high quality/low cost discovery technique. The detailed pit study establishes grade and mineralogy that correlates directly to auger drilling assays, which now allows step out auger drilling to build mineralised footprint with a good degree of confidence.”

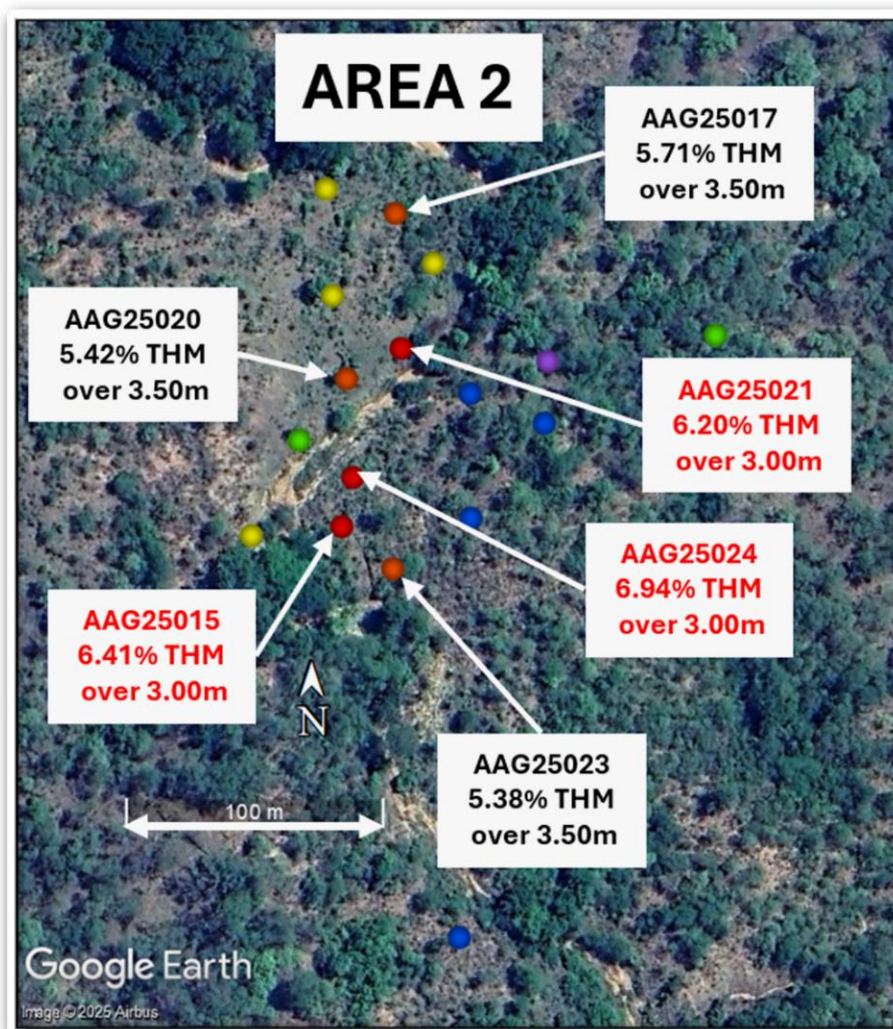


Figure 1: Auger drillingholes and analytical grades for alluvial Target Area 2, within Adriano 11002.

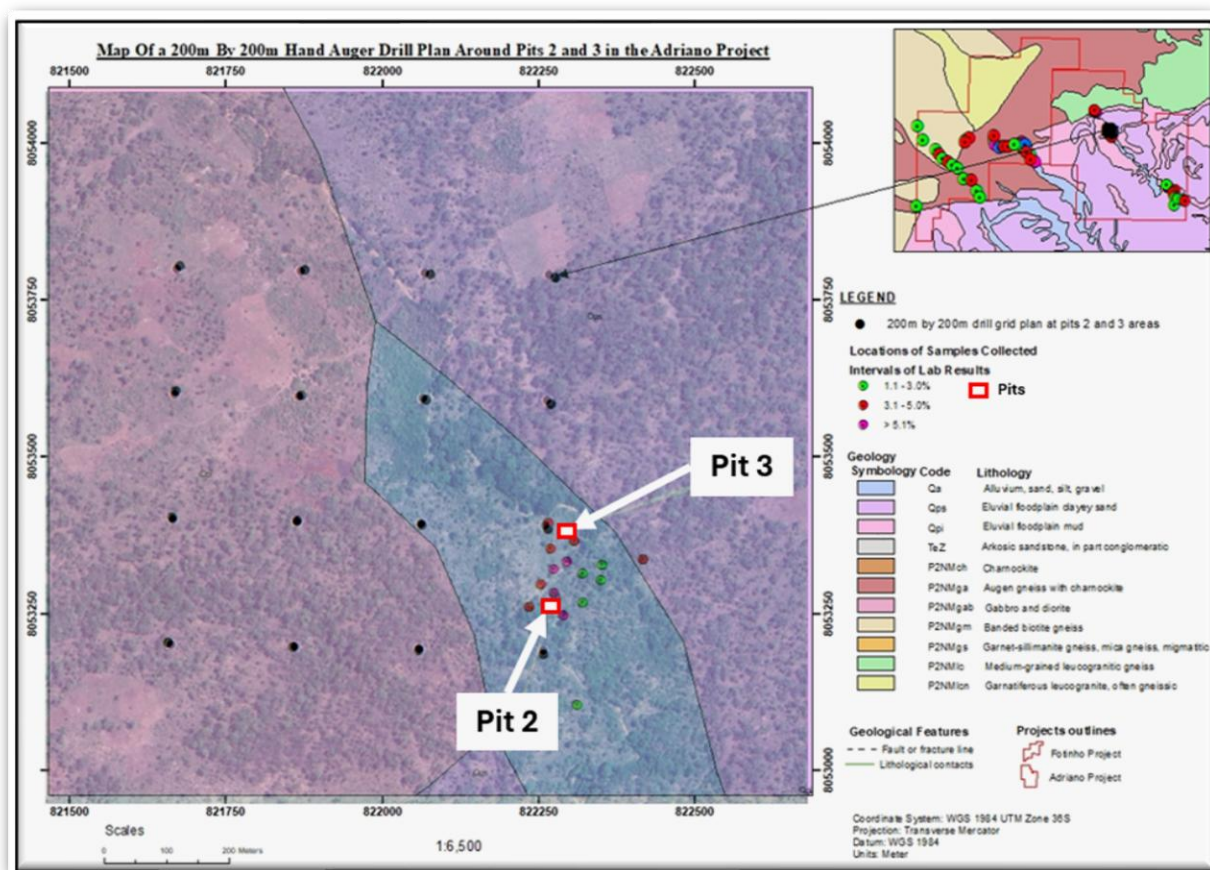


Figure 2: Planned 200m grid spacing Auger drillingsholes currently being drilled at Target Area 2 within the Adriano 11002 licence. Analytical grades (see legend for grades and Figure 1 for zoomed in information), with no THM cut-off used from initial holes in Target Area 2 also shown.

Cautionary Statement

The 200m spaced grid auger drilling undertaken represents the first drilling to define the strike, width and depth potential, as well as grid based grade and lithological information, of the identified alluvial deposits / terraces around the active streams and rivers. There is no guarantee on what exploration will uncover in terms the dimensions / mineralisation of the alluvial deposits. Positive results will result in infill drilling.

MRG Metals Chairman, Andrew Van Der Zwan, said:

“Our team has moved quickly to build on the strong results delivered last month, and we are now seeing real momentum across the Adriano–Fotinho corridor. With completion of the Exploration Pit Study and now this program of step out auger drilling, we are steadily building confidence in the potential of Adriano and Fotinho projects as a district scale play.”



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.

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