

MetalsGrove Expands into Côte d'Ivoire with Strategic Acquisition of Gold JV Permits

31 March 2025

HIGHLIGHTS

- **Binding Term Sheet** signed for the acquisition of three gold joint venture (JV) permits in central-west Côte d'Ivoire, West Africa.
- The permits are strategically located **between 60 km and 140 km** northeast of the **3.8 Moz Abujar gold mine**, currently in operation.
- The acquisition covers a total area of **950 km²**, encompassing over **50 km of highly prospective Abujar fault/shear structures**.
- Regional geological sequences indicate **favourable characteristics** for gold mineralization, aligning with Côte d'Ivoire's well-endowed gold terrains.
- **Highly anomalous auger and soil lag sampling results** from neighbouring permits suggest that gold mineralisation is highly likely to extend into the acquired areas.
- Aeromagnetic surveys reveal a complex structural setting, including several structural pressure shadows and low-strain zones, further enhancing prospectivity.
- Presence of artisanal mining activities within the permit area indicates potential for near-surface gold mineralisation.

MANAGEMENT COMMENTARY

Managing Director and CEO, Mr Lijun Yang, commented:

"I am pleased to announce that MetalsGrove is expanding its exploration footprint into Côte d'Ivoire, a highly prospective region renowned for hosting multi-million-ounce gold deposits.

The newly acquired permits span 950 km² within the highly prospective Birimian greenstone belt, encompassing over 50 km of the major fault/shear structures. This strategic acquisition allows us to leverage our extensive gold exploration expertise within this prolific geological setting.

With a favourable geological framework, highly anomalous gold results from neighbouring projects, and structural insights derived from aeromagnetic surveys, we are confident in the potential to identify significant gold deposits.

Our initial exploration program will commence promptly upon the successful completion of the transaction and once permits are granted."

MetalsGrove Mining Limited (ASX: MGA) (“**MetalsGrove**” or the “**Company**”) is pleased to announce that it has entered into a binding Term Sheet to acquire three gold joint venture (JV) permits in central-west Côte d’Ivoire, West Africa (“**Central West Gold JV**”). The permits are being acquired from ASX-listed Desert Metals Limited (ASX: **DM1**) and its subsidiaries. The newly acquired permits are currently held by Générale des Mines et Carrières S.A.R.L (“**GEMICA**”), a privately incorporated company in Côte d’Ivoire.

Côte d’Ivoire

Côte d’Ivoire, located in West Africa, shares borders with Liberia and Guinea to the west, Mali and Burkina Faso to the north, and Ghana to the east (Figure 1). The country is widely recognized as a stable and attractive destination for foreign investment, supported by a mature democracy, well-developed infrastructure, reliable energy supply, and skilled workforce.

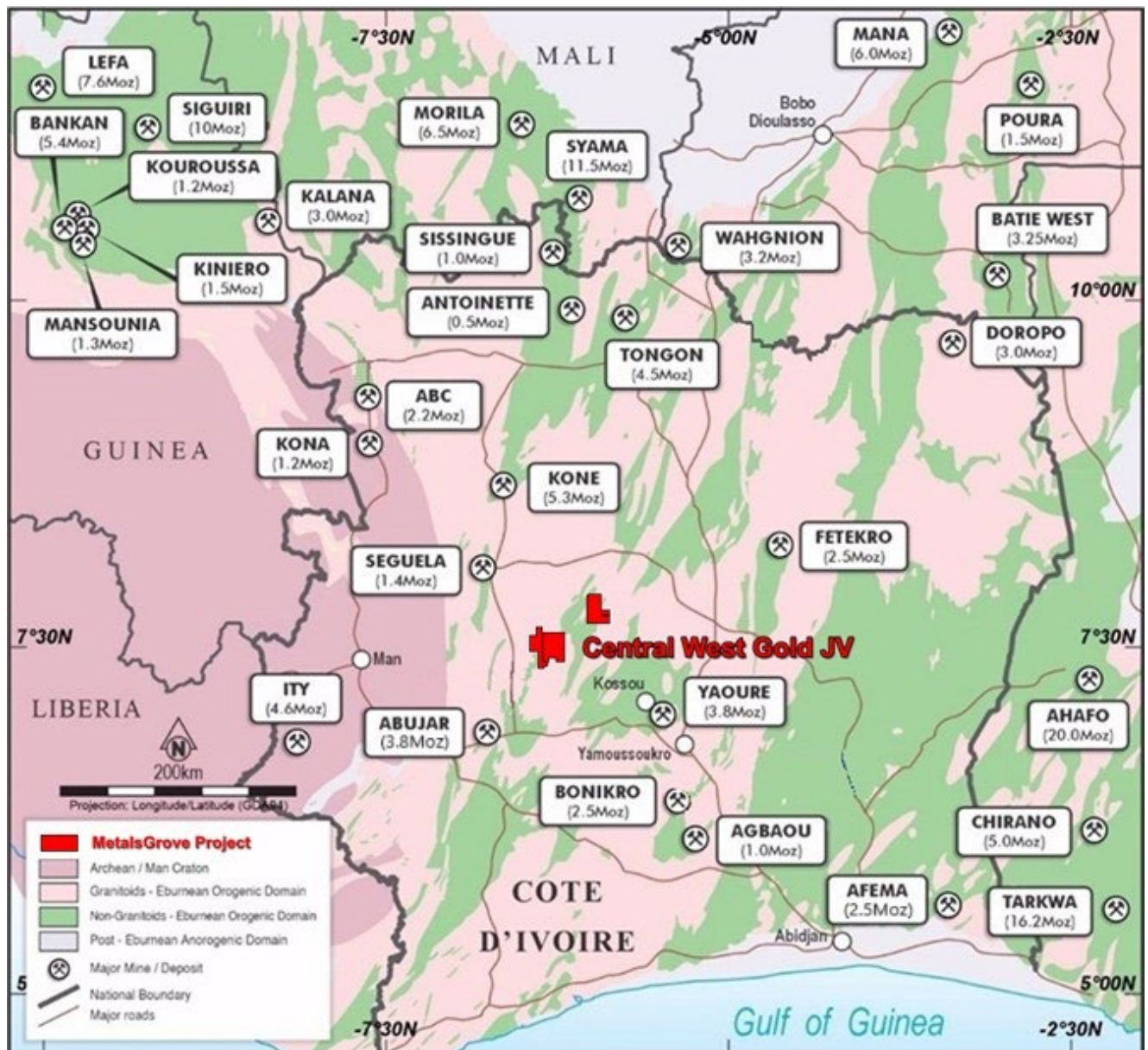


Figure 1: Map illustrating location of Central West Gold JV permits

Côte d'Ivoire's mining industry has benefited from modern mining regulations and investor-friendly tax policies, including:

- **Exploration license:** Valid for 4+3+3 years, with a maximum area of 400 km².
- **Gold royalties:** Ranging from 3% when gold prices are below USD \$1,000/oz to 6% when prices exceed \$2,000/oz.
- **State participation:** The government retains the right to a 10% free carried interest (FCI) in mining licenses.
- **Corporate and capital gains tax:** 25%, with **VAT and duty exemptions** applicable to exploration and mining licenses.
- **Tax incentives:** A **five-year exemption** from corporate income tax and annual minimum tax for mining companies.

Côte d'Ivoire is home to several prolific, gold-producing Birimian greenstone belts, which extend from neighbouring West African countries and host numerous multi-million-ounce gold deposits. Despite this, Côte d'Ivoire remains vastly underexplored, presenting substantial potential for further major gold discoveries. Notable gold discoveries and operating mines in Côte d'Ivoire include (Figure 1):

- **Barrick Gold's Tongon Project – 4.9Moz**
- **Perseus Mining's Sissingué Project – 1.1Moz**
- **Endeavour Mining's Ity and Agbaou Projects – 5.4Moz and 1.1Moz, respectively**
- **Montage Gold's Kone Project – 5.3Moz**
- **Tietto Minerals (acquired by Zhaojin Capital) Abujar Project – 3.8Moz.**

Central West Gold JV permits

The three acquired Central West Gold JV permits are strategically located in central-west Côte d'Ivoire between 60 km and 140 km northeast of Abujar Gold Mine and situated in the same Birimian greenstone belt and on the same structural trend as Abujar (Figure 2).

Further details of the permits are provided in Table 1.

Table 1. Central West Gold JV Permits Details

| Name | Permit ID | Type | Status | MGA Ownership | Area (Km ²) |
|----------------|---------------------|-------------|-------------|-------------------|-------------------------|
| Vavoua | PR-454 | Exploration | Application | Earning up to 80% | 378.25 |
| Vavoua West | 0544DMICM31/03/2022 | Exploration | Application | 90% | 234.31 |
| Kounahiri West | 0713DMICM04/27/2022 | Exploration | Application | 90% | 338.48 |

The three permits cover a total area approximately **950 km²** and are pending formal approval. The Vavoua permit has recently been approved by the Interministerial Committee and is expected to be officially granted in the near future.

Regional Geology Background and Gold Mineralisation Potential

The Gold JV Permits area holds many characteristics of the well-mineralised gold terranes in Côte d'Ivoire that host large (+1Moz) deposits. These include:

- Birimian greenstone belt with mixed metasediment and volcanic sequences
- Multiple episodes of granite intrusion
- Country-scale, northeast-trending structure with multiple bifurcations and structural splays
- Multiple, low-strain zones and pressure shadows - favourable structural targets for gold mineralisation
- Established gold trends defined by auger or LAG geochemistry in neighbouring concessions that trend into the Central West Gold JV project area
- Artisanal gold mining activity (Kounahiri West)
- Favourable distance (60 to 100km) from known +1Moz gold deposit.

A map of the local area illustrating the three permits on local area geology is illustrated in Figure 2.

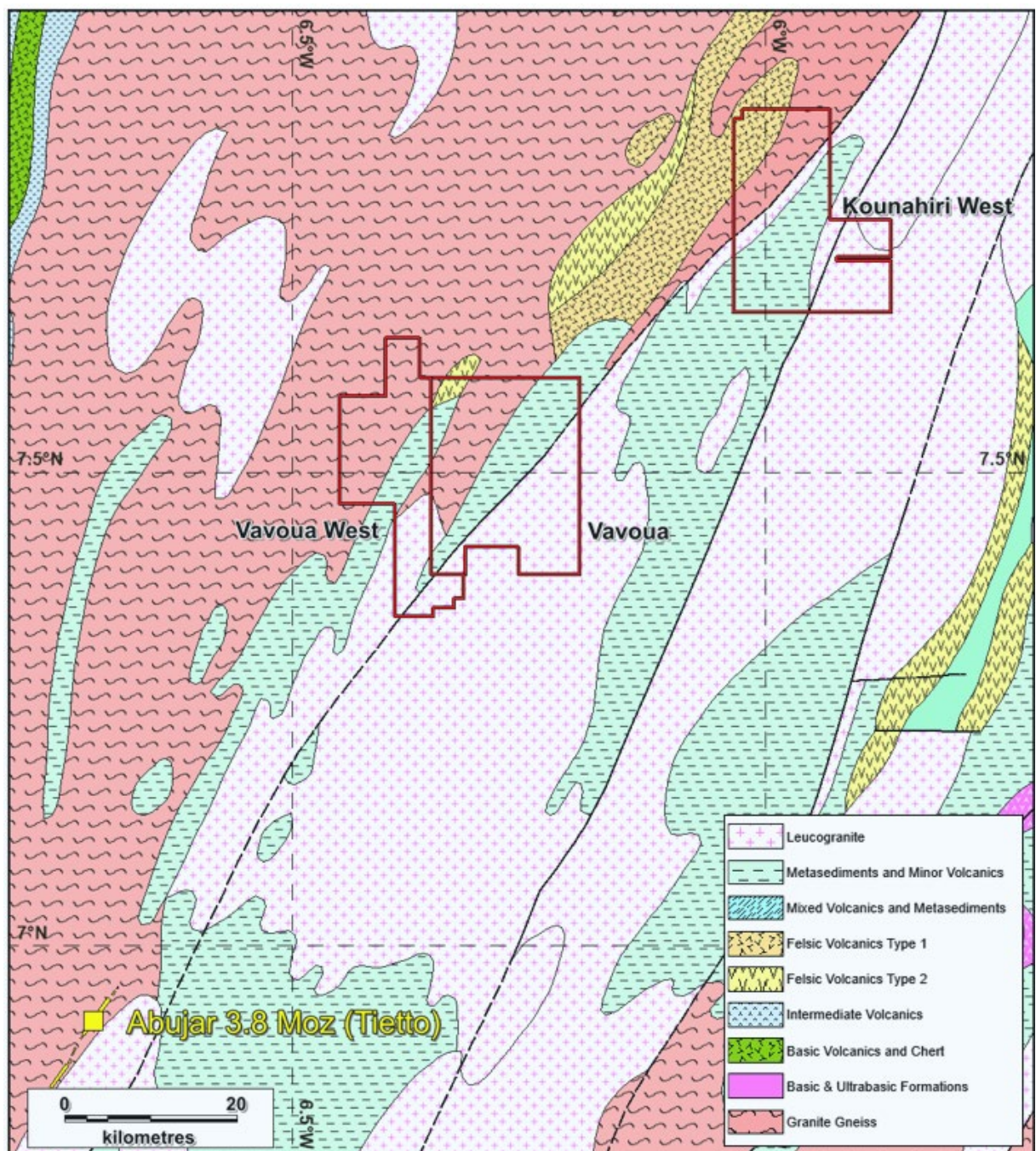


Figure 2. Map of Central West Gold JV permits on local area geology

Vavoua and Vavoua West Permits

The Vavoua and Vavoua West permits lie 60km to 90km NE of the Abujar gold mine (3.8 Moz) and cover 378.25 km² and 234.31 km² respectively.

Immediately south in a neighbouring permit, auger sampling¹ has defined a gold trend that is considered highly likely to extend along the structure into the Vavoua West and Vavoua permits (Figure 3). The favourable structural complexity and the interpreted pressure shadows and low-strain zones that lie adjacent to the terminating granite intrusion define an immediate exploration target area.

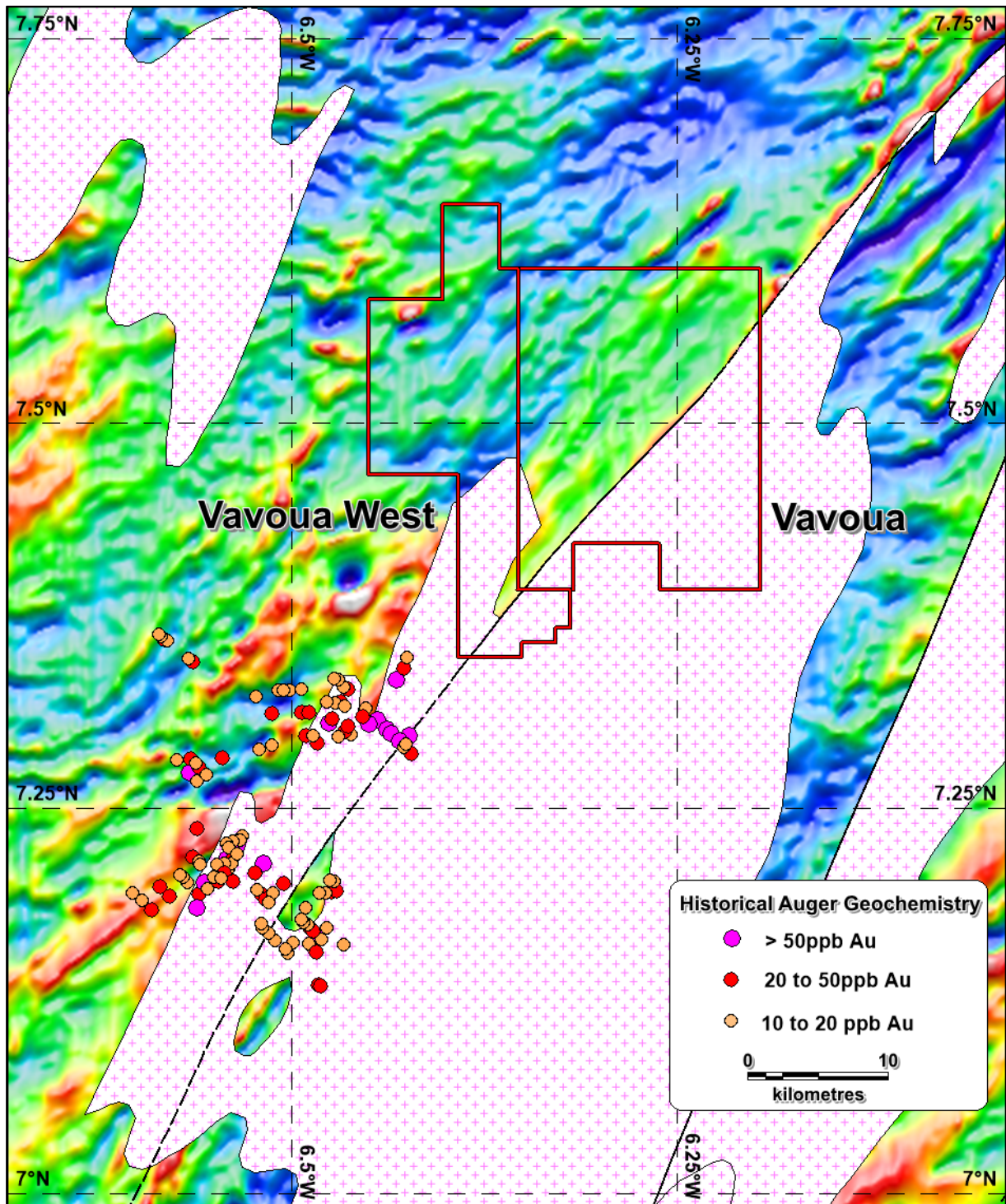


Figure 3. Map illustrating Vavoua and Vavoua West permits on aeromagnetics and historical auger geochemistry

¹ Ricca Resources Limited Financial Report for half year ending 31 December 2021.

Kounahiri West Permit

The Kounahiri West permit lies between 110km and 140km NE of the Abujar (3.8 Moz) gold mine and covers 338.48 km² of a highly prospective greenstone-granite terrane.

The imaged aeromagnetic data again highlights favourable structural complexity, with multiple interpreted pressure shadows and low-strain zones that define immediate exploration target areas. On a neighbouring permit to the immediate west, highly anomalous gold geochemistry (>1 ppm Au) has been reported in LAG samples collected 400m from the Kounahiri West permit boundary², and artisanal mining activity has recently commenced within the Kounahiri West permit in the same general area (Figure 4).

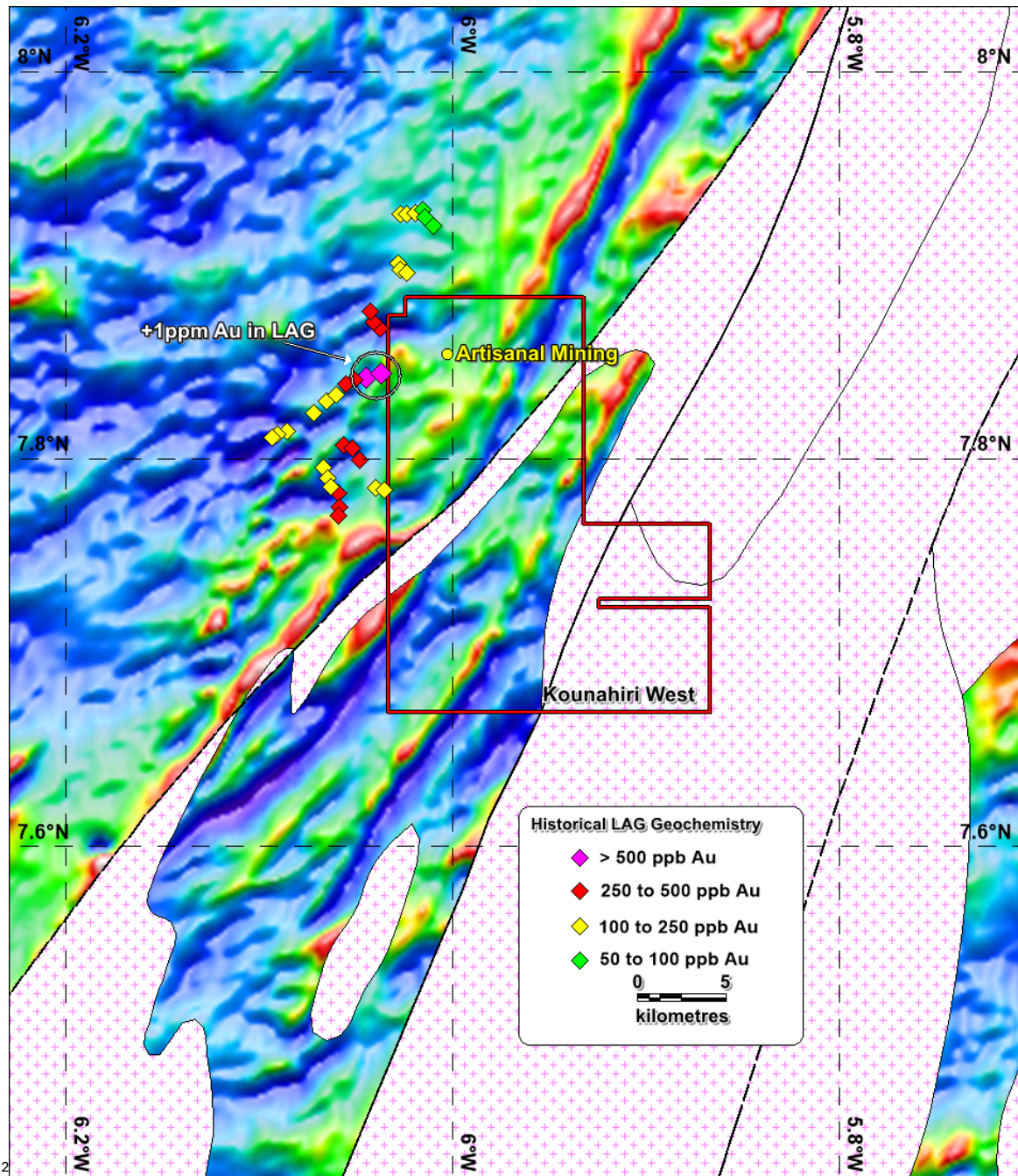


Figure 4. Map of Kounahiri West permit on aeromagnetics and historical LAG geochemistry

² African Gold Limited Annual Report 2023.

Major Acquisition Terms and JV Terms

The major acquisition terms are as follows:

- A\$50,000 cash payment upon the grant of the Vavoua licence;
- A\$50,000 cash payment upon the grant of either the Vavoua West or Kounahiri West licence (whichever is granted first);
- A\$1 million cash payment on the estimation of a JORC-compliant mineral resource of not less than 500,000 ounces of gold (or gold equivalent) and a grade of not less than 1 g/t gold (or gold equivalent) on a mineral permit granted pursuant to the Licence Applications (Resource Payments). The Resource Payments are payable in respect of each of the three Licence Applications. For the avoidance of doubt, the maximum amount payable is A\$3 million. Subject to the mutual agreement of the parties, settlement of a Resource Payment in whole or in part may be by the issue of MGA shares (subject to MGA shareholder approval or available placement capacity under ASX Listing Rule 7.1);
- a 1% net smelter royalty in respect of production from the mineral permits granted pursuant to the Licence Applications (Royalty). The Royalty is capped at the greater of A\$3 million or the amount of the royalty in respect of the first 125,000 ounces of gold production.

The major JV terms are referred to in Appendix 1.

This announcement was authorised for release by the MetalsGrove Mining Ltd Board of Directors.

SHAREHOLDER ENQUIRIES

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COMPETENT PERSON STATEMENT – EXPLORATION STRATEGY

The information in this announcement relating to exploration strategy and results is based on information provided to and compiled by Mr Lijun Yang who is currently a member of the Australian Association of Geologists (MAIG). Mr Lijun Yang is Managing Director and CEO of MetalsGrove Mining Limited.

Mr Lijun Yang has sufficient experience which is relevant to the style of mineralisation and exploration processes as reported herein 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 Lijun Yang consents to the inclusion of the information contained herein in the form and context in which it appears in this announcement.

FORWARD LOOKING STATEMENTS

This announcement may contain certain “forward looking statements” which may not have been based solely on historical facts but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis.

However, forward looking statements are subject to risks, uncertainties, assumptions, and other factors which could cause actual results to differ materially from future results expressed, projected or implied by such forward looking statements. Such risks include, but are not limited to, exploration risk, mineral resource risk, metal price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which we sell our product to, and government regulation and judicial outcomes.

For more detailed discussion of such risks and other factors, see the Company’s Prospectus, as well as the Company’s other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any “forward looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Appendix 1. Major JV Terms

| Agreement | Kounahiri West | | Vavoua | | Vavoua West | |
|--|--|-------------------------------------|--|-------------------------------------|--|-------------------------------------|
| Joint venture party | GEMICA | | GEMICA | | GEMICA | |
| Permit | 0713DMICM27/04/2022: Under Application | | PR454: Under Application | | 0544DMICM31/03/2022: Under application | |
| Registered permit holder | GEMICA | | GEMICA | | GEMICA | |
| Annual expenditure due by | N/A – no time commitments | | Grant anniversary date | | N/A – no time commitments | |
| Accounting of expenditure contributions | All expenditure shall be treated as an interest free loan on the funders' books | | All expenditure shall be treated as an interest free loan on the funders' books | | All expenditure shall be treated as an interest free loan on the funders' books | |
| Minimum annual expenditure requirements (cumulative) | Amount | JV Interests (assuming earn-in met) | Amount | JV Interests (assuming earn-in met) | Amount | JV Interests (assuming earn-in met) |
| Expenditure Timing | A\$125,000 (50 million FCFA) minimum expenditure required before CDI Minerals can withdraw from the agreement. | CDI: 90% GEMICA: 10% | A\$200,000 (80M FCFA) | CDI: 40%; GEMICA: 60% | A\$125,000 (50 million FCFA) minimum expenditure required before CDI Minerals can withdraw from the agreement. | CDI: 90% GEMICA: 10% |
| | | | A\$425,000 (170M FCFA) | CDI: 60%; GEMICA: 40% | | |
| | | | A\$750,000 (300M FCFA) | CDI: 80%; GEMICA: 20% | | |
| Maximum JV interest following earn-in | 90% participating (upon grant of permit) | | 80% participating | | 90% participating (upon grant of permit) | |
| CDI's rights and obligations | GEMICA grants CDI the right to access the permit, direct exploration activities and direct development and mining operations on the permit at CDI's sole discretion. CDI shall consult with GEMICA on exploration programmes and budgets, but shall have the sole and exclusive right to develop those programmes set budgets and approve orders. | | GEMICA grants CDI the right to access the permit, direct exploration activities and direct development and mining operations on the permit at CDI's sole discretion. CDI shall consult with GEMICA on exploration programmes and budgets, but shall have the sole and exclusive right to develop those programmes set budgets and approve orders. | | GEMICA grants CDI the right to access the permit, direct exploration activities and direct development and mining operations on the permit at CDI's sole discretion. CDI shall consult with GEMICA on exploration programmes and budgets, but shall have the sole and exclusive right to develop those programmes set budgets and approve orders. | |
| Sole funding | During the term of the agreement, CDI shall solely be responsible for financing exploration, development and operations on the permit. | | During the term of the agreement, CDI shall solely be responsible for financing exploration, development and operations on the permit. | | During the term of the agreement, CDI shall solely be responsible for financing exploration, development and operations on the permit. | |
| Creation of NewCo | At any time, CDI may require that the joint venturers incorporate a new joint venture company (Newco) as an Ivorian SPV, having its sole corporate purpose as the exploration and development of the permit. The parties will enter into a shareholders' agreement in respect of NewCo to more fully document the governance and operations of NewCo. | | At any time following CDI having earned an 80% interest, CDI may require that the joint venturers incorporate a new joint venture company (Newco) as an Ivorian SPV having its sole corporate purpose as the exploration and development of the permit. The parties will enter into a shareholders' agreement in respect of NewCo to more fully document the governance and operations of NewCo. | | At any time, CDI may require that the joint venturers incorporate a new joint venture company (Newco) as an Ivorian SPV, having its sole corporate purpose as the exploration and development of the permit. The parties will enter into a shareholders' agreement in respect of NewCo to more fully document the governance and operations of NewCo. | |
| Option to acquire additional interest | At any time within 60 days of lodgement of the first application for an exploitation permit in relation to a deposit on the permit, CDI may acquire a further 5% participating interest (either by acquiring the interest of GEMICA or, if NewCo has been incorporated, by acquiring GEMICA's interest in NewCo) for a total of \$1,050,000 (420M FCFA). | | At any time within 60 days of lodgement of the first application for an exploitation permit in relation to a deposit on the permit, CDI may acquire a further 10% participating interest (either by acquiring the interest of GEMICA or, if NewCo has been incorporated, by acquiring GEMICA's interest in NewCo) for a total of \$2,100,000 (840M FCFA) | | At any time within 60 days of lodgement of the first application for an exploitation permit in relation to a deposit on the permit, CDI may acquire a further 5% participating interest (either by acquiring the interest of GEMICA or, if NewCo has been incorporated, by acquiring GEMICA's interest in NewCo) for a total of \$1,050,000 (420M FCFA). | |