



MRG Lodges Mining Right Conversion Application for High-Grade Garies Rare Earth Project

Highlights:

- Mining Right (Mining Lease) Conversion Application has been lodged with the South African Department of Mineral and Petroleum Resources (“DMPR”) for the Garies Rare Earth Project in the Northern Cape Province.
- Mining Right Conversion application was supported by:
 - metallurgical testwork (refer ASX Announcements 2 April 2026 and 2 June 2026); and
 - economic assessment that meets South African Department of Mineral and Petroleum Resources’ requirements.
- Proposed initial mining development represents a potential scalable proof-of-concept and initial development platform for the broader Garies rare earth district.
- Initial processing plant design allows for potential throughput expansion beyond the currently known DrillTarg target.
- Future mineralisation from additional target zones may potentially be trucked to a centralised processing facility, subject to future exploration success and technical studies.
- The proposed modular processing strategy provides flexibility for potential future throughput expansion as additional technical studies and exploration programs are completed.
- DrillTarg represents one of 23 rare earth targets requiring exploration follow-up across the broader Garies Project area.
- Metallurgical testwork previously confirmed the following (refer ASX Announcements 2 April 2026 and 2 June 2026):
 - ~72% metallurgical recoveries, with
 - pathway toward recoveries exceeding 80%.

MRG Metals Limited (ASX: MRQ) (“MRG” or “the Company”) is pleased to announce that it has formally lodged the Mining Right (Mining Lease) Conversion Application (in terms of Section 22 of the Mineral and Petroleum Resources Development Act, 2002 (MPRDA)) for the Garies Rare Earth Project in South Africa with the South African Department of Mineral and Petroleum Resources (“DMPR”).

The application represents a major milestone in the advancement of the Garies Project.

The Mining Right Conversion Application is for an initial 10-year period.

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The Company believes Garies is emerging as a strategic critical minerals project with the potential to support scalable future development.

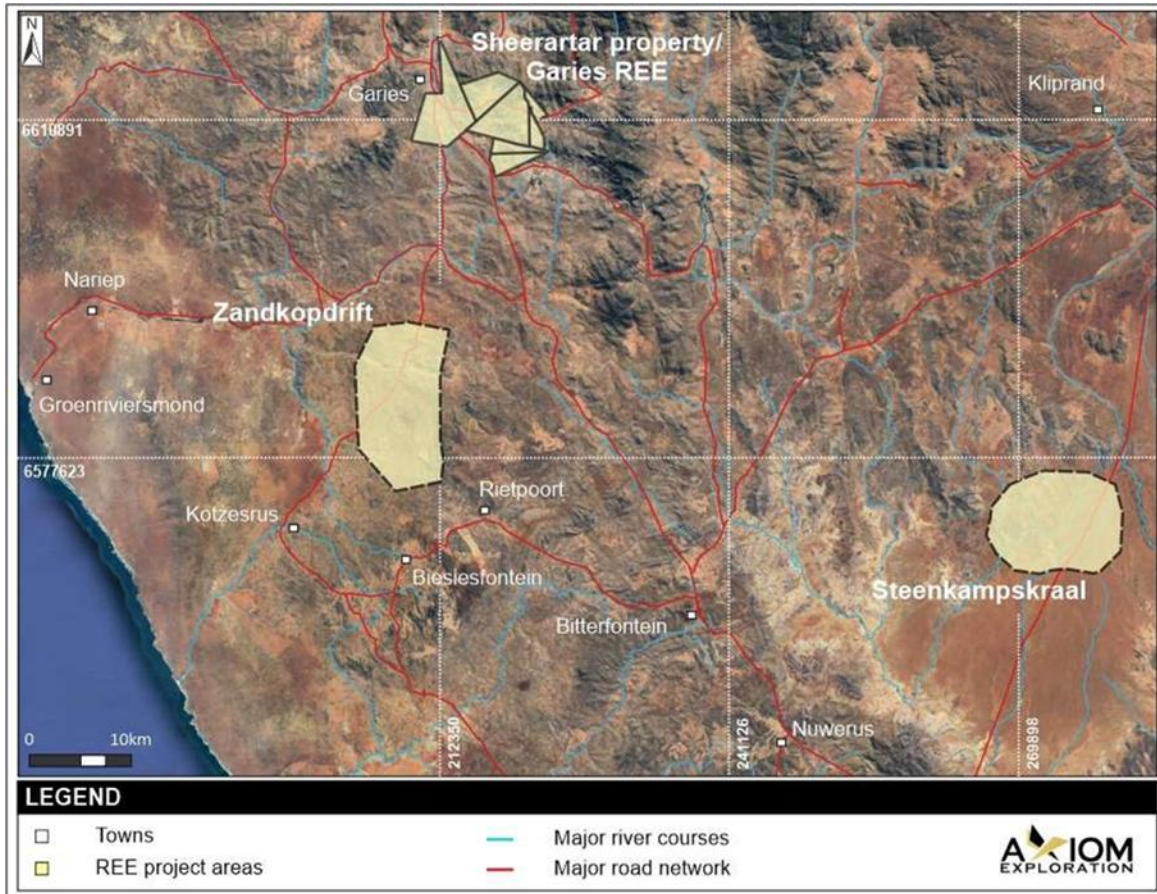


Figure 1: Regional location map showing Garies relative to Steenkampskraal and Zandkopsdrift

Steenkampskraal

Steenkampskraal’s Monazite Rare Earths Project is globally considered to be the highest-grade rare earths resource in the World @ 14.5% RoM average grade contained TREO+Y₂O₃ (>90g/t gold equivalent) (Source – www.steenkampskraal.com).

Zandkopsdrift

Frontier Rare Earths Limited, which is developing the Zandkopsdrift magnet rare earths and battery grade manganese project in South Africa, announced on 5 February 2026 the signing of a Technology Supply Agreement with Carester SAS, one of the leading western rare earths separation specialists, and an investment of US\$20m from South Africa’s Industrial Development Corporation to finance a Definitive Feasibility Study (“DFS”), with first production targeted for 2030 (Source – www.frontierrareearths.com).



Cautionary Statement

The references to the Steenkampskraal and Zandkopsdrift projects are provided for regional and geological context only. The Company does not have any interest in, or rights to, these projects and is not relying on information from those projects for the purposes of this announcement.

Investors are cautioned that mineralisation, grades, resources, development outcomes, funding arrangements or economic characteristics of nearby or adjacent projects are not necessarily indicative of mineralisation or development potential at the Garies Project. No assurance can be given that the Garies Project will achieve similar exploration, development or economic outcomes.

MRG Chairman, Andrew van der Zwan, commented:

“The lodgement of the Mining Right Conversion Application marks a major advancement milestone for the Garies Project and demonstrates the substantial progress made over a relatively short period.

The proposed initial mining operation should not be viewed as a fixed-scale development case, but rather as an initial proof-of-concept and initial development platform designed to demonstrate the broader commercial potential of the Garies district.

The modular nature of the proposed processing strategy provides flexibility for future throughput increases and potential integration of mineralisation sourced from additional target areas across the broader project.

While the proposed initial mining operation is relatively modest in scale compared to bulk commodity projects such as iron ore and copper, rare earth projects are fundamentally driven by grade, basket value and concentrate value rather than sheer tonnage. Even a comparatively small mining resource may support a viable development opportunity, given the high-grade nature of the mineralisation, the value of rare earth products and the favourable metallurgical characteristics identified to date.

What is particularly exciting is that the current development case is based on only a very small portion of the broader Garies mineralised district.

The proposed processing infrastructure has also been designed with scalability in mind, allowing for the potential future incorporation of additional mineralisation sources from elsewhere within the district. This creates the opportunity for staged production growth and progressive expansion supported by future operational cashflows as the project advances.

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We believe Garies has the potential to evolve into a strategic rare earth development project through continued drilling, technical advancement and staged development assessment.

We have received interest from potential Strategic Partners. The lodgement of the Mining Right Conversion Application enables the Company to consider opportunities with a Strategic Partner that could entail funding for a Pilot Plant and ongoing Exploration at Garies.”

Mining Right Conversion and Associated Authorisations

The Mining Right Conversion Application has been formally lodged with the South African DMPR for the conversion of the existing prospecting tenure into a Mining Right supporting future mining and processing operations at Garies. In addition, an application for a Water Use License (WUL) and Waste License has been initiated with the Department of Water and Sanitation (DWS) as well as the preparation work for a Certificate of Registration with the National Nuclear Regulator (NNR).

The application incorporates:

- geological and resource data;
- mining studies;
- metallurgical testwork;
- environmental specialist studies;
- social and labour planning components; and
- the independently prepared CPR including a conceptual development strategy.

The application process will now progress through the formal South African regulatory review process which has an estimated timeline of ~300 days. The Environmental Assessment Practitioner (EAP) and project specialists have not identified any fatal flaws in the initial screening phase and draft specialist studies for the Environmental Impact Assessment (EIA).

The proposed operation is based on a scalable modular development approach designed to minimise upfront capital intensity while retaining flexibility for future expansion. While the initial development case remains relatively modest in scale, the proposed processing infrastructure has been designed to allow potential future throughput expansion beyond the currently identified DrillTarg target. This creates the potential for future mineralisation from additional target zones within the broader Garies district to be transported to a centralised processing facility, potentially supporting staged production growth and progressive plant expansion over time.

The Company notes that the proposed initial development case has been intentionally designed as a low-capital-intensity entry strategy focused on establishing initial production capability and operational proof of concept. Importantly, the proposed modular processing

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configuration provides flexibility for future expansion and potential incorporation of additional mineralisation sources identified across the broader Garies district.

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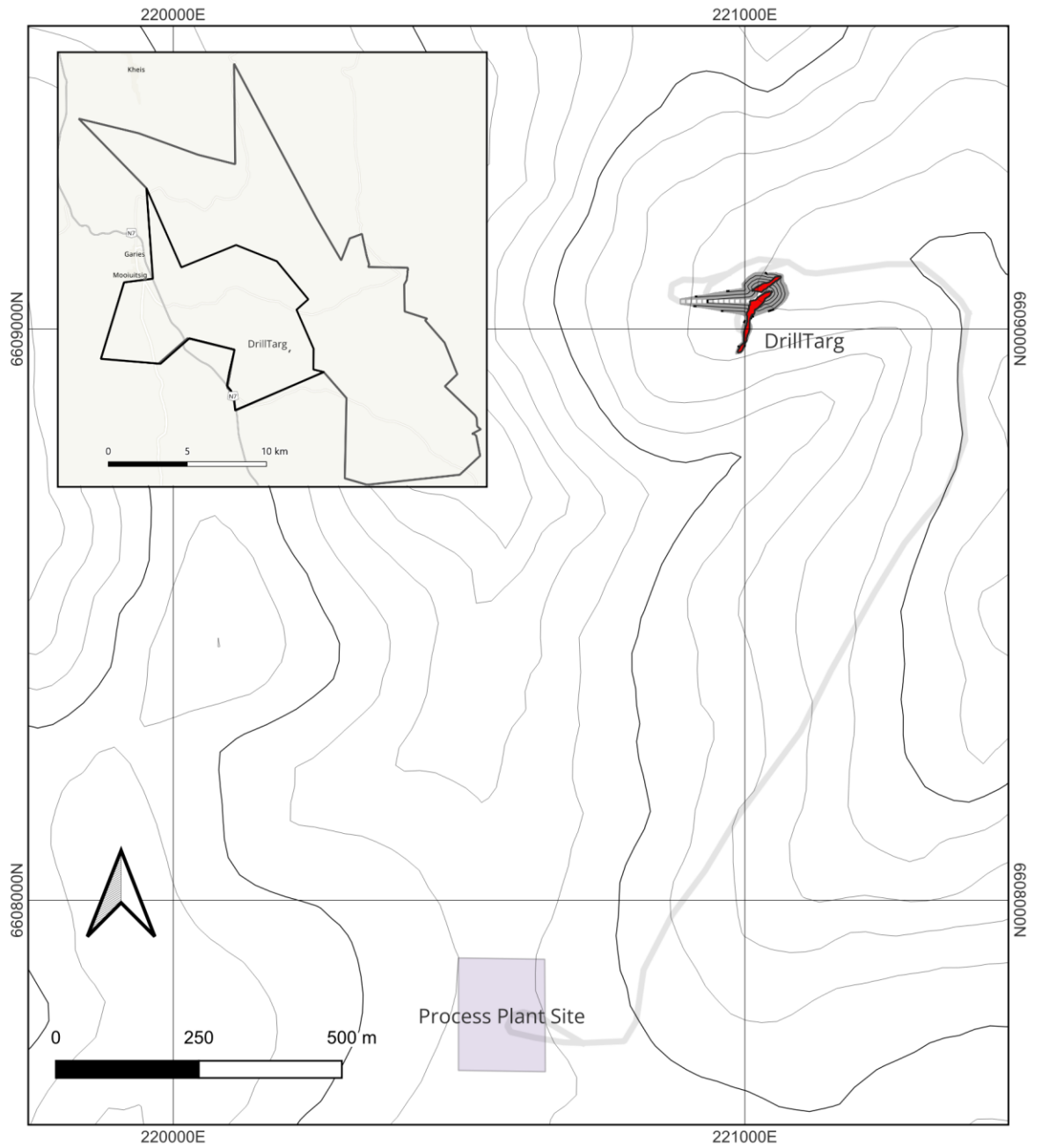


Figure 2: Proposed Mining Area and Resource Footprint



Rare Earth Market Context and Development Strategy

- Rare earth projects are often valued on grade and basket value, not only tonnage. A high-grade, magnet-rich deposit can support a viable operation at comparatively modest scale.
- In July 2025, the US Department of Defense (DoD) entered a landmark 10-year partnership with MP Materials, establishing a price floor of US\$110 per kilogram for NdPr oxide — at the time of announcement, nearly double the prevailing spot price (Source: MP Materials / DoD, July 2025).
- The DoD price floor has introduced a policy-supported reference price for Western NdPr supply, providing a degree of commercial stability that has historically been absent from the rare earth market and supporting the investment case for new projects outside China.
- US\$6.3 billion in rare earth investments outside China were announced in 2025, with more than 60% sourced from the US government. A further US\$2.8 billion followed in the first quarter of 2026 alone (Source: Benchmark Mineral Intelligence).
- In October 2025, the US and Australia signed a Critical Minerals Framework Agreement targeting an US\$8.5 billion pipeline of mineral projects, with both governments committing to invest at least US\$1 billion each within six months (Source: US-Australia Critical Minerals Framework Agreement, October 2025).
- The US State Department has confirmed active engagement with African producers to reduce China's dominance of the rare earth market. New rare earth mines are expected to come online across South Africa, Tanzania, Angola and Malawi by 2029 (Source: African Union Minerals Development Center).
- Garies is located within a proven monazite-hosted rare earth province in South Africa's Northern Cape, directly within the region now attracting government-backed strategic investment interest.
- The current development strategy is designed as a capital-efficient entry point into production, with the potential for future expansion through increased plant throughput and incorporation of additional mineralisation sources from within the broader project area.
- The Company believes this staged approach may reduce development risk while allowing progressive scale-up funded, in part, through operational cashflows.
- DrillTarg represents one of 23 identified rare earth targets across the Garies tenement. The broader target inventory provides potential future optionality for additional mining sources capable of supplying a centralised processing operation as the project advances.



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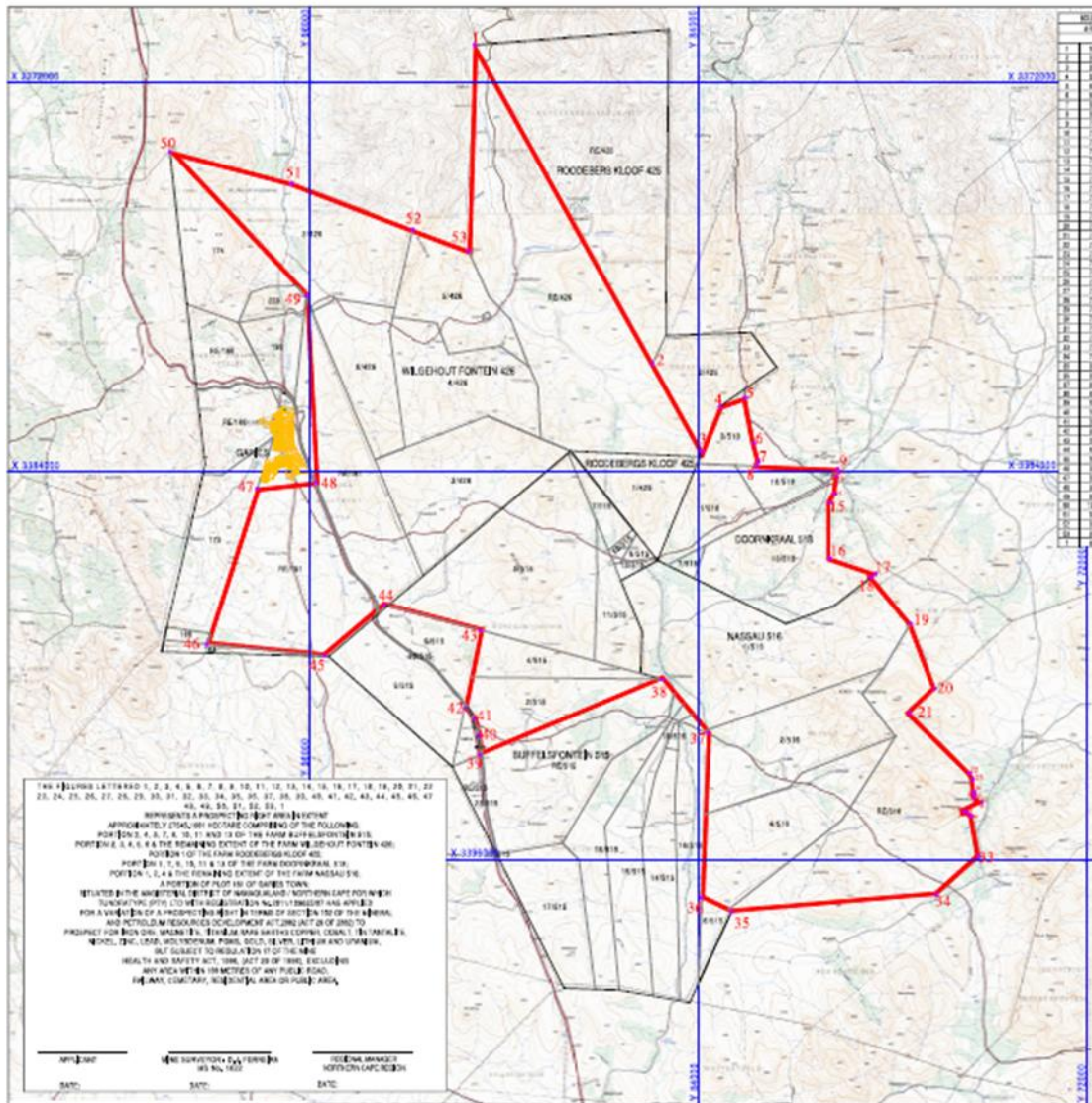


Figure 3: District Target Map

Metallurgy Confirms Simple Processing Pathway

Metallurgical testwork undertaken on representative DrillTarg material confirmed a simple and scalable processing pathway for the Garies mineralisation (refer ASX Announcements 2 April 2026 and 2 June 2026).

The testwork achieved:

- approximately 72% monazite recovery;
- production of a saleable monazite concentrate; and
- identified a pathway toward recoveries exceeding 80% through further optimisation.



The proposed flowsheet utilises conventional:

- crushing;
- milling;
- magnetic separation;
- gravity concentration; and
- flotation.

Next Steps

MRG intends to advance the Garies Project through the following programs, which are intended to approximately reflect future newsflow:

- Progression of the Mining Right application process with the DMPR in South Africa.

Exploration

- Orientation study at DrillTarg, consisting of closely spaced stream sediment and soil multielement geochemistry; ground geophysics (magnetic / radiometric), to allow fingerprinting to support ongoing exploration activities;
- Infill/extension drilling at Drilltarg, aimed at expanding the current DrillTarg mineralised footprint in growth and confidence;
- Structural geology study, initially at regional scale within the Bushmanland Sub-Province, focussing into Steenkampskraal and Drilltarg as context; and
- Stream sediment sampling together with airborne radiometric/magnetic survey to test existing targets against new targets and prioritise for exploration drilling across the Garies tenement.

Processing

- Additional metallurgical testwork focused on recovery optimisation, concentrate quality and potential gallium recovery pathways
- Metallurgical optimisation targeting recoveries exceeding 80%.
- Assessment of staged throughput expansion opportunities and future integration of additional target zones into the proposed processing strategy

The Company believes the current DrillTarg development case represents only the first stage in defining the broader scale potential of the Garies district.

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Competent Person Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Colin Rothnie, who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Rothnie is a consultant of the Company.

The Competent Person has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the JORC Code.

The Competent Person consents to the inclusion in this announcement of the matters based on the information in the form and context in which it appears.

Forward Looking Statement

This Announcement contains forward-looking information, relating to future events or future performance and reflect management's current expectations and assumptions, based on current available information. Forward Looking Statements can be identified by the use of words such as "potential", "proposed", "plans", "expects", "expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes".

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

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