



MetalsGrove
MINING LIMITED

Date

28 July 2022

ASX Code

MGA

Company Directors

Mr Sean Sivasamy
Managing Director and CEO

Mr Richard Beazley
Non-Executive Chairperson

Mr Haidong Chi
Non-Executive Director

Chief Financial Officer

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Company Secretary

Mr Jack Rosagro

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QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 30 JUNE 2022

Highlights:

Arunta Projects

- *MGA has identified a broad conductor along strike from the Plenty River mine which is adjacent to magnetic features interpreted to be components of the pegmatite intrusion*
- *A 5,973-line kilometre helicopter borne magnetic and radiometric survey is underway across Arunta Project tenements (EL31225, EL32419 and EL32420)*
- *Priority focus within Arunta is the Bruce Prospect which is considered highly prospective for rare earth, copper-gold and LCT Pegmatite mineralisation*
- *Access agreement consultations continue to advance to permit exploration at the Bruce, Box Hole and Edwards Creek Prospects*
- *Aggressive drilling is planned at the Bruce prospect following completion of the helicopter borne magnetic and radiometric survey*

WA Projects

- *Highly prospective portfolio of battery metal projects, located close to world-class infrastructure and producers*
- *A 2,076-line kilometre helicopter borne magnetic and radiometric survey currently underway at Upper Coondina and Woodie Woodie North tenements (E45/5945 and E45/5952)*
- *Consultations are ongoing with the aim to complete Heritage Surveys to permit exploration at the Upper Coondina and Woodie Woodie North*
- *Aggressive drilling is planned at the Upper Coondina project following completion of the heritage survey and the helicopter borne magnetic and radiometric survey*

Critical metals exploration and development company **MetalsGrove Mining Limited** (ASX: **MGA**), ("**MetalsGrove**" "**MGA**" or the "**Company**"), is pleased to provide its Quarterly Activities Report for the period ended 30th June 2022 ("**Quarter**").

MetalsGrove is focused on exploration for 'green metals' to supply rapidly growing battery and renewable energy markets globally.

The Company has assembled a strategic portfolio of advanced exploration and near-term development assets, with a total of five projects, two located in Western Australia (WA) and three in the Northern Territory.

A summary of the Company's 100% owned project portfolio is outlined below:

- The Upper Coondina lithium-tin-tantalum project comprises a single granted Exploration Licence (E 45/5952), located approximately 85 km southwest of Marble Bar in the eastern Pilbara region, WA. The tenement covers an area of approximately 6,359 ha.
- The Woodie Woodie North manganese project comprises a single granted Exploration Licence (E 45/5945), located approximately 100 km east of Marble Bar in the eastern Pilbara region, WA. The tenement covers an area of approximately 14,370 ha.
- The Edwards Creek polymetallic (copper-lead-zinc-gold) project comprises a single granted mineral exploration licence (EL32420), located approximately 85 km north-northeast of Alice Springs, NT. The tenement covers an area of approximately 7,568 ha.
- The Bruce gold-copper, rare earth element (REE) project comprises a single granted mineral exploration licence (EL31225), located approximately 300 km northeast of Alice Springs, NT. The tenement covers an area of approximately 17,680 ha.
- The Box Hole zinc-lead, REE project comprises a single granted mineral exploration licence (EL32419), located approximately 340 km northeast of Alice Springs, NT. The tenement covers an area of approximately 12,765 ha.

Northern Territory Portfolio Summary

Bruce Prospect

The Bruce Prospect is prospective for REE, copper-gold and LCT pegmatite mineralisation and is located within the broader Arunta Project.

During 2017-18 the Northern Territory Geological Survey (NTGS) completed an airborne electromagnetics survey at Bruce. The survey data was collected and re-processed by MetalsGrove.

As reported by the Company (see ASX announcement dated 20 July 2022), following a detailed review, MetalsGrove has identified a broad conductor along strike from the Plenty River mine which is adjacent to magnetic features interpreted to be components of the pegmatite intrusion. The broad conductor has not been tested to date.

A 3,954-line kilometre airborne magnetic and radiometric survey set at 50m spacings on a north-south traverse line is scheduled for September as the initial follow-up investigation to test the broad conductor.

Following completion of this initial work programme, an aggressive drilling programme is planned to test the bedrock conductor in October.



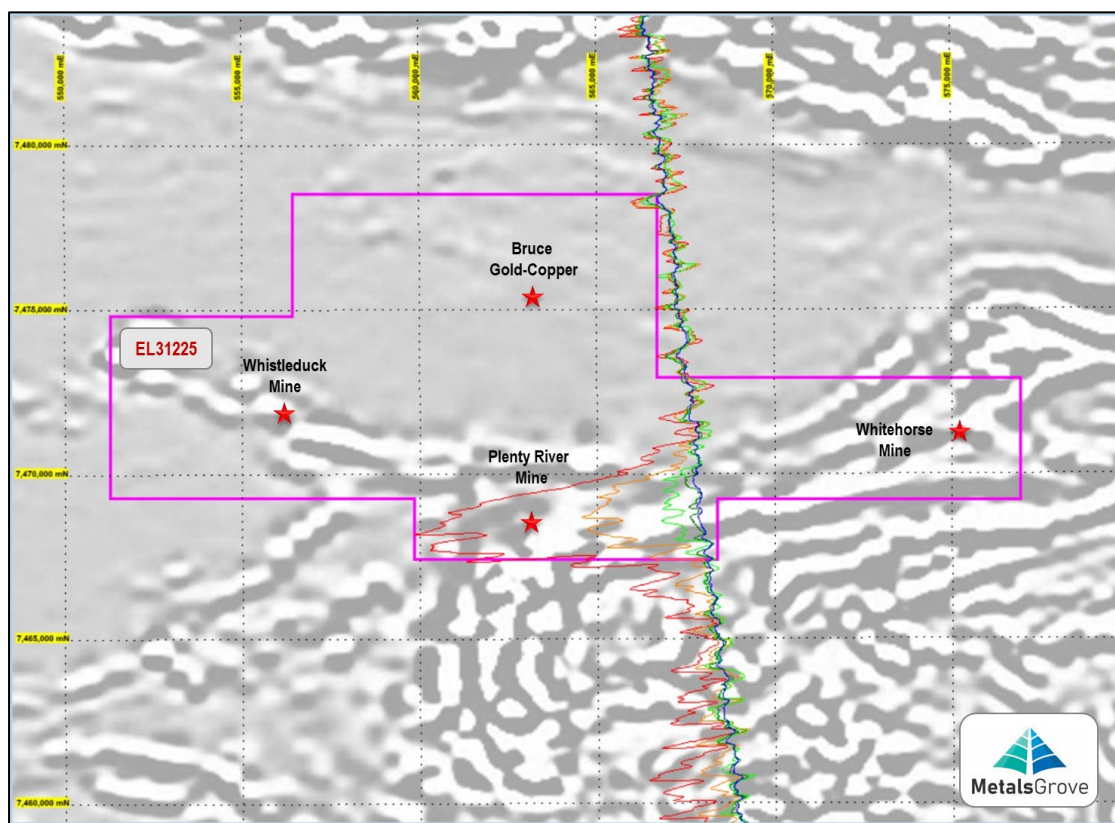


Figure 1: AEM stacked profiles over 2VD TMI Aeromagnetics at Bruce Prospect

Box Hole Prospect

The Box Hole Prospect is prospective for base metal and REE mineralisation and is located within the broader Arunta Project. Historical data collection has been completed and the technical review is underway for completion in August.

Consultations are advancing with the aim of entering into access agreements to permit exploration at the Box Hole prospect.

A 1,147-line kilometre airborne magnetic and radiometric survey set at 50m spacings on a north-south traverse line is to be flown in August to allow for detailed lithological and structural mapping.

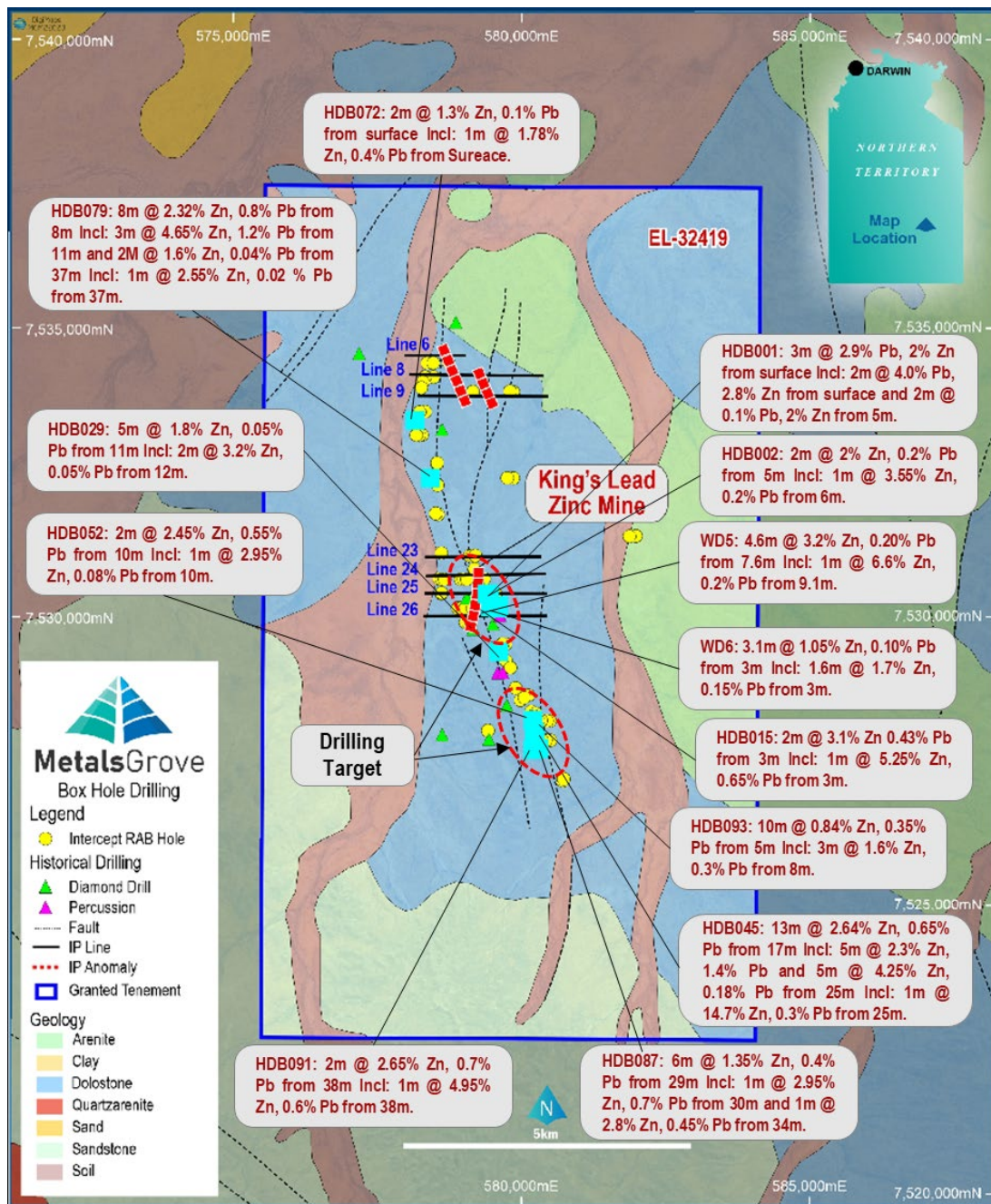


Figure 2: Box Hole project historical drilling locations and significant exploration results

Edwards Creek Prospect

The Edwards Creek prospect includes the Edwards Creek Cu-Zn-Pb and Mueller Creek Cu-Au prospects. The historical data collection and technical review is underway and to be completed in August.

Consultations are ongoing with the aim of entering into access agreements to permit exploration at the Edwards Creek.

A 872-line kilometre of airborne magnetic and radiometric survey is planned to commence in August, with 50 and 100m spacings on an east-west traverse line to allow for detailed lithological and structural mapping.

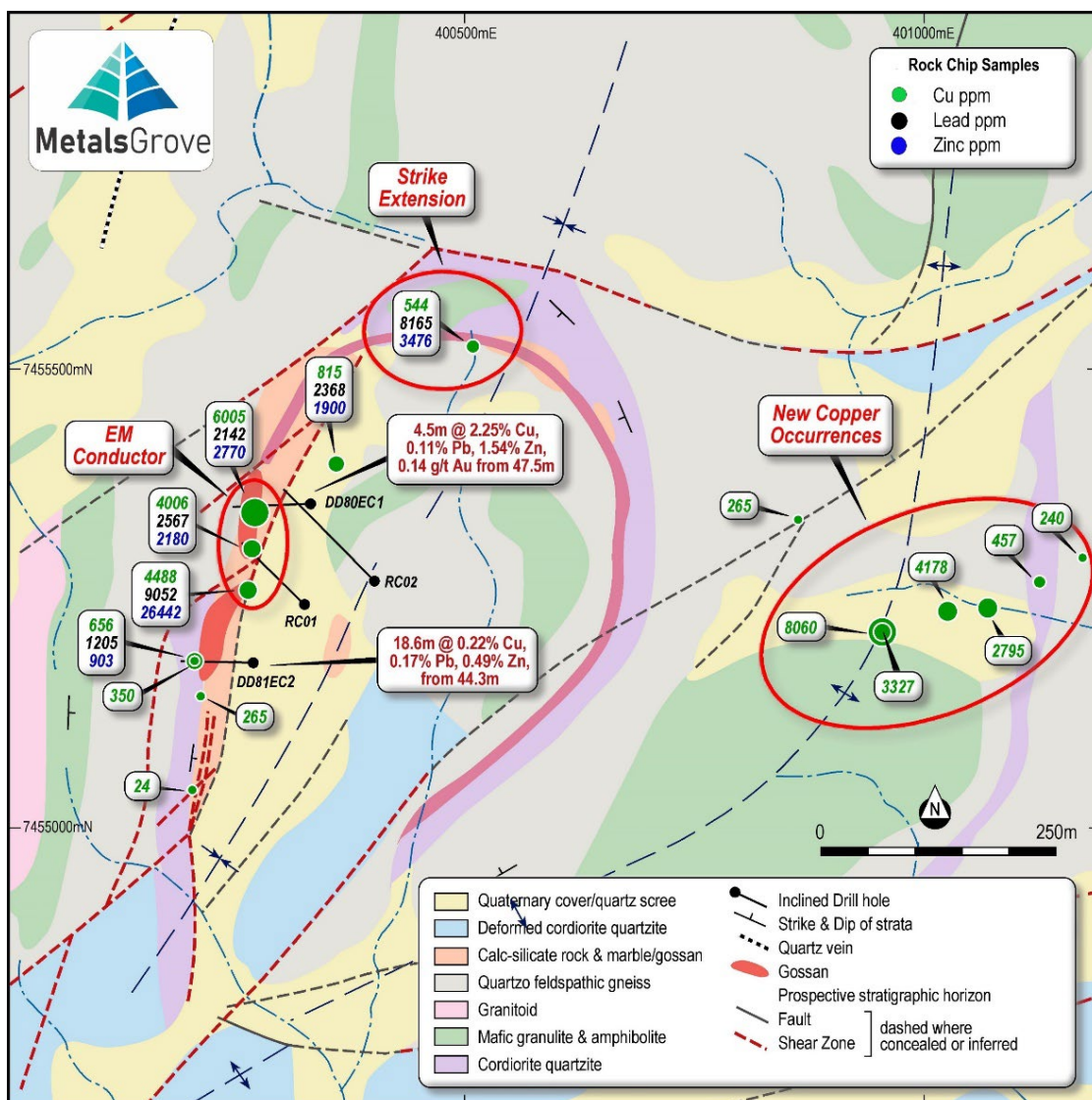


Figure 3: Edwards Creek historical drilling locations and significant exploration results

Western Australia Portfolio Summary

Upper Coondina Project

Historical exploration data collection has been completed and the technical review is underway.

A 590-line kilometre of airborne magnetic and radiometric survey is planned at 50m spacings on a north-south traverse line is scheduled in August to allow detailed lithological and structural mapping.

Concurrently a surface geochemical and surface sampling programme in the order of 2,500 samples has been planned and scheduled.

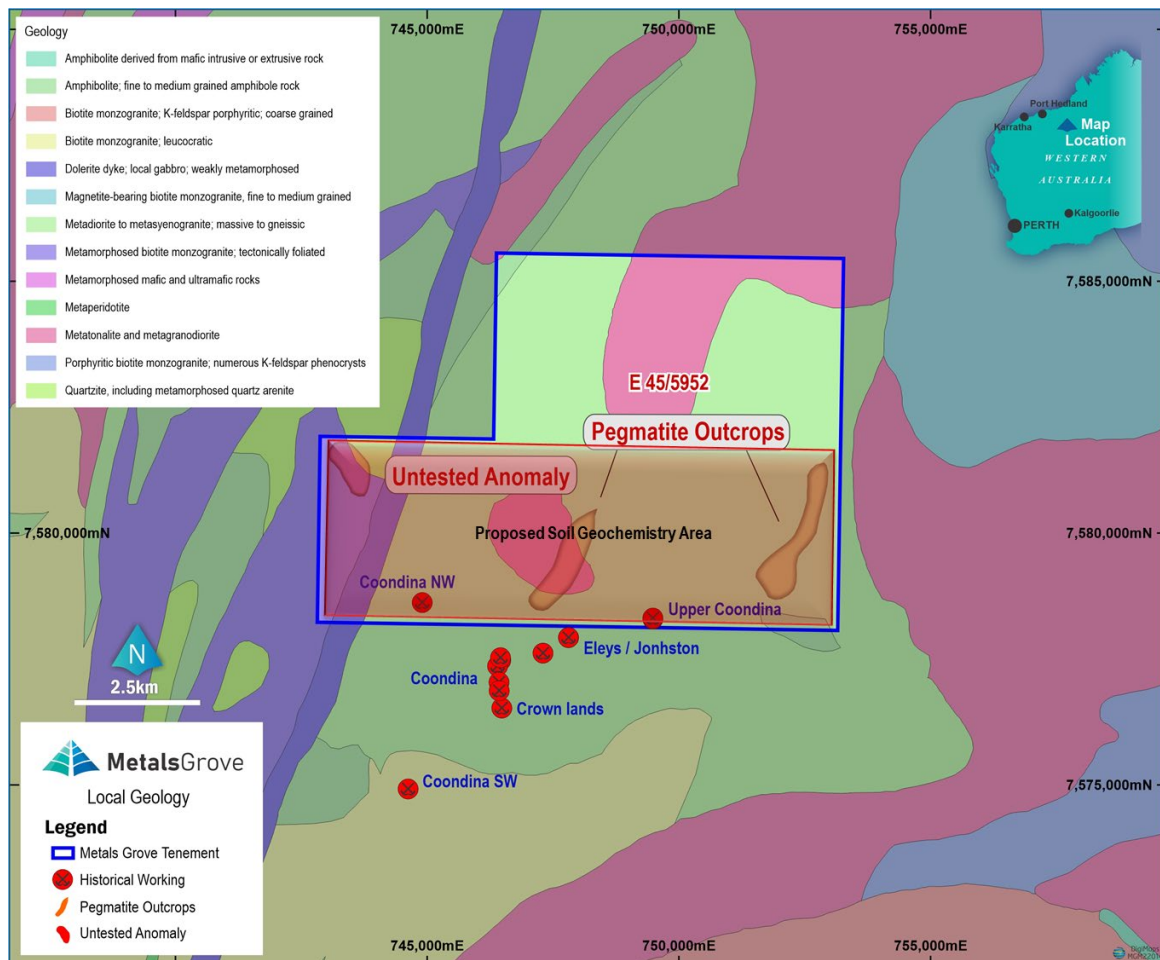


Figure 4: Upper Coondina tenement locations plan

Woodie Woodie North

Historical exploration data collection has been completed and the technical review is underway and to be completed in August.

A 590-line kilometre of airborne magnetic and radiometric survey is planned at 50m spacings on a north-south traverse line for August to allow for detailed lithological, structural and surface mapping.

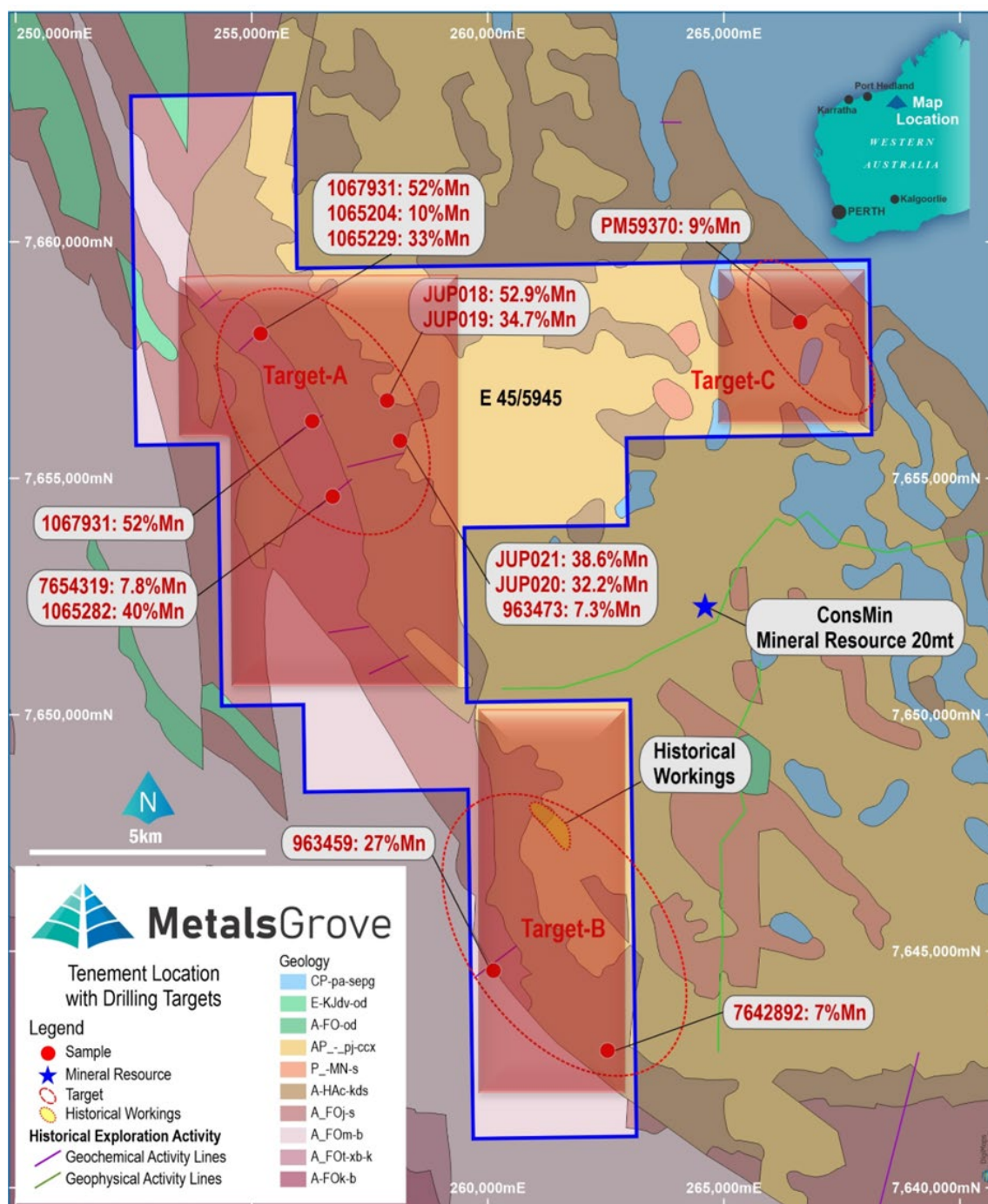


Figure 5: Woodie Woodie North tenement locations and significant exploration results

Business Development

In addition to the planned exploration program, the Company is continuing to assess opportunities of resource assets that have a strategic fit, with the intention of providing maximum value to Shareholders.

Corporate

On 13 May 2022, the Initial Public Offer of the securities in the Company for 32,000,000 fully paid ordinary shares at an issue price of \$0.20 each was lodged with ASIC, to raise \$6.4 million before costs.

At quarter-end the Company held \$6,688,149 in cash, with \$6.4 million of this cash restricted and only available for use post the Company's successful admission to the official list of the ASX, which occurred on 6 July 2022.

ASX Additional Information

The Company provides the following information pursuant to ASX Listing Rule requirements:

1. ASX Listing Rule 5.3.1:

Exploration and Evaluation Expenditure spend during the quarter was \$64,630

2. ASX Listing Rule 5.3.2:

The Company confirms that there was no mine production and development activities for the quarter.

3. ASX Listing Rule 5.3.4:

The Company has not provided a comparison to the actual expenditure incurred during the quarter to that of its Prospectus dated 13 May 2022, as the Company was not admitted to the official list of the ASX until 6 July 2022, at which point the monies raised from the Prospectus dated 13 May 2022, became available.

4. ASX Listing Rule 5.3.5:

The company advises that there were no payments to related parties of the Company and their associates during the quarter.

Use of Fund	Estimate of the first 2 years after ASX admission	Actual use in June 2022 Quarter	Balance Remaining
Upper Coondina	\$1,685,865	N/A	N/A
Bruce	\$1,453,000	N/A	N/A
Box Hole	\$423,000	N/A	N/A
Edwards Creek	\$427,000	N/A	N/A
Woodie Woodie North	\$450,000	N/A	N/A
Cash Settlement-SHH and TLPL	\$60,000	N/A	N/A
Estimated costs of the offer	\$696,264	N/A	N/A
Working capital	\$1,141,736	N/A	N/A
Administration costs	\$524,000	N/A	N/A
Total	\$6,860,865	N/A	N/A

Tenements

In accordance with Listing Rule 5.3.3, MetalsGrove provides the following Information concerning its mining tenements.

No applications were made during the quarter by the Company to acquire or surrender its existing licenses.

Included in the following table are the tenements that the Company had an option agreement over which crystallises upon the successful admission to the official list of the ASX. This listing occurred on 6 July 2022, at which point the Companies below become the holder of those tenements.

Project	Tenement	Holder	Lease Status
Upper Coondina	E45/5952	OreMin Consultants Pty Ltd	Granted
Woodie Woodie North	E45/5945	OreMin Consultants Pty Ltd	Granted
Edwards Creek	EL 32420	Territory Lithium Pty Ltd	Granted
Bruce	EL 31225	Territory Lithium Pty Ltd	Granted
Box Hole	EL 32419	Territory Lithium Pty Ltd	Granted

Note: Territory Lithium Pty Ltd is wholly owned subsidiaries of MetalsGrove Mining Limited
MetalsGrove has purchased E45/5952 and E45/5945 from OreMin Consultants Pty Ltd.

About MetalsGrove

MetalsGrove Mining Limited (ASX: MGA) is an Australian-based exploration and development company, focused on the exploration and development of its portfolio of high-quality lithium, rare earth, copper-gold, manganese and base metal projects in Western Australia and the Northern Territory.

MGA is committed to green metal exploration and development to meet the growing demand from the battery storage and renewable energy markets in the transition to a de-carbonised world.

Competent Person Statement – Exploration Strategy

The information in this announcement that relates to exploration strategy and results is based on information provided to and compiled by Sean Sivasamy who is a Member of The Australian Institute of Mining and Metallurgy. Mr Sivasamy is Managing Director and CEO of MetalsGrove Mining Limited.

Mr Sivasamy 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'.

The information in this announcement that relates to Geophysical interpretations was provided by Mr Russell Mortimer of Southern Geoscience Consultants who is a Member of The Australian Institute of Geoscientists.

Mr Mortimer has sufficient experience which is relevant to the style of mineralisation and exploration processes 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 Sivasamy and Mr Mortimer both consent to the inclusion in this announcement of the information contained herein, in the form and context in which it appears.

This announcement includes information that relates to Exploration Results prepared and first disclosed under the JORC Code (2012) and extracted from the Company's initial public offering prospectus which was released on the ASX on 13 May 2022. A copy of this prospectus is available from the ASX Announcements page of the Company's website: <https://metalsgrove.com.au/>



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.

Authorised for release by the MetalsGrove Mining Limited Board of Directors,

SHAREHOLDER ENQUIRIES

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