

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

MRG METALS LIMITED

ABN

83 148 938 532

Quarter ended ("current quarter")

30 JUNE 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 Months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(21) (302)	(24) (348)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	29	29
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (IPO & Capital Raising)	(113)	(177)
Net Operating Cash Flows		(407)	(520)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(62)	(62)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
Net investing cash flows		(62)	(62)
1.13	Total operating and investing cash flows (carried forward)	(469)	(582)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(469)	(582)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,493	5,696
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	2,493	5,696
	Net increase (decrease) in cash held	2,024	5,114
1.20	Cash at beginning of quarter/year to date	3,090	NIL
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	5,114	5,114

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2
	\$124
1.24	Aggregate amount of loans to the parties included in item 1.10
	NIL

1.25 Explanation necessary for an understanding of the transactions

A Van Der Zwan – Director Fee	\$41
A Pietzrak – Director/Consulting Fee	\$19
S Turner/RSM Bird Cameron – Director/Secretary/Accounting/Office	\$64

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	
3.2 Credit standby arrangements	NIL	

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	NIL
4.3 Production	NIL
4.4 Administration	175
Total	475

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,054	3,090
5.2 Deposits at call	4,060	NIL
5.3 Bank overdraft	NIL	NIL
5.4 Other (provide details)	NIL	NIL
Total: cash at end of quarter (item 1.22)	5,114	3,090

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	NIL			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2	Interests in mining tenements acquired or increased	Xanadu			
		P52/1366	Prospecting	0%	100%
		P52/1367	Prospecting	0%	100%
		P52/1368	Prospecting	0%	100%
		P52/1369	Prospecting	0%	100%
		P52/1372	Prospecting	0%	100%
		P52/1373	Prospecting	0%	100%
		P52/1374	Prospecting	0%	100%
		P52/1375	Prospecting	0%	100%
		P52/1376	Prospecting	0%	100%
		P52/1377	Prospecting	0%	100%
		P52/1378	Prospecting	0%	100%
		P52/1379	Prospecting	0%	100%
		P52/1380	Prospecting	0%	100%
		P52/1381	Prospecting	0%	100%
		Bell Chambers			
		E57/778	Exploration	0%	100%
		Diorite			
		P37/7651	Prospecting	0%	100%
		P37/7652	Prospecting	0%	100%
		P37/7653	Prospecting	0%	100%
		Braemore Battery			
		P37/7008	Prospecting	0%	100%
		P37/7009	Prospecting	0%	100%
		P37/7765	Prospecting	0%	100%
		P37/7766	Prospecting	0%	100%
		P37/7767	Prospecting	0%	100%
		P37/7768	Prospecting	0%	100%
		P37/7769	Prospecting	0%	100%
		P37/7770	Prospecting	0%	100%
		P37/7771	Prospecting	0%	100%
		Mulgul			
		ELA52/2669	Application	0%	100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>	NIL	NIL		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	86,116,000	28,091,000	20 cents	20 cents
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	17,716,000	12,466,000	20 cents	20 cents
7.5	*Convertible debt securities <i>(description)</i>	NIL	NIL		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	NIL	NIL	<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>	NIL	NIL		

+ See chapter 19 for defined terms.

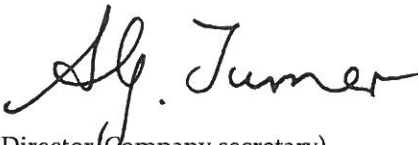
Appendix 5B
Mining exploration entity quarterly report

7.12	Unsecured notes (totals only)	NIL	NIL
------	-------------------------------------	-----	-----

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:


(Director/Company secretary)

Date: 29 JULY 2011

Print name: SHANE TURNER

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.