QUARTERLY REPORT

FOR THE PERIOD ENDING 31 MARCH 2015

- **DRILLING AT LOONGANA SET TO COMMENCE**
- **DRILLING AT XANADU SET TO COMMENCE**
- **NEW IOCG PROJECTS ACQUIRED IN QUEENSLAND**
- **RESEARCH & DEVELOPMENT GRANT RECEIVED**
- **EXTENSION OF AGREEMENT WITH SASAK TECHNOLOGY**

LOONGANA PROJECT

The Loongana Project is located east of Kalgoorlie, near the Trans Australia railway line. MRG holds two tenements that cover the majority of the Loongana Igneous Complex (Figure 1) and the remainder of this Complex is held by Fortescue Metals Ltd. This Complex is a large layered mafic and ultramafic intrusive body that lies at depths ranging from 250 metres to 350 metres below the surface. It includes one of the strongest gravity residuals in Australia, with accompanying diverse magnetic features.

MRG proposes to drill two holes (Reverse Circulation followed by diamond tails) into PGE (Platinum Group Element) reef style target at Loongana.

During late 2014 the original drill core and RC chips generated by previous drilling were re-logged and the anomalous interval in hole LNDG001 was re assayed. This work confirmed the original deposit model of a stratiform reef-style PGE deposit, similar to those currently mined in South Africa (Bushveld/Stillwater type).

The magnetic image in Figure 2 shows the potential reef position across the southern part of the intrusion, which is separated into 4 segments by later faults. In total there is an interpreted 11.45 km of strike of the reef structure. The exploration target, assuming the full strike length of 11.45km is mineralised, a 2m true width, a grade around 4 g/t Pt + Pd + Au + Rh and a down dip length of 1000m is a potential contained PGE plus Au endowment of nearly 9M oz. This initial two drilling program is designed as a 'proof of concept' and if successful a follow up drill program will be undertaken.

Drilling is pending approval of the Program of Works which is expected to be soon granted.

Costs up to $108,000 – 50% of the drilling cost – will be covered by the West Australia Government's Exploration Incentive Scheme.

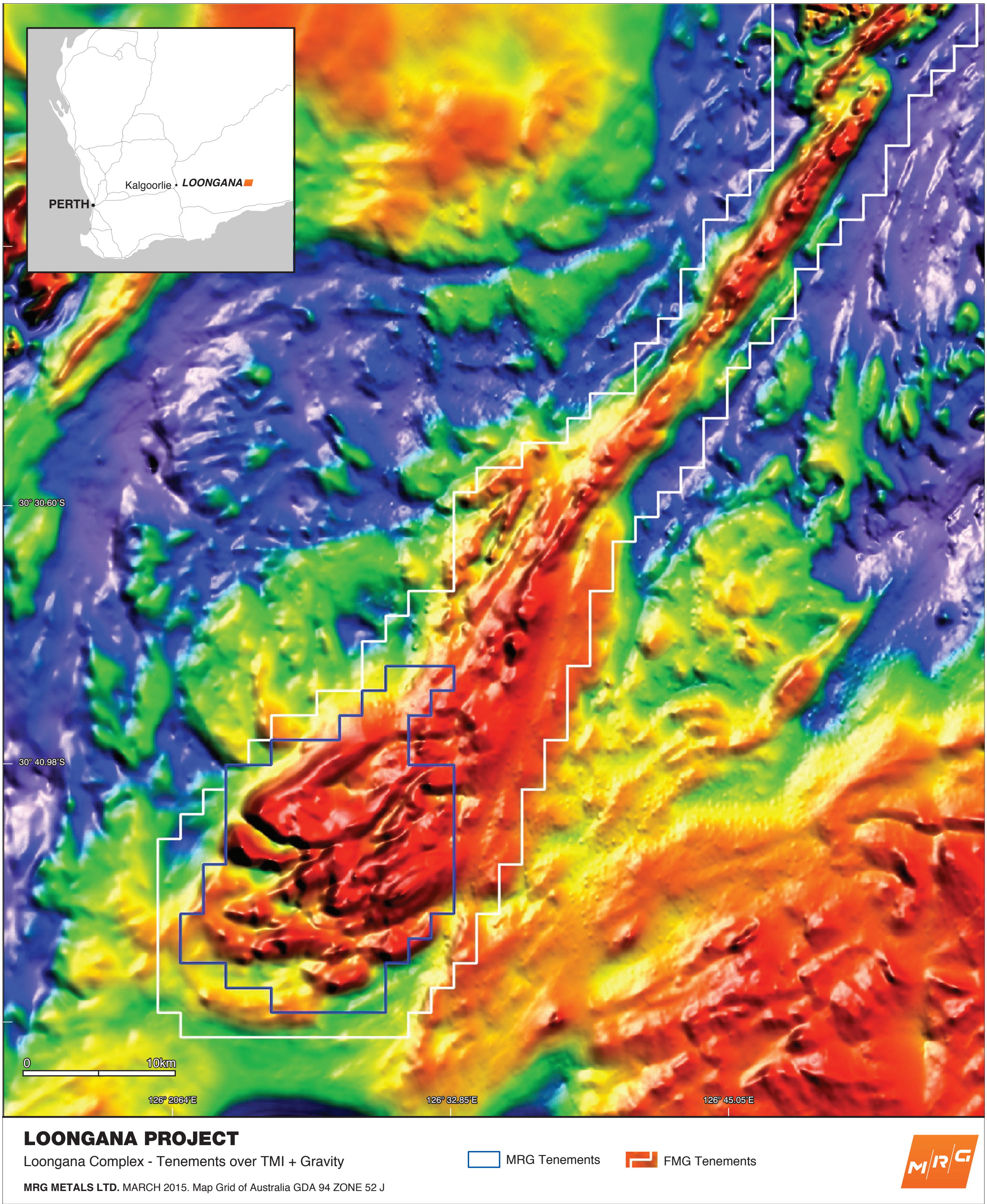

Figure 1. Loongana Complex - Tenements over TMI + Gravity.

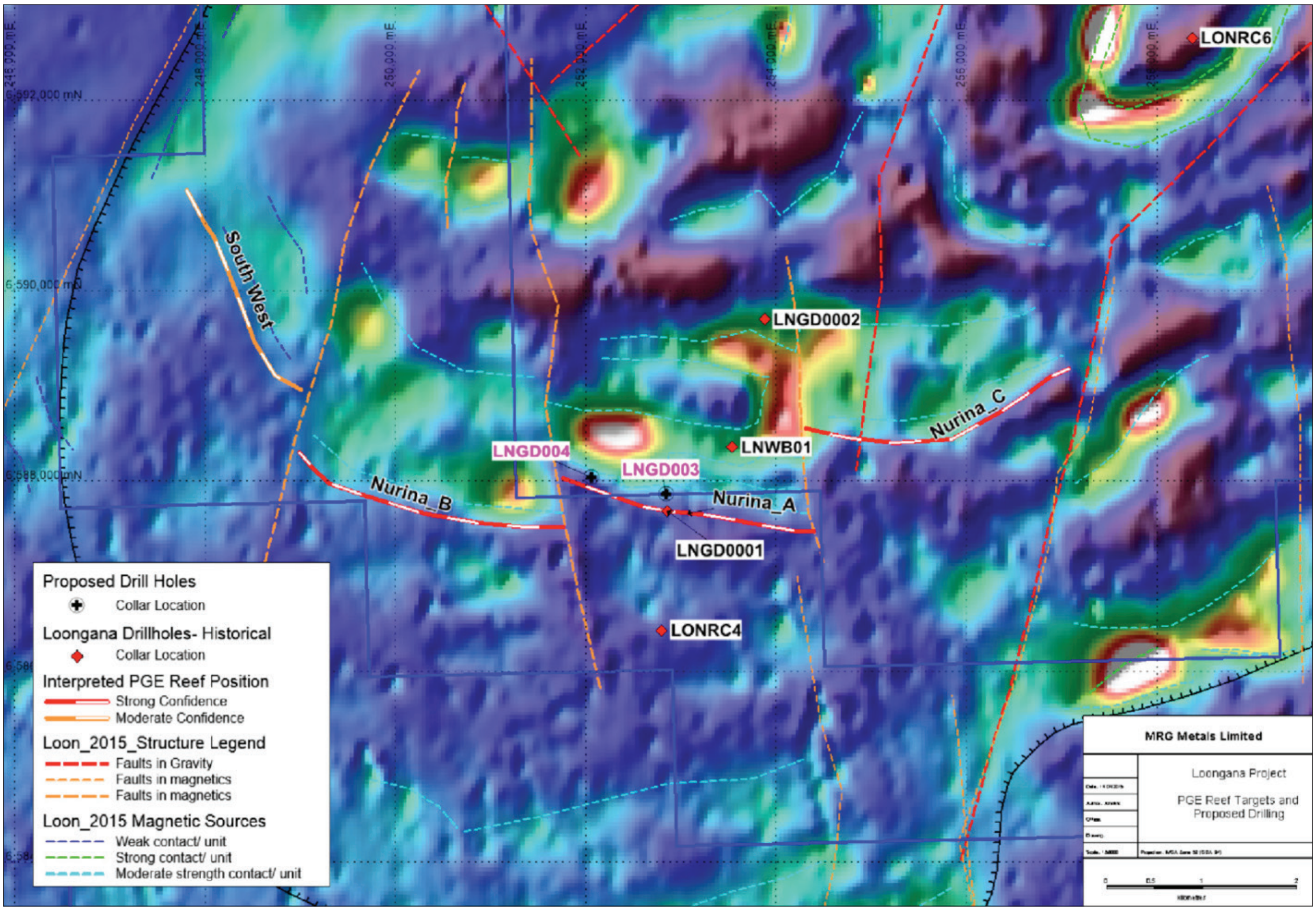

Figure 2. Loongana Project

XANADU PROJECT

MRG's Xanadu project is located close to the northern margin of the Ashburton Basin, some 4 kilometres WSW of Northern Star Resources Ltd's Ashburton Project (21.3 million tonnes @ 2.4g/t gold for 1.67 million ounces). The Xanadu mineralisation was discovered in the mid 1980's by BP Minerals and has been subject to various phases of exploration in the ensuing period until MRG's acquisition.

Concurrent with MRG's first drill program undertaken during May 2014 (15 holes for 1,677 metres, see June 2014 Quarterly Report) a soil sampling program outlined a new prospect area now called Pertinax. This prospect lies close to the north-eastern boundary of the tenement, where the Cheela Springs Basalt abuts the overlying sediments of the Mount McGrath Formation. This geological position is akin to those found on Northern Star Resources Ltd's adjacent Ashburton Project. The drilling program will comprise two components: 8 holes testing for Mount Olympus style mineralisation at the base of the Cheela Springs Basalt (Pertinax & Asterix Prospects) and up to four holes to test shallow open pitable resources potential to the NE of the Cleopatra Prospect.

The drilling that was planned to commence during the quarter was delayed by wet weather associated with Tropical Cyclone Olwyn and is now planned for Q2 2015.

QUEENSLAND IRON OXIDE COPPER GOLD PROJECTS

Shortly after the end of the quarter, MRG's IOCG ground holding in the Mt Isa province in Queensland was increased, with the acquisition of 4 exploration tenement applications from Sasak Minerals Pty Ltd – Kamileroi, Oban, Mt Angelay and Selwyn (Figure 3).

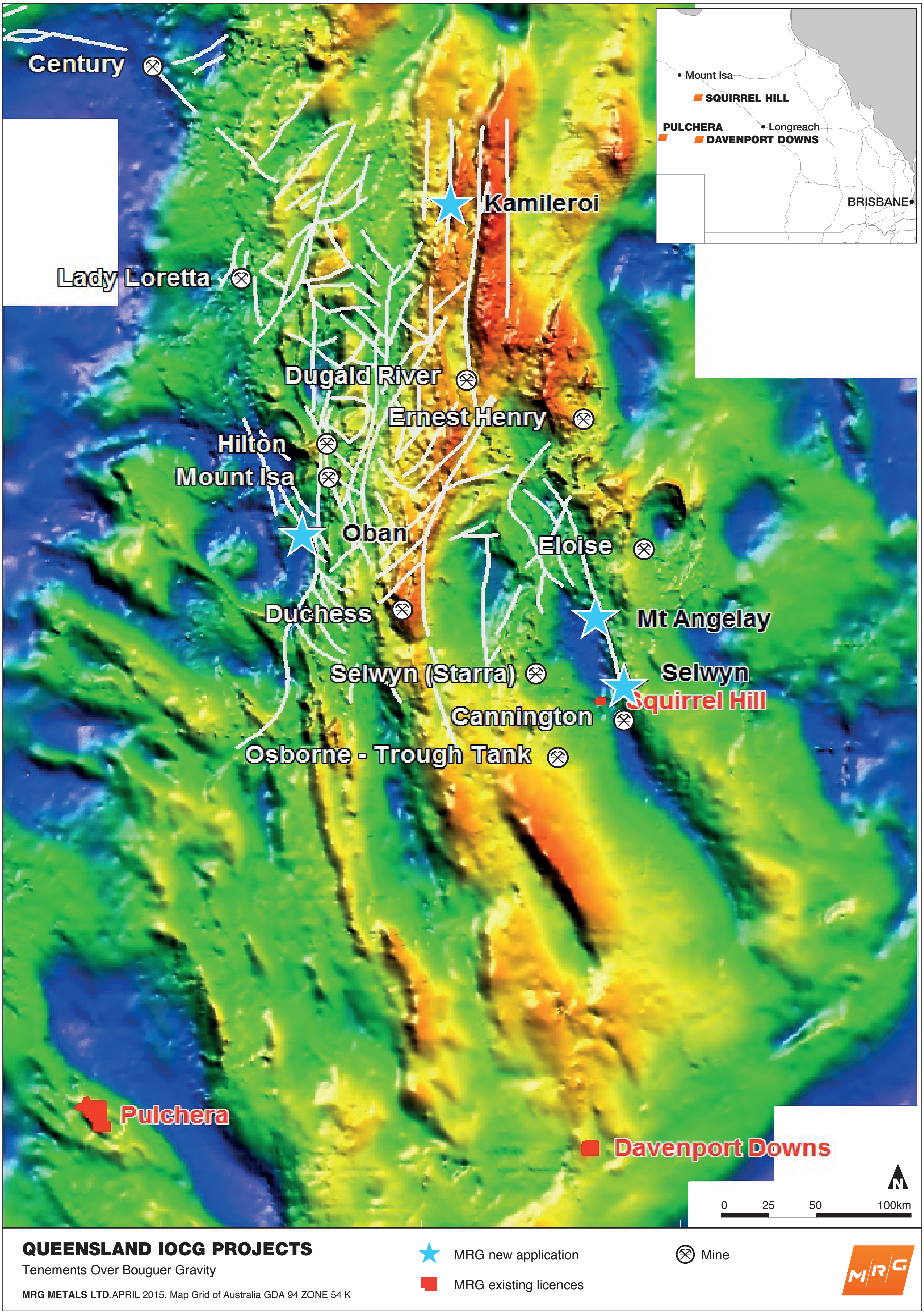
Century
Lady Loretta
Kamileroi
Dugald River
Ernest Henry
Hilton
Mount Isa
Oban
Eloise
Duchess
Mt Angelay
Selwyn (Starra)
Selwyn
Squirrel Hill
Cannington
Osborne - Trough Tank
Pulchera
Davenport Downs
Mount Isa
SQUIRREL HILL
PULCHERA
Longreach
DAVENPORT DOWNS
BRISBANE
N
0 25 50 100km
QUEENSLAND IOCG PROJECTS
Tenements Over Bouguer Gravity
MRG METALS LTD.APRIL 2015. Map Grid of Australia GDA 94 ZONE 54 K
MRG new application
MRG existing licences
Mine

Figure 3.

These were obtained via the Project Generation Agreement between MRG & Sasak Minerals Pty Ltd and were selected using Sasak's in-house predictive analytical targeting techniques for Iron Oxide Copper Gold (IOCG) deposits. They cover high potential targets on open ground, within the prospective Mount Isa Block and lie under shallow cover, close to favourable structural positions near existing mines. They complement MRG's existing IOCG tenements in the region, which now total seven projects.

Apart from the reimbursement of costs, these applications were acquired for nil consideration and demonstrate the value of the ongoing relationship between MRG and Sasak, developed over the past 2 years, in delivering quality exploration targets to the Company.

YARDILLA

MRG's combined Yardilla project straddles part of the Cundeelee Fault, which separates the Archean Yilgarn Craton from the Proterozoic Albany-Fraser Orogen and comprises three adjoining exploration licences. At regional scale the project is situated in a similar tectonic setting as Tropicana (>8Moz Au). It is considered to be prospective for gold, nickel and base metals.

MRG has an option and purchase agreement over two granted exploration licences that adjoin an existing MRG 100% owned licence. Together, they cover a contiguous area of approximately 220 square kilometres.

A program of calcrete sampling will commence in the coming quarter to aid in defining drill targets.

CORPORATE

Research & Development Claim Received

Just after the end of the quarter MRG received a cash payment pursuant to the Australian Government's Research and Development ("R&D") Tax Incentive Scheme. The Company included a claim for R&D of $1,363,052 in its 2013/2014 income tax return resulting in a refundable tax offset of $613,373.

The Company appreciates the Government's continued support for the R&D Tax Incentive, which provides valuable financial assistance to MRG, who undertakes innovative and technically challenging mineral exploration research. The refund will be used to fund the Company's 2015 exploration programs.

EXTENDED RELATIONSHIP WITH SASAK TECHNOLOGY

On 1 April 2015 MRG Metals Ltd (MRG) announced the extension of the Technical Services Agreement and a new Project Generation Agreement for a further term of 2 ½ years.

Commensurate with the strong relationship developed over the previous 2 years between the two Companies and the joint belief in the projects within MRGs portfolio it was agreed that no upfront payments were necessary to reach agreement. Sasak remains committed to driving success of the exploration portfolio and will continue to provide the technology to do so.

MRG looks forward to the continuing relationship and future exploration success.

Keith Weston

Managing Director

The information in this summary report, as it relates to Exploration Results is based on information compiled and/or reviewed by Mr Keith Weston, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Mr Weston is an employee to the Company and has the relevant experience with the mineralisation reported on 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 Weston consents to the inclusion in the report of the matters based on the information in the form and context in which they appear.

Rule 5.3

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	Quarter ended ("current quarter")
83 148 938 532	31 March 2015

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 Months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(84)	(592)
	(b) development		
	(c) production		
	(d) administration	(143)	(592)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	4	16
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other – Govt Drilling Grant	90	90
	Net Operating Cash Flows	(133)	(1,078)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	(9)
	(b) equity investments		
	(c) other fixed assets		
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	-	(9)
1.13	Total operating and investing cash flows (carried forward)	(133)	(1,087)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(133)	(1,087)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
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	0	0
	Net increase (decrease) in cash held	(133)	(1,087)
1.20	Cash at beginning of quarter/year to date	285	1,239
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	152	152

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	$106
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

Director Fees, Secretarial Fees, Consulting Fees, & Accounting Fees

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

Appendix 5B
Mining exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

		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	100
4.2	Development	NIL
4.3	Production	NIL
4.4	Administration	100
	Total	**200**

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	68	13
5.2	Deposits at call	84	272
5.3	Bank overdraft	NIL	NIL
5.4	Other (provide details)	NIL	NIL
	Total: cash at end of quarter (item 1.22)	152	285

Appendix 5B
Mining exploration entity quarterly report

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	East Yilgarn E38/2557	Exploration	100%	0%
6.2	Interests in mining tenements acquired or increased	Loongana E69/3288	Exploration	0%	100%

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** *(description)*	NIL	NIL		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	135,612,115	135,612,115	20 cents	20 cents
7.4	Changes during quarter (a) Increases through issue (b) Decreases	NIL	NIL		
7.5	**+Convertible debt securities** *(description)*	NIL	NIL		

Appendix 5B
Mining exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	44,007,993	44,007,993	*Exercise price* 25 cents	*Expiry date* 21/09/2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*	NIL	NIL		
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: 30 April 2015

Print name: SHANE TURNER

Appendix 5B
Mining exploration entity quarterly report

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.

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