# QUEENSLAND IOCG UPDATE

- **Granting of two additional Queensland IOCG licences within the Mount Isa Block**
- **MRG now holds four IOCG licences within the Mount Isa Block**
- **Additional licences add to MRG's portfolio of Sasak-powered exploration targets**

- **Two granted licences are part of a package of four original applications that were acquired for nil consideration from Sasak Metals Ltd at the time of the extension of the relationship with Sasak Minerals Pty Ltd ("Sasak") (refer ASX release dated 1 April 2015)**
- **Two other licences (Mount Oban & Kamileroi) remain in the application process**

MRG Metals Ltd (ASX: MRQ, "MRG") is pleased to advise that it has enhanced its iron oxide copper gold ("IOCG") holdings, with the granting of two additional licence applications within the Mount Isa block in Queensland. The licences were selected through a powerful quantitative area selection and ranking analysis utilising Sasak's data-driven approach to exploration. Sasak's technology gives MRG a unique competitive advantage to see through cover and generate new targets that will drive the next wave of mineral discoveries.

These Queensland IOCG licences will form the focus of MRG exploration efforts in the coming year, along with Xanadu. The Mount Isa block is currently experiencing a growth in activity following the announcement of a number of joint venture agreements in recent months. Discussions with strategic partners regarding these licences as well as other projects within the MRG portfolio remain ongoing.

Managing Director Keith Weston said: "*The granting of the additional licences is another positive step forward for MRG as we progress the exploration of Sasak-powered drill targets. The Queensland IOCG licences display similar geophysical characteristics, and are in close proximity, to well-known deposits in the area and together with Xanadu will be the focus of our exploration efforts and deployment of capital in the near-term.*"

## *QUEENSLAND IOCG OVERVIEW*

The new licences, EPM 25884 (Mount Angelay) and EPM 25887 (Selwyn), join current licences EPM19306 (Davenport Downs) and EPM19471 (Pulchera) as projects that have the potential to host IOCG and base metal deposits. The projects display similar geophysical characteristics to well-known deposits in the area, including:

- Glencore PLC's Ernest Henry Mine – 166 Mt @ 1.1% Cu & 0.54 g/t Au pre mining resource
- South32's Cannington Mine – 44 Mt @ 383 g/t Ag, 8.9% Pb, 4.2% Zn 2007 resource

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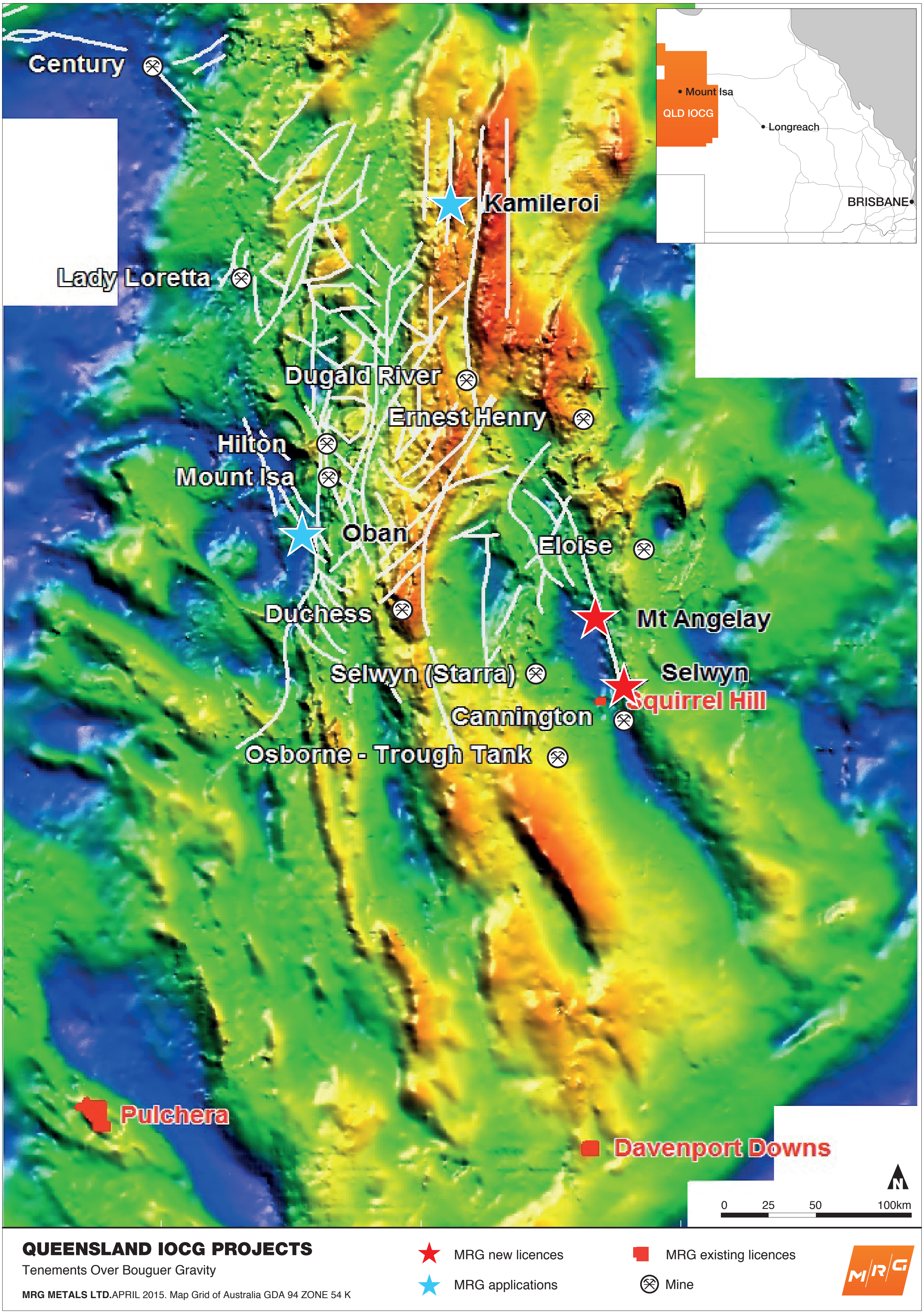


Figure 1: Queensland IOCG licences

### *MOUNT ANGELAY – EPM25884*

The Mount Angelay EPM lies approximately 44km SW of the Eloise Mine (3.5Mt @ 3.1% Cu, 10 g/t Ag, 0.8 g/t Au – 2008 Indicated & Inferred resources), in a favourable structural location selected through the use of Sasak's technology.

### *SELWYN – EPM25887*

The Selwyn Project is 14km due north of South32's Cannington silver-zinc mine (44 Mt @ 383 g/t Ag, 8.9% Pb, 4.2% Zn – 2007 resource) within the  Doherty Formation. The formation comprises calc-silicate breccias and minor banded calc silicate granofels with much of the project covered by younger sediments. Due to the surface cover, future exploration will comprise focused drilling of geophysical (magnetic & gravity) anomalies based on the application of Sasak's technology.

## *ENTITLEMENT ISSUE OF OPTIONS*

MRG wishes to remind shareholders that the non-renounceable entitlement issue of options announced 17 August 2015 will close this Thursday, 10 September 2015. Shareholders are entitled to two Options (exercisable at A$0.15, expiring 31 August 2020) for every three Shares held at the Record Date at an issue price of A$0.01 per Option.

Options offer significant value to investors, particularly in smaller resource companies where exploration success leads to high price volatility. Using a standard Black Scholes valuation method, the Options are conservatively assessed as having a theoretical value well in excess of the offer price of A$0.01, noting that, the value achieved for the Options will ultimately depend on future Share price performance.

The Company will apply to the ASX for the Official Quotation of the Options, allowing them to be traded during their term.

Please refer to the Replacement Options Prospectus, released 20 August 2015, for further information.

**Shareholders should apply today if they wish to take their entitlement to Options and have not yet done so.**

**Keith Weston**

Managing Director

*The information in this 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.*