EXPLORATION UPDATE

DRILLING AT XANADU & LOONGANA

Drilling undertaken at the Xanadu and Loongana projects was completed during late June. At Xanadu, nineteen holes were drilled for 1,568 metres over two prospect areas. At Cleopatra testing for a shallow open pitable gold resource and at Pertinax testing an analogue of the nearby Mount Olympus mine (Figures 1 and 2).

At Loongana, a single 510 metres deep hole was completed to test proof of concept of the presence of a platinum-bearing reef hosted within the Loongana mafic/ultramafic igneous complex (Figure 3).

XANADU DRILLING PROGRAM

Two prospects were tested at Xanadu. Cleopatra, where follow up of earlier MRG shallow drilling MRG is investigating potential for a shallow open pitable resource and Pertinax, which occurs in a similar geological setting to the nearby Mount Olympus mine (21.3 million tonnes @ 2.4g/t gold for 1.67 million ounces).

Drilling at Pertinax tested anomalous soil geochemistry from two 400m long soil lines which crossed a possible 1.4 kilometres in strike length of favourable geology, based on the nearby Mt Olympus geological setting. Eleven holes were drilled into the Pertinax prospect and three of these, X5014 to X5016, contained 15 to 45 metre wide zones of meta sediments containing abundant iron stained quartz. At Cleopatra, drilling tested for faulted offsets of mineralisation previously discovered by MRG in 2014.

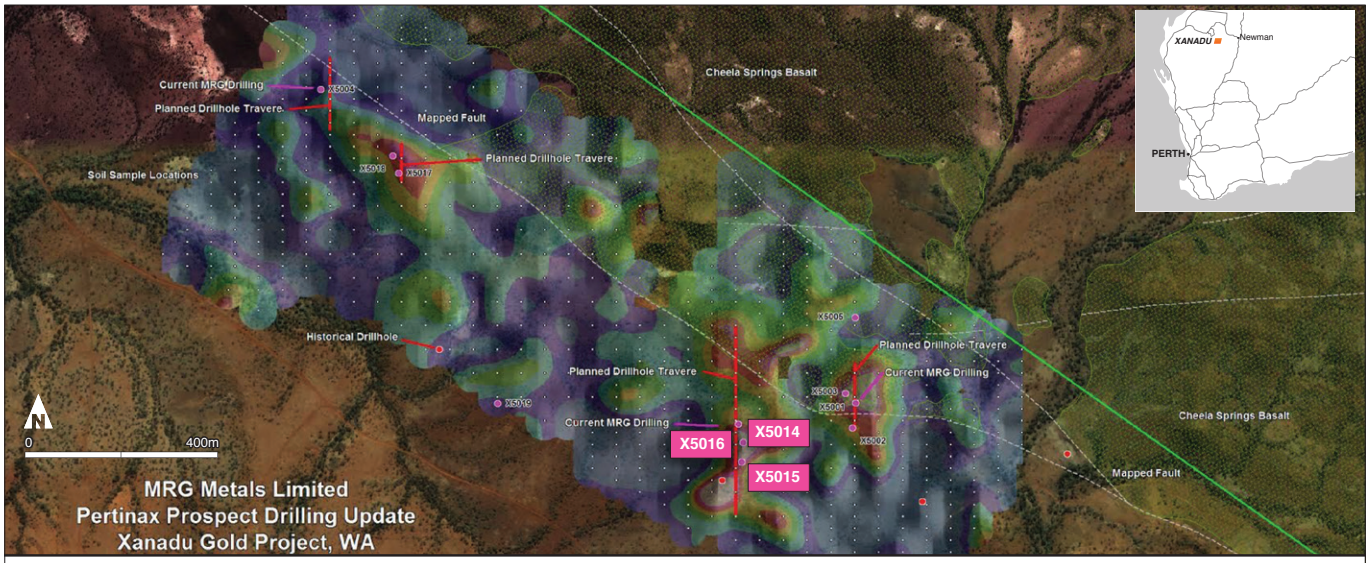
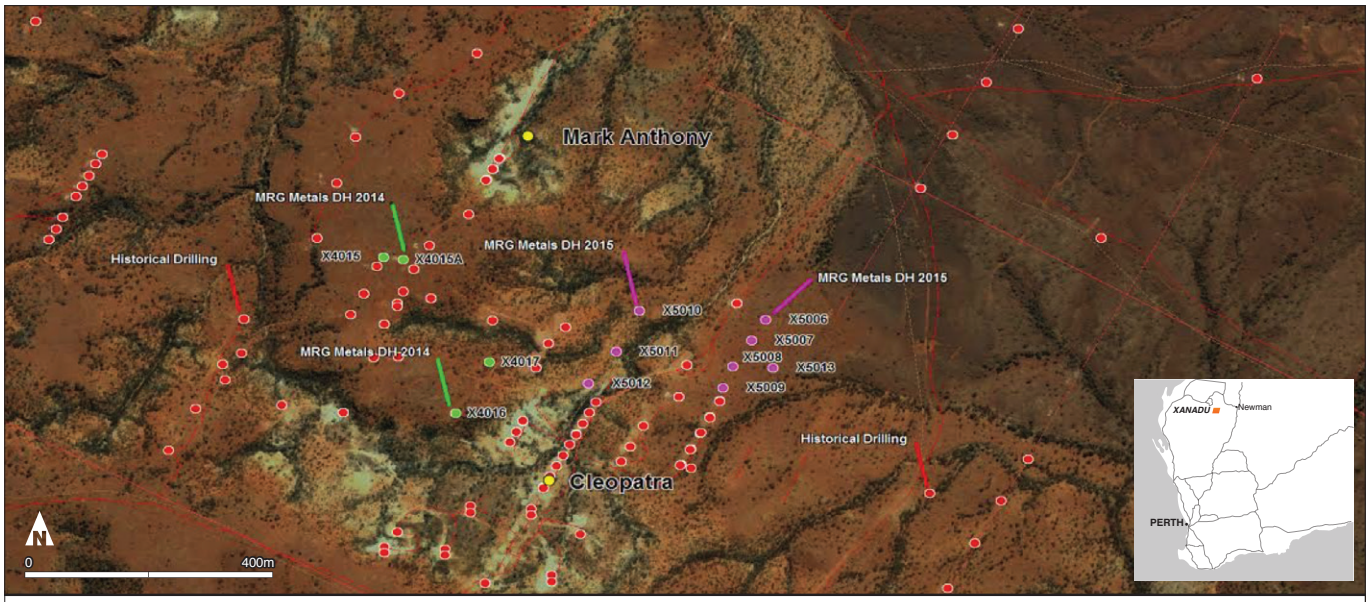


Figure 1.



XANADU PROJECT

Cleopatra Prospect - Collar Location Plan

MRG METALS LTD. JUNE 2015. Map Grid of Australia GDA 94 ZONE 50

2015 MRG Drillholes
2014 MRG Drillholes
Historical Drillholes

Figure 2.

LOONGANA DRILLING

Concurrent with the Xanadu drilling, MRG also drilled a deep diamond hole into the Loongana Igneous Complex.

This Complex is a large mafic and ultramafic intrusive body that lies at depths ranging from 250 metres to 350 metres below the surface. The target of this program is a stratiform reef-style Platinum Group Element deposit similar to those currently mined in South Africa (Bushveld/Stillwater model).

Proterozoic basement was intersected 310 metres below surface, comprising mafic and ultramafic rocks. Strong primary igneous layering was encountered with alternating elevated chromium and titanium rich bands.

Just above the interpreted reef position at 443 metres downhole, a thin mylonite fault zone was encountered, such that part of the stratigraphy, including the interpreted reef position, was faulted out. To test the faulted out section, a wedge was installed to splay off the main vertical hole. The wedge was unable to deviate the hole sufficiently to test the faulted out position and the critical part of the stratigraphy remains untested.



Drilling at Loongana

MRG believes the target remains largely untested and intends to follow this up, together with later drilling which will test the nickel potential along the western side of the Complex.

Drilling at Loongana as assisted by the Department of Mines and Petroleum WA Co-funded Government - Industry Drilling Program, which defrays 50% of the cost of the drilling up to the granted amount of $108,000.

Geochemical samples from Xanadu and Loongana are currently being prepared for assay.

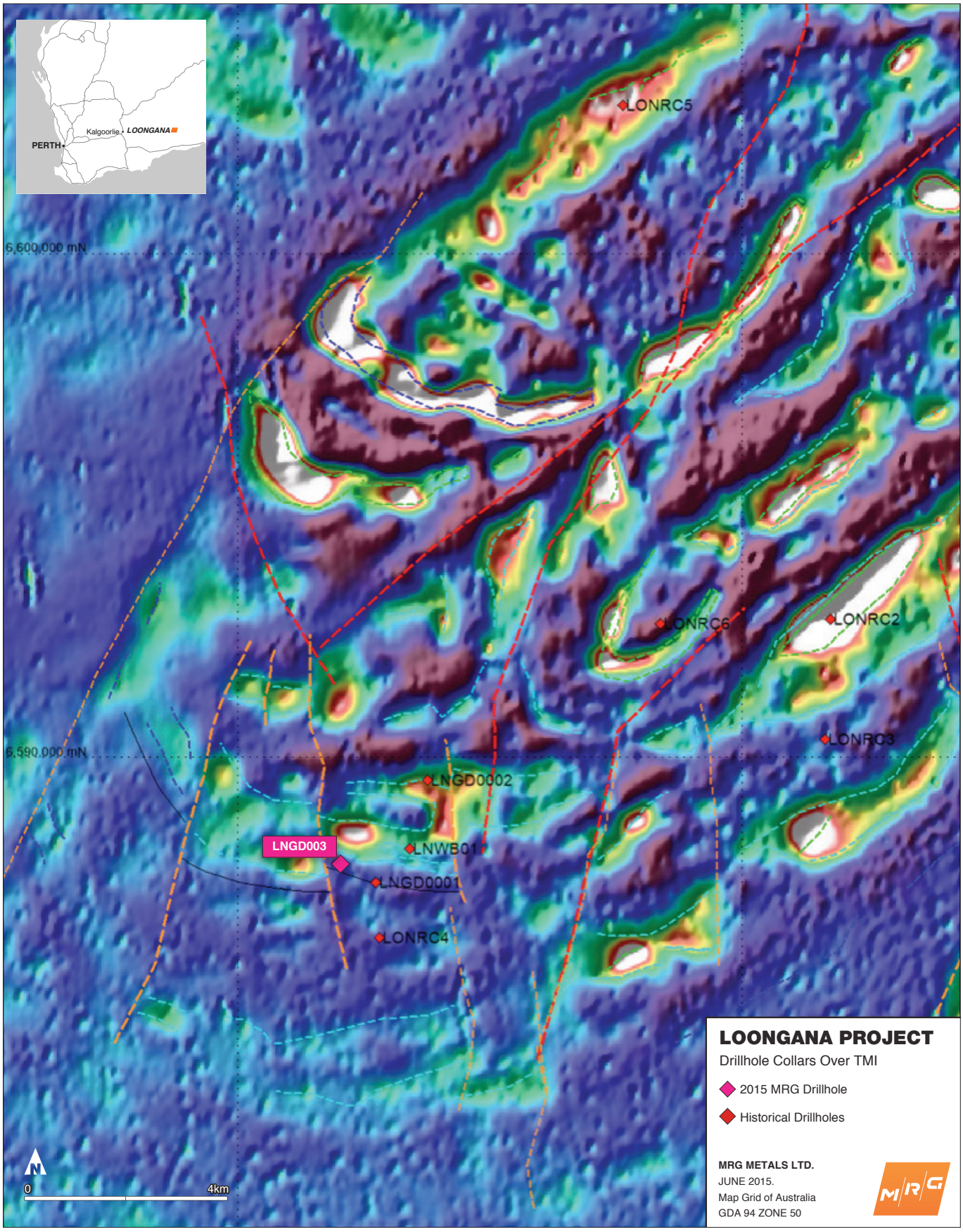


Figure 3.

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.

DRILL HOLE COLLAR LOCATIONS

Hole_ID	Prospect	East	North	Zone	RL	Azimuth_mag	Dip	Total_Depth
X5001	Pertinax	583053	7409138	50	377	004	-60	65
X5002	Pertinax	583046	7409085	50	377	005	-60	120
X5003	Pertinax	583031	7409158	50	373	004	-60	84
X5004	Pertinax	581932	7409795	50	369	360	-60	90
X5005	Pertinax	583052	7409317	50	372	180	-60	101
X5014	Pertinax	582817	7409055	50	381	360	-60	84
X5015	Pertinax	582814	7409014	50	374	360	-60	96
X5016	Pertinax	582807	7409093	50	386	360	-60	114
X5017	Pertinax	582095	7409620	50	397	360	-60	84
X5018	Pertinax	582083	7409656	50	381	180	-60	96
X5019	Pertinax	582302	7409136	50	372	180	-60	60
X5006	Cleopatra	586798	7406351	50	390	210	-60	90
X5007	Cleopatra	586778	7406317	50	396	210	-60	66
X5008	Cleopatra	586750	7406274	50	398	210	-60	66
X5009	Cleopatra	586735	7406238	50	400	210	-60	60
X5010	Cleopatra	586611	7406365	50	397	210	-60	96
X5011	Cleopatra	586577	7406298	50	398	210	-60	76
X5012	Cleopatra	586535	7406246	50	403	210	-60	66
X5013	Cleopatra	586809	7406271	50	400	210	-60	54
LNDG003	Loongana	252033	6587891	52	183	000	-90	508.1