COMMENCEMENT OF VTEM SURVEY

Subsequent to the recent capital raising announced to the ASX on 28 July 2016, MRG Metals Ltd is pleased to announce the commencement of a helicopter supported VTEM (Versatile Time Domain Electromagnetic) airborne geophysical survey over five of our tenements in western Queensland (Phase 1). The Survey will be undertaken in conjunction with a regional VTEM survey commissioned by the Geological Survey of Queensland, providing MRG with a significant cost saving.

VTEM is a proven exploration tool used in the discovery of copper gold deposits in Queensland, most notably in Minotaur's (ASX: MEP) recent Artemis discovery. Artemis is a blind deposit comprising fracture filling of massive Fe, Cu, Zn & Pb sulphides, with no significant magnetic or gravity expression but very responsive to electromagnetic geophysical methods.

MRG's tenements are all 100% owned. They were selected by Sasak Minerals using an in-house powerful quantitative area selection and ranking analysis technology. MRG is exploring for very large IOCG deposits under cover. Reference is made to MRG's Company Update of 28 July 2016 of which Appendix 1 illustrates the exploration prize of selected Queensland IOCG deposits – the potential upside is enormous.

The data from the VTEM survey, combined with follow up ground geophysical and geochemical data, will allow further modelling by Sasak to identify potential drill targets. Results from the VTEM Survey will be progressively received from late August, with the survey completed by end of September 2016. MRG expects to have processed the data during October 2016 and then, unless further ground programs are required, to commence drilling in November/December 2016.

The VTEM represents a significant step forward for MRG, to follow up the targets already identified in the regional datasets and to identify discrete conductors within our tenement. Funding from the current capital raise will allow MRG shareholders to participate in an exciting exploration program, including drill testing, on assets within the Company's portfolio that have yet to be tested.

An outline of the tenements to be flown under the VTEM Survey are:

Selwyn

Selwyn, recently granted, lies 14km north of South32's Cannington mine within the Stavely Formation and comprises brecciated granofels and meta sandstone. Sasak's predictive modeling technology indicates that this tenement has potential for IOCG discovery at depth as well as Broken Hill type mineralisation akin to that found at Cannington.

Mt Angelay

This licence is c.44km southwest of FMR Investments' Eloise Mine at the junction of two major fault zones in the meta-sedimentary Soldiers Cap Group. Like Selwyn, Sasak's predictive modeling technology has identified an IOCG target at depth.

Oban

Oban lies 35km south west of Mount Isa and covers portion of the Proterozoic Judenan beds and Eastern Creek Volcanics, near the western margin of the Sybella Granite. The main target zone is associated with two major faults. Analysis by Sasak has identified a number of targets adjacent to the faults. The VTEM survey should enhance the definition of these drill targets.

Kamileroi

The Kamileroi Project covers a prominent magnetic anomaly and adjacent gravity high. The project has seen previous drilling by CRA, Teck Cominco and most recently by Paradigm Metals. The target zone within the Proterozoic basement lies under 90 to 140 metres of younger Mesozoic cover rocks. The best result from the prior drilling is 40m at 0.14% Cu from 397.5m down hole with accompanying sporadic gold grades. Analysis of the prior exploration by Sasak indicates that the prior drilling was not sited to best test IOCG mineralisation that may be associated with the magnetic anomaly.

Squirrel Hill (Cannington Analogue)

Squirrel Hill is located c.15km west north-west of South32's Cannington mine (71Mt @170g/t Ag, 4.86% Pb and 3.26% Zn). It lies in a structurally favourable trend between Cannington and the Squirrel Hills granite.

The tenement is covered by a relatively thin, 10m to 40m thick, cover of younger sedimentary rocks, masking the underlying prospective lithologies.

MRG has two other IOCG targets in the Southern part of the Mount Isa Block, Pulchera and Davenport Downs (as outlined below). Flying VTEM over these targets will be considered in Phase 2, pending analysis of data from VTEM in Phase 1.

Pulchera

The Pulchera Project is prospective for IOCG style mineralisation in deformed Proterozoic rocks belonging to the ~1750 Ma Arunta Block. Exploration in the region has located Cu-breccias in similar favourable structural positions. Sasak has identified a number of targets interpreted to represent IOCG mineralisation adjacent to the contact with a younger NW elongated intrusive. Also, of interest is a circular zone of non magnetic core magnetic rim which will be tested.

Davenport Downs

Two discrete IOCG targets have been identified under deep cover in the southern extremity of the Mount Isa Block. MRG was awarded $75,000 in drilling co funding to test this target. This target will be drilled with the support of co funding in 2016.

Andrew Van Der Zwan

Chairman

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.

APPENDIX 1 - WORLD IOCG DEPOSITS

Gawler Craton IOCG province, South Australia

- *Olympic Dam: 8,330 million tonnes of ore at 0.8% Cu, 280 ppm U_3O_8, 0.76g/t Au and 3.95 g/t Ag + 151 Mt at 1.0 g/t Au.*
- *Prominent Hill: 52.8 Mt at 1.18% Cu, 0.48 g/t Au, 2.92 g/t Ag + 38.3 Mt at 1.17 g/t Au.*
- *Hillside: 170Mt @ 0.7% Cu and 0.2 g/t Au.*
- *Wilcherry Hill: +60Mt @ 31% Fe associated Cu and Au.*
- *Cairn Hill: Resources 14Mt @ 50% Fe, 0.2% Cu, 0.1 g/t Au. Reserves of 6.9Mt @ 51.% Fe, 0.2% Cu and 0.1 g/t Au*
- *Carapateena: 203Mt @ 1.31% Cu, 0.56g/t Au.*

Punta del Cobre IOCG province, Chile

- *La Candelaria Cu-Au-Ag Deposit: Resources of 600 Mt @ 0.95% Cu, 0.2 g/t Au, 3 g/t Ag.*
- *Mantoverde Cu-Au Deposit: Cu oxide resources 180 Mt @ 0.5% Cu overlying a sulphide resource of >400 Mt @ 0.52% Cu.*
- *Mantos Blancos Deposit: Resources of >500 Mt @ 1.0% Cu.*

Cloncurry district, Queensland, Australia

- *Ernest Henry: 122 Mt at 1.18% Cu, 0.55 g/t Au*
- *Mt. Elliot: 475 Mt at 0.5% Cu, 0.3 g/t Au*
- *Eloise: >10Mt @ 3.5% Cu, 0.93 g/t Au (Artemis analogue)*
- *Osborne: 27 Mt @ 1.4% Cu, 0.8 g/t Au.*
- *Starra: 37.4 Mt @ 1.2% Cu, 1.6 g/t Au.*

Para State IOCG province, Brazil

- *Cristalino Cu-Au Deposit: 500 Mt @ 1.0% Cu, 0.2-0.3 g/t Au. Reserves amount to 261 Mt @ 0.73% Cu*
- *Sossego Cu-Au Deposit: 355 Mt @ 1.1% Cu, 0.28 g/t Au. Reserves of 245 Mt @ 1.1% Cu, 0.28 g/t Au*
- *Alemão Cu-Au-(REE)-(U): Resources of 170 Mt @ 1.5% Cu, 0.8 g/t Au (depleted).*
- *Salobo Cu-Au: Reserves of 986 Mt @ 0.82% Cu, 0.49 g/t Au at a 0.5% Cu cut off (2004).*