Half Year Financial Report

MRG Metals Limited

ABN: 83 148 938 532

For the half-year ended 31 December 2016

MRG aspires to become an investment of choice, focussed on the utilisation of data mining technology to predict geochemistry and make frontier discoveries hidden under cover

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Corporate Directory

Directors & Secretary

Andrew Van Der Zwan
Non Executive Chairman

Christopher Gregory
Non Executive Director

Shane Turner
Non Executive Director and Company Secretary

Principal place of business

12 Anderson Street West, Ballarat VIC 3350
Telephone: +61 3 5330 5800 Fax: +61 3 5330 5890
Email: info@mrgmetals.com.au
www.mrgmetals.com.au

Registered office

12 Anderson Street West, Ballarat VIC 3350
PO Box 237, Ballarat VIC 3353
Telephone: +61 3 5330 5800 Fax: +61 3 5330 5890

Corporate accountant and Registered ASIC Agent

RSM Australia Pty Ltd
12 Anderson Street West, Ballarat VIC 3350
PO Box 685, Ballarat VIC 3353
Telephone: +61 3 5330 5800 Fax: +61 3 5330 5890
www.rsm.com.au

Solicitors

Gadens
Level 25, 600 Bourke Street, Melbourne VIC 3000
Telephone: +61 3 9252 2555 Fax: +61 3 9252 2500
www.gadens.com

Share Registry

Link Market Services Limited
Central Park, Level 4, 152 St Georges Terrace, Perth WA 6000
Telephone: 1300 554 474

Auditor

Grant Thornton Audit Pty Ltd
Level 30, 525 Collins Street, Melbourne Vic 3000
Telephone (office): +61 3 8663 6000 Fax: +61 3 8663 6333
www.grantthornton.com.au

Stock Exchange Listing

ASX Codes: MRQ, MRQOA

Director's Report

The Directors of MRG Metals Limited ('MRG') present their Report together with the financial statements of the consolidated entity, being MRG Metals Limited ('the Company') and its controlled entities, MRG Metals (Australia) Pty Ltd and MRG Metals (Exploration) Pty Ltd ('the Group') for the half year ended 31 December 2016 and the Independent Review Report thereon.

Projects

QUEENSLAND PROJECTS

With the purchase of Sasak Resources Australia Pty Ltd in 2013, MRG obtained three Projects in western Queensland. These Projects have the potential to host Iron Oxide Copper Gold ('IOCG') and base metal deposits, as they have similar geophysical characteristics to known deposits such as Glencore PLC's Ernest Henry Mine (166 Mt @ 1.1% Cu & 0.54 g/t Au - pre mining resource) and South 32's Cannington Mine (44 Mt @ 383 g/t Ag, 8.9% Pb, 4.2% Zn - 2007 resource).

A further four IOCG licence applications were acquired during 2015, consolidating MRG's holdings. These areas cover targets identified by Sasak using their in-house predictive analytical targeting techniques. They are high potential targets on open ground within the prospective Mount Isa Block, further expanding the Company's presence in the area. MRG has recently completed an airborne VTEM & Magnetic survey over most of the Queensland EPM's, except Davenport Downs and Pulchera. Data from this survey is being analysed to focus future exploration.

MRG's licences comprise:

Squirrel Hills - EPM19470

The Squirrel Hill Project is located approximately 125 km SSE of Cloncurry and some 15 kilometres WNW of the Cannington mine, operated by South 32. MRG is pursuing Cannington style mineralisation on this project.

Pulchera - EPM19471

Situated in the Simpson Desert near the Northern Territory border in western Queensland, EPM19471 is located 135 kilometres north west of Bedourie. The Pulchera project is near the major Toomba Fault which lies on the south western edge of the Mt. Isa Block, a Proterozoic geological terrain that hosts a diverse range of world class ore bodies. Previous broad spaced drilling by BHP revealed that the depth of cover ranges from a manageable 40m to 100m. Recent exploration on an adjacent licence returned strongly anomalous results of up to 27m @ 0.4% copper from 9m (including 3m @ 2.4% copper). The aim is to discover an Olympic Dam style IOCG (Iron Oxide Copper Gold) deposit in a granitic breccia host, associated with continental faulting and high fluid flow on terrane boundaries.

Davenport Downs - EPM19306

The Davenport Downs Project lies 120 kilometres south east of Boulia. Like the Pulchera Project it is close to the interpreted southern margin of the Mount Isa Block. The Project straddles portion of a prominent gravity ridge with accompanying favourable magnetic signatures. Exploration work undertaken on the tenement to date comprises of historical data compilation, geophysical data review and prospectivity assessment. The Davenport Downs EPM is considered prospective due to its positive magnetic - gravity response which is characteristic of IOCG-Type deposits in the Mount Isa Block. The depth of cover is understood to be around 800m, so future exploration will comprise focussed drilling of geophysical (magnetic + gravity) anomalies.

Mount Angelay – EPM25884 & EPM26167
This Project is 44 kilometres southwest of the Eloise Mine. It lies on part of a prospective structural corridor associated with the major regional feature, the Cloncurry Overthrust. The licence covers a portion of this feature and associated fault splays. MRG is targeting mineralisation related to these fault splays.

Selwyn – EPM25887
Selwyn lies just to the north of Cannington Deposit and like Mount Angelay is situated on part of the Cloncurry Overthrust. MRG's recent geophysical survey has identified a strong magnetic feature upon which future ground geophysical surveys will be concentrated.

Kamileroi – EPM25885
The Kamileroi Project lies approximately 150 kilometres north northeast of Mount Isa and 40 kilometres west of the Burke & Wills Roadhouse. MRG is targeting a combined gravity and magnetic IOCG target under 140m of younger cover. The area has been subject to limited prior drilling by CRA, Teck & Paradigm Resources. This previous drilling includes a best result of 40m @ 0.14% Cu from 397m. Based on interpretation of MRG's recent geophysical survey future exploration will be directed to the gravity anomaly in the southern part of the licence area. A previous drill hole by Teck does not appear to have adequately tested this feature.

Oban – EPM25883 (Granted 7 February 2017)
The Oban EPM is approximately 20 kilometres SSW of Mount Isa on the Mount Isa – Boulia road. It covers the southern extension of the Mount Isa Fault systems and is prospective for Middle Proterozoic Isa style shale hosted Pb- Zn-Ag and Cu mineralisation within Mount Isa group sediments adjacent to the Mount Isa Fault system. Geophysical data is being utilised to generate drill targets.

WESTERN AUSTRALIAN PROJECTS:

Yardilla
In late 2016, the Board of MRG exercised a purchase option over two granted exploration licences that adjoin an existing MRG 100% owned licence. The combined Project covers an area of approximately 220 square kilometres.

It straddles part of the Cundeelee Fault, which separates two adjacent geological terrains; the Archean Yilgarn Craton from the Proterozoic Albany-Fraser Orogen. The area is considered to be prospective for gold and nickel mineralisation that may be present in both terrains. The prime focus of our exploration is within reworked Archean rocks of the Northern Foreland portion of the Albany Fraser Orogen.

The area has been held by several companies, but only Sipa Resources (2006 – 2013 in JV with Newmont) and AngloGold Ashanti (2008 – 2013) have completed widespread systematic exploration. MRG's primary target is gold and nickel mineralisation associated with structural dislocations in the Archean greenstones and analogues of Tropicana style gold mineralisation in the Albany Fraser Orogen.

An initial program of auger sampling, combined with an analysis of data of previous explorers, generated several targets that were subsequently tested by a diamond drilling program during late 2016. Several of these holes detected an alteration zone with key similarities to those associated with the >5 Million Ounce Tropicana Deposit. This prospect will be the focus of accelerated exploration during 2017.

Based on the nature of the alteration and the multi element signature derived from the data, MRG has applied for further ground within the Northern Foreland, likely to contain analogues of the Tropicana style alteration.

Xanadu (Gold)
MRG's Xanadu Project is located close to northern margin of the Ashburton Basin, 4km west southwest of Northern Star's Ashburton project (1.67Moz at 2.4g/t) and comprises 12km strike length of prospective stratigraphy that includes several known occurrences of gold mineralisation and a number of prospects, including the Amphitheatre Mine.

The Project located within a portion of the northern-central margin of the Ashburton Basin, flanking both the Pilbara Craton and Hamersley Basin. Gold mineralisation has been detected by shallow drilling along the **entire strike length of the tenements,** although bedrock outcrop is restricted, limiting the effective use of traditional geochemistry and weathering is deep (>80m vertical).

Additional analysis and accompanying drilling completed during 2015 indicates that Xanadu represents an intrusive-related hydrothermal system. MRG is pursuing an exploration model comprising four components:

1. Mineralisation associated with and underlying the lithocap, forming an 8km long prospective zone
2. Mt Olympus style mineralisation at Pertinax, associated with steeply dipping faults
3. Open pitable disseminated mineralisation occurring in a sedimentary type package directly overlying a flat dolomite unit at Cleopatra
4. Analogues of Mt Olympus style mineralisation to the southeast within the newly granted exploration licence E52/3065

MRG drilled two deep holes in December 2015, based on a revised model derived from our research.

A 600m deep vertical hole on the previously mined Amphitheatre Prospect was drilled to provide an enhanced understanding of the relationships between the major lithological units. Anomalous pathfinder geochemistry was discovered at the interface of the Duck Creek Dolomite and Mount McGrath Formations, providing validation of the geological model. A second deep hole targeted a major feeder fault zone, revealing strong anomalism, of up to 1% arsenic.

MRG has incorporated this data into our modelling and will apply the results from the generative algorithms across the wider Project area to select and prioritise future drill targets at the Amphitheatre, Cleopatra & Pertinax Targets.

Loongana (Nickel & Platinum Group Elements)
MRG's Loongana Project is prospective for Bushveld reef type Platinum Group Elements ("PGE") plus IOCG and nickel-copper mineralisation hosted within the Loongana Igneous Complex. The Complex is a basement crustal feature within the Madura Block, due east of the Albany Fraser Ororgen and includes one of the strongest gravity residuals in Australia.

Previous exploration indicates the main targets lay under cover at depths ranging from 250m to 400m below the current surface. A Bushveld reef type platinum target with an interpreted 11.5km strike is main focus of our exploration.

There also exists untested potential for magmatic segregation nickel-copper mineralisation (Nova style) on north western margin of deposit, based on 3D inversion imaging, along with potential for IOCG in northern part of tenements.

MRG drilled a single deep hole, LNGD 003 designed to test for a reef style PGE mineralised horizon based on anomalous results identified in historical hole LNGD 001. The historic hole LNGD 001 returned results that were consistent with the low grade tail of a PGE reef.
In LNGD 003, a Cr bearing clinopyroxenite was intersected at 443m to 446.5m, hosting anomalous PGE's, but with no visual sulphide bearing reef. A mylonite fault zone developed between 442.5m to 443.65m, with an apparent north dip and north block down movement has excised the critical

part of the stratigraphy, and any potential reef, at this point. A wedge to test this downthrown block did not deviate sufficiently to pierce this downthrown block, hence the target zone is still largely untested.

MRG plans to utilise deep seeking Electro Magnetic geophysical methods to generate additional drill targets during 2017.

Kalgoorlie East Project (Gold, Nickel, Base Metals & Silver)
The Kalgoorlie East Project is located approximately 8 kilometres east of Kalgoorlie in the Eastern Goldfields of WA, and consists of 4 contiguous prospecting licences. This region is highly prospective and hosts a number of large gold and silver deposits, including the Kalgoorlie Super Pit (>50 million oz Au) 7kms to the west, Kanowna Belle (>5 million oz Au) 12kms to the north and Nimbus (>23 million oz Ag-eq.) 2kms to the south east.

The geology of the project area consists of a structurally complex assemblage of Archean ultramafic, mafic and felsic volcanic rocks with associated sediments and cherts, intruded by a series of younger dolerite dykes and felsic porphyries, together known as the Golden Ridge Belt.

Indications of a number of styles of mineralisation have been identified on the project, including Kambalda style nickel sulphide, shear hosted gold, Nimbus style silver mineralisation and disseminated base metal mineralisation. In addition, the Boorara type mineralisation, may also be present. At Boorara, <1km east, mineralisation is controlled by the intersection of a north east trending fault with the major regional NNW trending faults. This NE fault and others of a similar orientation, extend into the MRG tenements. The spatial association between these NE faults and gold in soil anomalies form a primary exploration target.

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. This is a summary report and technical data contained within has been previously released to the Australian Stock Exchange.

Forward Looking Statement
All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of MRG Metals Ltd ('MRG' or 'Company') are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its Directors and management of MRG that could cause MRG's actual results to differ materially from the results expressed or anticipated in these statements. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. MRG does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements.

Director details

The following persons were directors of MRG Metals Limited during or since the end of the half year.

- Mr Andrew Van Der Zwan
- Mr Christopher Gregory
- Mr Shane Turner
- Mr Keith Weston (ceased 5/8/16)

Principal activities

During the period, the principal activities of entities within the Group were exploration for Gold, Nickel, Base Metals and other commodities within Australia.

There have been no significant changes in the nature of these activities during the period.

Review of operations and financial results

The operating result of the Group for the half year was a loss of $646,812 (31/12/15 loss $445,739).

Earnings per share during the half year were ($0.26) (31/12/15 ($0.33)).

Dividends

There were no dividends declared or paid during the half year.

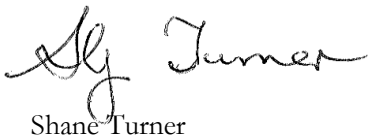
Events arising since the end of the reporting period

No significant events have arisen since 31 December 2016.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is included on page 9 of this financial report and forms part of this Directors report.

Signed in accordance with a resolution of the directors.



Shane Turner
Director

Date: 14 March 2017

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration
To The Directors of MRG Metals Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of MRG Metals Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Simon Trivett
Partner - Audit & Assurance

Melbourne, 14 March 2017

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Statement of Financial Position

As at 31 December 2016

	Notes	Consolidated 31 December 2016 $	Consolidated 30 June 2016 $
Assets			
Current			
Cash and cash equivalents		913,915	72,206
Trade & other receivables		627,299	580,719
Current assets		1,541,214	652,925
Non-current			
Plant & equipment		2,404	1,613
Exploration and evaluation		3,001,899	2,191,582
Option to acquire tenements		-	75,000
Non-current assets		3,004,303	2,268,195
Total assets		4,545,517	2,921,120
Liabilities			
Current			
Trade and other payables		135,662	289,374
Current liabilities		135,662	289,374
Total liabilities		135,662	289,374
Net assets		**4,409,855**	**2,631,746**
Equity			
Share capital	8	18,150,615	15,938,494
Options reserve	8	677,402	1,103,444
Share based payments reserve	8	212,800	-
Accumulated losses		(14,630,962)	(14,410,192)
Total equity		**4,409,855**	**2,631,746**

The accompanying notes form part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2016

		Consolidated	
	Notes	**31 December 2016**	**31 December 2015**
		$	**$**
Revenue		4,095	24,441
Employee benefits expense	8	(299,200)	(153,297)
Exploration expenses/tenements written off		-	(49,507)
Consultants	8	(196,781)	(111,000)
Promotions expense		(43,296)	(62,789)
Occupancy		(6,000)	(15,355)
Other expenses		(105,630)	(78,232)
Loss before tax		**(646,812)**	**(445,739)**
Tax expense		-	-
Loss after tax		**(646,812)**	**(445,739)**
Other comprehensive income, net of tax		-	-
Total comprehensive loss		**(646,812)**	**(445,739)**

		Cents	**Cents**
Basic earnings per share			
Earnings from continuing operations	4	(0.26)	(0.33)
Diluted earnings per share			
Earnings from continuing operations	4	(0.26)	(0.33)

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the half-year ended 31 December 2016

Consolidated	Notes	Share capital	Share based payments	Accumulated losses	Total equity
		$	$	$	$
Balance at 1 July 2015		16,364,536	-	(11,841,687)	4,522,849
Adjustment to prior period	3	-	-	(546,185)	(546,185)
Balance at 1 July 2015 (restated)		16,364,536	-	(12,387,872)	3,976,664
Issue of share capital		729,784	-	-	729,784
Transaction costs		(52,382)	-	-	(52,382)
Reported loss for the period		-	-	(445,739)	(445,739)
Balance at 31 December 2015		**17,041,938**	**-**	**(12,833,611)**	**4,208,327**
Balance at 1 July 2016		17,041,938	-	(13,528,072)	3,513,866
Adjustment to prior period	3	-	-	(882,120)	(882,120)
Balance at 1 July 2016 (restated)		17,041,938	-	(14,410,192)	2,631,746
Issue of share capital		2,264,121		-	2,264,121
Transaction costs		(52,000)	-	-	(52,000)
Share based payments		-	212,800	-	212,800
Lapsed options		(426,042)		426,042	-
Loss for the period		-	-	(646,812)	(646,812)
Balance at 31 December 2016		**18,828,017**	**212,800**	**(14,630,962)**	**4,409,855**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the half-year ended 31 December 2016

	Consolidated	
	31 December 2016 $	**31 December 2015 $**
Operating activities		
Receipts from customers	-	108,000
Interest received	4,095	2,841
Payments to suppliers and employees	(613,587)	(408,426)
Net cash (used in) operating activities	(609,492)	(297,585)
Investing activities		
Payment for exploration & evaluation	(601,649)	(620,815)
Acquisition of Tenements	(19,599)	(11,484)
Tenement Security Bond	(2,500)	(2,500)
Acquisition of Equipment	(1,172)	(1,418)
Net cash (used in) investing activities	(624,920)	(636,217)
Financing activities		
Proceeds from issue of capital (1)	2,076,121	704,081
Payment of transaction costs	-	(29,016)
Net cash from (used in) financing activities	2,076,121	675,065
Net change in cash and cash equivalents	841,709	(258,737)
Cash and cash equivalents, beginning of period	72,206	410,139
Cash and cash equivalents, end of period	913,915	151,402

(1) The Group also had non-cash activities in the form of issuance of shares to the value of $100,000 as consideration for acquisition of tenements; issuance of shares to the value of $36,000 to contractors and issuance of shares for corporate advisory costs of $52,000.

The accompanying notes form part of these financial statements.

Condensed Notes to the Interim Consolidated Financial Statements

1 Nature of operations

During the period, the principal activities of entities within the Group were exploration for Gold, Nickel, Base Metals and other commodities within Australia.

2 General information and basis of preparation

(a) Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

(b) Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

The same accounting policies and methods of computation are followed in the half-year financial report as compared with the Company's most recent annual financial report, for the financial year ended 30 June 2016.

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Company's presentation of or disclosure in, its half-year financial statements.

3 Adjustment to prior periods

The Research & Development Tax Incentive was accounted for as income in the profit and loss account on an accruals basis in prior periods. This income should be offset against exploration and evaluation assets under *AASB 120 Accounting for Government Grants*, to the extent that the related expenditure is capitalised. An adjustment has been made to comparative amounts to reflect this accounting treatment. There is no change to the 31 December 2015 profit or loss statement or the statement of cash flows. This accounting treatment has been reflected by restating each of the affected financial statement line items for comparative periods as follows:

	30 June 2016		
Statement of financial position (extract)	**Previous amount**	**Adjustment**	**Restated amount**
Exploration and evaluation asset	3,073,702	(882,120)	2,191,582
Net assets	3,513,866	(882,120)	2,631,746
Retained earnings	(13,528,072)	(882,120)	(14,410,192)
Total equity	**3,513,866**	**(882,120)**	**2,631,746**

4 Earnings per share

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Consolidated 6 months to 31 December 2016 $	Consolidated 6 months to 31 December 2015 $
Loss after income tax	(646,812)	(445,739)
Weighted average number of shares used in basic earnings per share	247,065,091	135,612,115
Weighted average number of shares used in diluted earnings per share	247,065,091	135,612,115

5 Subsidiaries

MRG Metals Limited owns 100% of the shares of MRG Metals (Australia) Pty Ltd and MRG Metals (Exploration) Pty Ltd.

6 Dividends

There were no dividends declared or paid during the current or previous half year.

7 Impairment of non-financial assets

There was no impairment during the six months ended 31 December 2016.

8 Share Capital

	Consolidated Number of Ordinary Shares	Number of Options	$
Movements in share capital:			
Balance at 1 July 2015	135,612,115	44,007,993	16,364,536
Movements in options:			
Additions during period	-	72,978,404	729,784
Costs of raising	-	-	(52,382)
Balance at 31 December 2015	**135,612,115**	**116,986,397**	**17,041,938**
Balance at 1 July 2016	135,612,115	116,986,397	17,041,938
Movements in options:			
Expired during period	-	(44,007,993)	(426,042)
Movements in shares:			
Additions during period	185,167,644	-	2,264,121
Costs of raising	-	-	(52,000)
Balance at 31 December 2016	**320,779,759**	**72,978,404**	**18,828,017**
Issued Capital			**18,150,615**
Options Reserve			**677,402**

On 9 August 2016 the Company announced the successful completion of a placement of 20,000,000 shares at $0.026 raising $520K. On 9 September 2016 the Company announced completion of a 1 for 1 non-renounceable entitlement issue of shares fully subscribed. Consideration of $0.01 was paid for each security and 151,138,588 shares were issued raising $1,511K. On 24 November 2016 the Company announced the issue of 1,000,000 shares to a retiring Director, 1,000,000 shares to a new Exploration Manager, 2,000,000 to a Corporate Advisor in lieu of costs of $52K and 4,473,500 to Directors who paid $0.01 per share raising $45K. On 22 December 2016 the Company issued 5,555,556 shares in consideration for acquiring tenements for $100K at the Yardilla project.

Share Based Payments Reserve
It was approved by Shareholders at the Company's 2016 Annual General Meeting to issue Performance Rights to Officeholders and a key Consultant. These Rights have been valued using a Monte-Carlo valuation model. The total number of Rights were 14,000,000 and their valuation was $212,800. This has been included in the Statement of Profit or Loss and Other Comprehensive Income under Employee benefits expense $182,400 and Consultants $30,400.

9 Segment reporting

The Group is organised into one operating segment, which is the exploration for Gold, Nickel, Base Metals and other commodities within Australia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources.

10 Commitments for expenditure

	Consolidated	
	31 December 2016	**30 June 2016**
	$	**$**
Exploration and evaluation:		
Within 12 months	584,340	406,140
	584,340	**406,140**

Exploration and evaluation:
In order to maintain current rights of tenure to exploration tenements, the Group is required to outlay rentals and to meet the minimum expenditure requirements of the State Mine Departments. Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided in the accounts and are payable.

11 Related parties

Payment for goods and services:
The Group used the accounting services of RSM Australia Pty Ltd, an entity associated with Mr. Turner. The amounts billed were based on normal market rates and amounted to $3,000 for the six months (2015 $3,601). Also, the Group used accounting services from Mr. Turner. The amounts billed were based on normal market rates and amounted to $14,000 for the six months (2015 $14,000).

12 Events after the reporting date

No significant events have arisen since 31 December 2016.

Directors' declaration

1. In the opinion of the directors of MRG Metals Limited:

    a the consolidated financial statements and notes of MRG Metals Limited are in accordance with the Corporations Act 2001, including

        i. giving a true and fair view of its financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

        ii. complying with Accounting Standard AASB 134 Interim Financial Reporting; and

    b there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated at Melbourne this 14th day of March 2017

Shane Turner
Director



The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report
To the Members of MRG Metals Limited

We have reviewed the accompanying half-year financial report of MRG Metals Limited (the Company), which comprises the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The Directors of MRG Metals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the MRG Metals Limited financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of MRG Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of MRG Metals Limited is not in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Simon Trivett
Partner - Audit & Assurance

Melbourne, 14 March 2017