Half Year Financial Report

MRG Metals Limited

ABN: 83 148 938 532

For the half-year ended 31 December 2017

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Corporate Directory

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Non Executive Chairman

Christopher Gregory
Non Executive Director

Shane Turner
Non Executive Director and Company Secretary

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Stock Exchange Listing

ASX Codes: MRQ, MRQOA, MRQOB

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 2017 and the Independent Review Report thereon.

Projects

SWEDEN PROJECT:

NORRLIDEN

MRG has largely focused exploration on the Norrliden Project since the commencement of the Farm –in ratified in early 2017. The Company has significantly advanced the geological understanding of the Project, located in the Skellefte Field of Northern Sweden, through additional diamond drilling, structural mapping and the recent surface geophysics program. The Project comprises two main targets, known as Södra & Norra respectively.

- Drilling

Diamond drilling of two holes at Södra to test the depth extent of the outcropping mineralisation sampled at surface was completed during September 2017. Both holes intercepted zones of disseminated and banded sulphide mineralisation (pyrrhotite-pyrite-sphalerite-galena-arsenopyrite) within dominantly sericite-silica altered felsic-intermediate volcanoclastic rocks (refer Figure 1). Alteration intensity and volume of sulphide was significantly higher in NOR17001 than in NOR17006 and this is also reflected in the assay results.

Significant intercepts included:

- NOR17001: 20m @ 1.0g/t Au, 55.3g/t Ag, 0.74% Zn and 0.22% Pb (from 45m)
  - Inc.
    - 8m @ 2.3g/t Au, 130 g/t Ag, 0.46% Zn and 0.21% Pb (from 45m)
    - 8m @ 1.2% Zn, 0.24% Pb, 0.14 g/t Au and 4.6 g/t Ag (from 57m)
- NOR17006: 9m @ 0.31g/t Au, 1.88g/t Ag, 0.23 % Zn and 0.06% Pb (from 58m)
  - Inc.
    - 3m @ 0.88g/t Au, 4.40g/t Ag, 0.23% Zn and 0.14% Pb (from 58m)

Whilst a broad zone of mineralisation was intercepted in NOR17001, the mineralisation is zoned with an upper assemblage of gold-silver-arsenic-antimony and a lower assemblage of zinc-lead mineralisation. The sulphide mineralisation intercepted at Södra corresponds well to both the south-dipping geometry of the outcropping mineralisation and to the modelled historic electromagnetic geophysics.

An additional diamond drill hole (NOR17003) was successfully completed at Södra during November; NOR17003 (Figure 1) is located 130m southeast of NOR17001 and was designed to test the modelled down-plunge position of the historic fixed-loop electromagnetic (EM) conductor. Assay results are expected to be returned in early 2018.

Additional follow-up diamond drilling at Södra is planned on the back of the recently completed surface EM geophysics survey and an upcoming bottom of till multielement geochemical sampling program

A second attempt at drill testing the deeper mineralised zones within the existing Norra deposit was also made during November. NOR17009 was drilled to a depth of 158m before failure of the hydraulic system on the drill rig meant the hole had to be abandoned. It is planned to re-enter NOR17009 and continue drilling to the target depth of 275m when diamond drilling recommences at the project.



Figure 1: Project location map showing drill holes and intercepts from recently completed drilling at Norrliden.

Geophysics

- Down Hole Electromagnetics

NOR17001 and NOR17003 were both cased with PVC to enable down hole electromagnetic (DHEM) surveying to be completed. The DHEM was completed in late December 2017

DHEM surveying of NOR17001 has identified a late-time off-hole conductor (500 Siemens) at approximately 65m depth; the conductor is centered below the current hole in a down-dip position (refer Figure 2). Whilst the model is largely unconstrained given the single drill hole, the modelling suggests a depth extent of at least 150m. A single drill hole testing the off-hole EM conductor in a down-dip position has been recommended and will be completed when drilling recommences in March 2018.

The new DHEM data from NOR17001 did *not* identify a south-easterly plunge to the EM conductor identified in historic FLEM data. Nevertheless, NOR17003 has intercepted visible sulphide mineralisation in this position. A blockage at approximately 60m in NOR17003 meant that DHEM surveying in that hole was not possible.

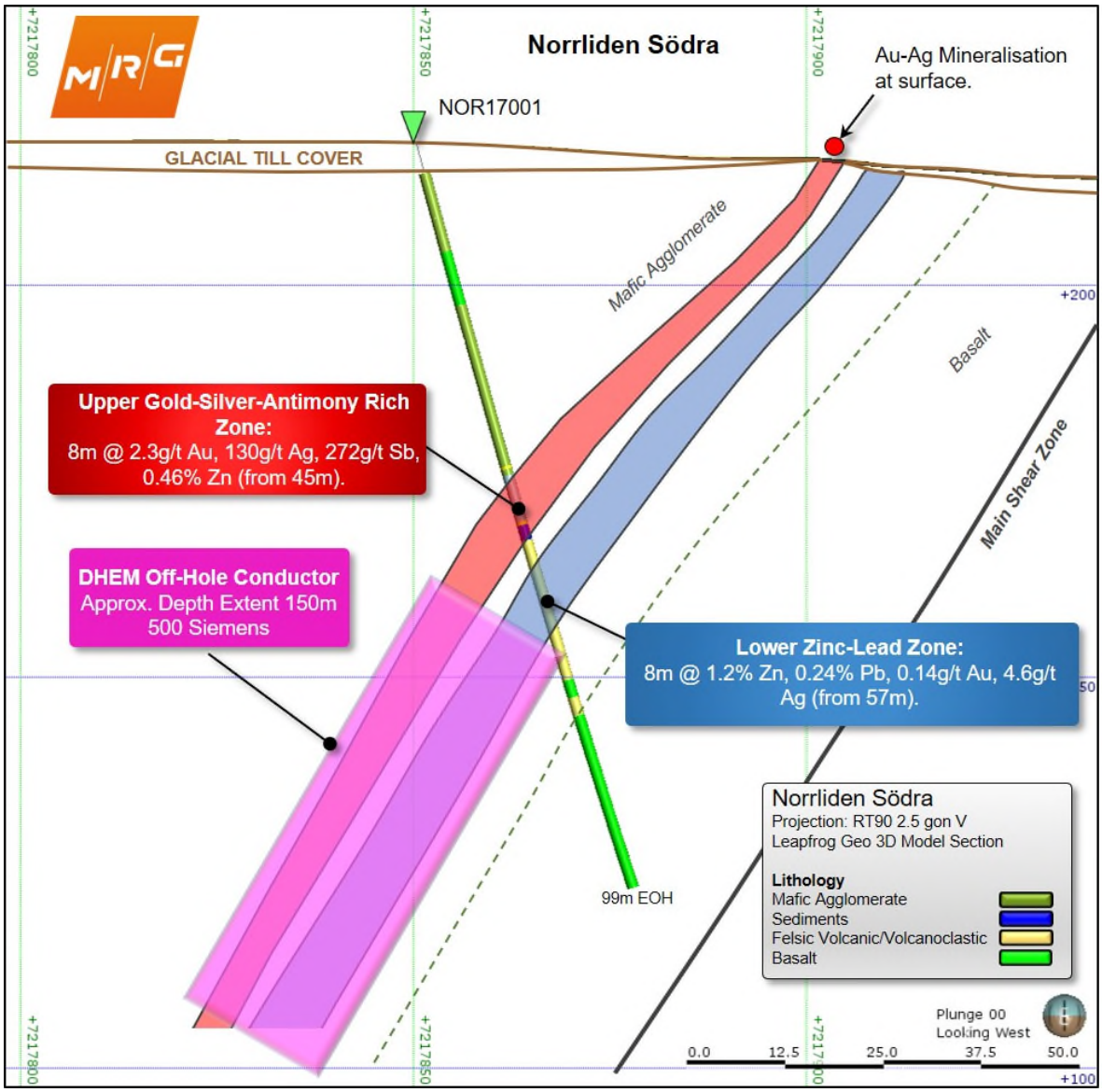


Figure 2: Drill hole cross-section showing mineralised intercepts and DHEM conductor for NOR17001 at Norrliden Södra.

- Fixed Loop Electromagnetics (FLEM)

Two separate FLEM surveys at the project have been completed subsequent to the end of the period with results expected in early 2018 at the completion of the processing and modelling of the data. The first survey was designed to test a zone of structural interest located to the west of the existing mineralisation at both Norra and Södra. The zone (Norrliden Västra) is where the main east-west shear zone intersects a cross-cutting structure that is orientated NNE/SSW.

The second survey was designed to test a coincident deep-IP and airborne GeoTEM anomaly located to the northeast of Norra at the Jungfrutjärnen prospect (Figure 1). The deep-IP profile was completed by local university (LTU) researchers in 2009 and the airborne GeoTEM was completed by previous explorer North Atlantic Resources (NAN) in 1997; the identified anomalies at Jungfrutjärnen have not previously been followed-up.

Also, during the period MRG completed a new structural interpretation across the project including the mineralisation at Norra. The new structural interpretation will be incorporated into the new Mineral Resource Estimate ('MRE'). Once the MRE has been completed a decision will be made as

to whether a high-level mining study will be warranted. The Norrliden deposit is located within a *granted mining concession* which would likely shorten the pathway to future production at Norrliden if positive MRE and optimisation results are received.

WESTERN AUSTRALIAN PROJECTS:

YARDILLA

MRG has entered to a binding Heads of Agreement with Au Resource Company Ltd ('Au Resource'), to farm into MRG's Yardilla and Xanadu Gold Projects. The due diligence period commenced in early December 2017, when representatives of Au Resource undertook a ground EM geophysical survey proximal to the prospects previously drilled by MRG on the Project.

Four anomalies were identified during the survey. The first anomaly lies within recently granted tenement E28/2678 and has not been tested by any previous drilling. Anomaly 2 is immediately to west of drill hole YRRC006, while Anomaly 3 lies just to the north of MRG's drilling at the Ommaney Prospect. The fourth EM anomaly is coincident with the aeromagnetic anomaly at Hampshire prospect. The previous diamond drill hole at the Hampshire Prospect, YRDH001C appears to have adequately tested the geophysical feature.

The anomalous EM responses delineated by the EM survey are close to hole YRRC006 and several of the previous holes at the Ommaney Prospect, but offset from the zones that were drill tested. MRG is assessing the significance of these geophysical responses in light of our previous drill results and will consider the feasibility of future drill testing during the latter half of 2018, along with the new target discovered in E28/2678.

Project Background

The Yardilla project is located 95km east-northeast of Norseman, WA and is prospective for gold mineralisation on the boundary between the Archaean Yilgarn Craton and the Proterozoic Albany-Fraser Orogen. In addition to the original 3 licences over the project, MRG recently applied for additional ground, based upon the identification of further prospective positions using the Sasak Technology. This has increased our land holdings in the district, a further 8 licences, covering an additional 450 square kilometres, were granted during the quarter covering prospective lithology identified from structural and geochemical analysis utilising the Technology.

Late in the year MRG entered into a binding Heads of Agreement with Chinese based resource company, Au Resource Company Ltd, to farm into MRG's Yardilla & Xanadu Gold Projects. Au Resources Company will acquire an interest in these projects by meeting certain exploration expenditures as outlined in the ASX release of 1 November 2017.

LOONGANA

MRG finalised a major technical review of its Loongana Project in late 2017 and the results of this study have resulted in a revised exploration program for the project. The findings of the review has led MRG to re-focus exploration toward using a combined drilling and EM-geophysics approach to discovery of intrusion-related Ni-Cu-PGE and intrusion-related Cu-Au targets beneath the limestone cover of the Nullarbor Plain. A Program of Works has been approved for drilling of these new targets, planned for mid 2018.

XANADU PROJECT

Like the Yardilla Gold Project, Xanadu is subject to the Farm in Agreement with Au Resource Company. The initial ground EM geophysical survey planned for late 2017 was delayed due to the onset of the cyclone season. The survey and accompanying on ground geological review will now take place in April 2018. A combined drilling and geophysical program is proposed for later in the year following completion of the ground EM survey.

KALGOORLIE EAST

During the period MRG held 4 small prospecting licences, remnants of a larger project area. Although MRG conducted extensive exploration over the Project, we were unable to delineate a JORC resource over any of the licences and apply for a retention licence. Similarly, the current state

of our knowledge did not allow for the identification of any area suitable for a mining licence application, nor justify the inherent increased costs associated with mining licences. Due to the age of the licences MRG were unable to maintain our tenure under the provisions of the *Mining Act* and as such two of the licences ceased during December 2017, leaving P26/4015 & P26/4016 as the remaining licences on this project. A ground geophysical survey is planned over these licences in early 2018.

QUEENSLAND PROJECTS:

MRG personnel completed a wide ranging field program over selected Queensland Projects in May 2017, leading to a comprehensive technical review that was completed in late 2017. This has resulted in the development of future exploration plans that will be implemented across several projects during 2018 field season. A number of Projects were determined to have low prospectivity and MRG is considering options for divestment of these licences.

The information in this document that relates to Swedish-based exploration results is based on information compiled by Amanda Scott, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (Membership No.990895). Amanda Scott is a full-time employee of Scott Geological AB. Amanda Scott has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been undertaken 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 (JORC Code). Amanda Scott consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this document that relates to Australian-based 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

Principal activities

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

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 $309,923 (31/12/16 loss $646,812). Earnings per share during the half year were ($0.09) (31/12/16 ($0.26)).

Dividends

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

Events arising since the end of the reporting period

The Group completed a Rights Issue and Shortfall Placement on 25 January 2018 raising $1,001,949 before costs. This resulted in the issuance of 200,389,880 fully paid ordinary shares and 200,389,880 listed options with an exercise price of $0.01 and expiry date of 20 December 2020.

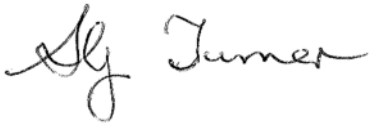
On 12 February 2018, the Group issued 80,000,000 listed options with an exercise price of $0.01 and expiry date of 20 December 2020 to shareholders who took up the placement of 80,000,000 shares in December 2017. Also, the Group issued 5,000,000 listed options with an exercise price of $0.01 and expiry date of 20 December 2020 to a corporate advisor. Also, the Group issued 6,000,000 fully paid ordinary shares and 6,000,000 listed options with an exercise price of $0.01 and expiry date of 20 December 2020 to Directors raising $30,000.

No other significant events have arisen since 31 December 2017.

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 10 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 2018

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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 2017. 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

S C Trivett
Partner – Audit & Assurance

Melbourne, 14 March 2018

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Statement of Financial Position

As at 31 December 2017

		Consolidated	
	Notes	31 December 2017	30 June 2017
Assets		$	$
Current			
Cash and cash equivalents		822,718	579,964
Trade & other receivables		39,818	728,503
Current assets		862,536	1,308,467
Non-current			
Plant & equipment		1,256	1,809
Exploration and evaluation		3,562,081	3,056,142
Non-current assets		3,563,337	3,057,951
Total assets		4,425,873	4,366,418
Liabilities			
Current			
Trade and other payables		82,962	132,843
Current liabilities		82,962	132,843
Total liabilities		82,962	132,843
Net assets		**4,342,911**	**4,233,575**
Equity			
Share capital	7	18,502,727	18,104,748
Reserves	7	724,454	703,174
Accumulated losses		(14,884,270)	(14,574,347)
Total equity		**4,342,911**	**4,233,575**

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 2017

		Consolidated	
	Notes	**31 December 2017**	**31 December 2016**
		$	**$**
Revenue		3,752	4,095
Employee benefits expense		(183,741)	(299,200)
Exploration expenses/tenements written off		(23,046)	-
Consultants		(29,698)	(196,781)
Promotions expense		-	(43,296)
Occupancy		(6,000)	(6,000)
Other expenses		(71,190)	(105,630)
Loss before tax		**(309,923)**	**(646,812)**
Tax expense		-	-
Loss after tax		**(309,923)**	**(646,812)**
Other comprehensive income, net of tax		-	-
Total comprehensive loss		**(309,923)**	**(646,812)**

		Cents	**Cents**
Basic earnings per share			
Earnings from continuing operations	3	(0.09)	(0.26)
Diluted earnings per share			
Earnings from continuing operations	3	(0.09)	(0.26)

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the half-year ended 31 December 2017

Consolidated	Notes	Share capital	Reserves	Accumulated losses	Total equity
		$	$	$	$
Balance at 1 July 2017		18,104,748	703,174	(14,574,347)	4,233,575
Issue of share capital		432,000	-	-	432,000
Transaction costs		(34,021)	-	-	(34,021)
Share based payments		-	21,280	-	21,280
Reported loss for the period		-	-	(309,923)	(309,923)
Balance at 31 December 2017		**18,502,727**	**724,454**	**(14,884,270)**	**4,342,911**
Balance at 1 July 2016		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 2017

	Consolidated	
	31 December 2017 $	**31 December 2016 $**
Operating activities		
Receipts from customers	-	-
Interest received	3,752	4,095
Research & development incentive	669,271	-
Payments to suppliers and employees	(341,582)	(613,587)
Net cash (used in) operating activities	331,441	(609,492)
Investing activities		
Payment for exploration & evaluation	(495,307)	(601,649)
Acquisition of Tenements	-	(19,599)
Tenement Security Bond	-	(2,500)
Acquisition of Equipment	-	(1,172)
Net cash (used in) investing activities	(495,307)	(624,920)
Financing activities		
Proceeds from issue of capital	432,000	2,076,121
Payment of transaction costs	(25,920)	-
Net cash from (used in) financing activities	406,080	2,076,121
Net change in cash and cash equivalents	242,214	841,709
Cash and cash equivalents, beginning of period	579,964	72,206
Cash and cash equivalents, end of period	822,178	913,915

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, Silver, Nickel, Base Metals and other commodities within Australia and Sweden.

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 2017.

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 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 2017 $	Consolidated 6 months to 31 December 2016 $
Loss after income tax	(309,923)	(646,812)
Weighted average number of shares used in basic earnings per share	328,171,063	247,065,091
Weighted average number of shares used in diluted earnings per share	328,171,063	247,065,091

4 Subsidiaries

MRG Metals Limited owns 100% of the shares of MRG Metals (Australia) Pty Ltd and MRG Metals (Exploration) Pty Ltd. There were no changes during the period.

5 Dividends

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

6 Impairment of non-financial assets

There was an impairment during the six months ended 31 December 2017 of $23,046 for relinquishment of tenements.

7 Share Capital

	Consolidated		
	Number of Ordinary Shares	Number of Options	$
Movements in share capital:			
Balance at 1 July 2017	320,779,759	72,978,404	18,104,748
Movements in options:			
Expired during period	-	-	-
Movements in shares:			
Additions during period	80,000,000	-	432,000
Costs of raising	-	-	(34,021)
Balance at 31 December 2017	**400,779,759**	**72,978,404**	**18,502,727**
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			**18,502,727**
Options Reserve			**677,402**
Share Based Payments Reserve			**47,052**

On 13 December 2017 the Company announced the successful completion of a placement of 80,000,000 shares raising $432K. On 19 December 2017 the Company announced a 1 for 2 non-renounceable entitlement issue of shares fully subscribed. This was completed after 31 December 2017. Refer Note 11 Subsequent events.

8 Segment reporting

The Group is organised into one operating segment, which is the exploration for Gold, Silver, Nickel, Base Metals and other commodities within Australia and Sweden. 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.

9 Commitments for expenditure

	Consolidated	
	31 December 2017	30 June 2017
	$	$
Exploration and evaluation:		
Within 12 months	812,140	915,043
	812,140	**915,043**

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.

10 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 (2017 $3,000). 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 (2017 $14,000).

11 Events after the reporting date

The Group completed a Rights Issue and Shortfall Placement on 25 January 2018 raising $1,001,949 before costs. This resulted in the issuance of 200,389,880 fully paid ordinary shares and 200,389,880 listed options with an exercise price of $0.01 and expiry date of 20 December 2020.

On 12 February 2018, the Group issued 80,000,000 listed options with an exercise price of $0.01 and expiry date of 20 December 2020 to shareholders who took up the placement of 80,000,000 shares in December 2017. Also, the Group issued 5,000,000 listed options with an exercise price of $0.01 and expiry date of 20 December 2020 to a corporate advisor. Also, the Group issued 6,000,000 fully paid ordinary shares and 6,000,000 listed options with an exercise price of $0.01 and expiry date of 20 December 2020 to Directors raising $30,000.

No other significant events have arisen since 31 December 2017.

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

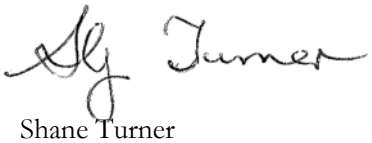
      i. giving a true and fair view of its financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and

      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 2018



Shane Turner
Director

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

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of MRG Metals Limited and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of MRG Metals Limited does not give a true and fair view of the financial position of the Group as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Directors' Responsibility for the Half Year Financial Report

The Directors of the Group 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 internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and 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 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 Group's financial position as at 31 December 2017 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 Grant Thornton, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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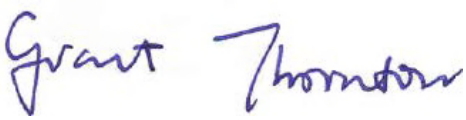
A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards 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 have complied with the independence requirements of the *Corporations Act* 2001.



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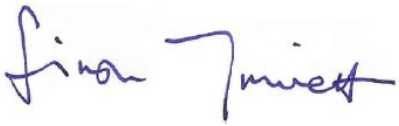

S C Trivett
Partner - Audit & Assurance

Melbourne, 14 March 2018