EXPLORATION UPDATE

- KALGOORLIE EAST NICKEL BASE METAL DRILLING RESULTS & NEW GOLD TARGETS
- XANADU DRILLING TO COMMENCE FIRST QUARTER 2014

The technical review of MRG Metals Ltd ('MRG') Western Australian tenement portfolio is complete and our exploration strategy for 2014 is to apply a dynamic, systematic approach to targets within each project. Each target is now prioritised and budgets are being finalised, with our goal to be drill testing high potential targets every quarter during the coming year.

KALGOORLIE EAST DRILLING

A 1,500 metre Reverse Circulation drilling program was completed over a number of nickel targets within the northern portion of MRG's Kalgoorlie East Project during November 2013 (Figure 1). The targets sought are narrow high grade Kambalda Style nickel sulphide mineralisation, which occurs in channel like features at the basal contact between basaltic lavas and overlying ultramafic rocks (komatiites).

Whilst we did not intersect any high grade nickel zones, moderately anomalous 5 metre composite results warranted single metre re-assaying which was recently completed. A number of strongly anomalous pathfinder and trace elements results were returned. We are currently reassessing the assay results to determine if they can be utilised as vectors to ore grade mineralisation and identify additional targets for follow up drilling.

Results include:

2m @ 0.23ppm Platinum + Palladium from 113 to 115m in hole KERC008

3m @ 0.13%Cu & 0.51%Zn from 172 to 175m in hole KERC008

6m @ 0.4%Ni from 4 to 10m in hole KERC009

2m @ 0.8%Zn from 190 to 192m in hole KERC10

6m @ 0.35%Ni from 3 to 9m in hole KERC012

Significant assay results from the program are outlined in Appendix 1.

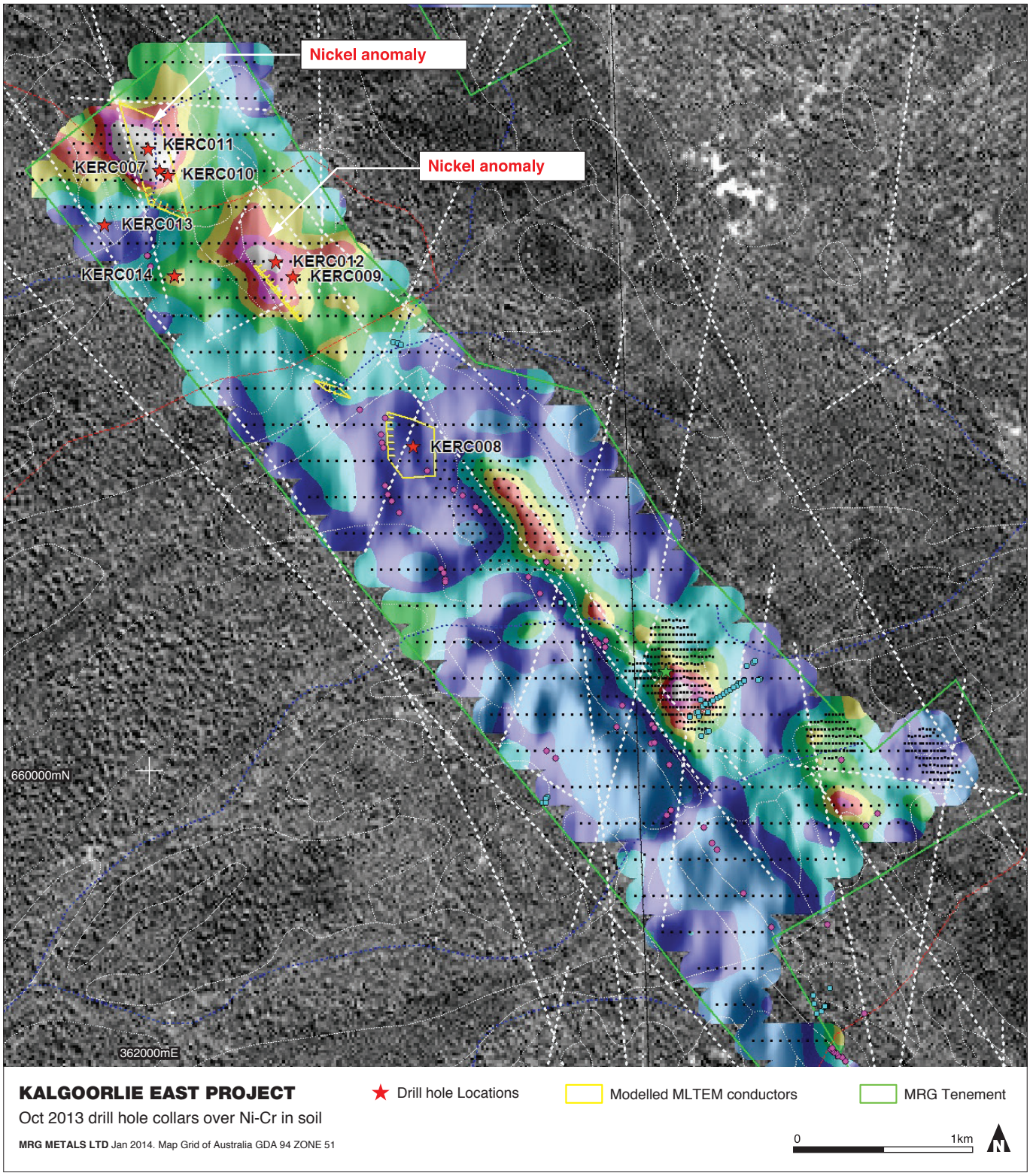


Figure 1.

MRG has also completed additional surface sampling of a new gold targets in the central part of the Project area. The best target is defined by a 1 km long multi-element anomalous feature, trending NW-SE that occurs at the intersection of major NW-SE trending faults and NNE-SSW structures (Figure 2). The other targets occur in similar structural positions but are of a lower geochemical tenor.

Structural analysis and interpretation indicates that these targets occur in a similar geological position to Boorara type gold mineralisation - narrow high grade shear hosted and surrounding stockwork hosted gold mineralisation. Reverse Circulation drilling will likely occur in the second quarter of 2014 upon further interpretation of the geochemical results.

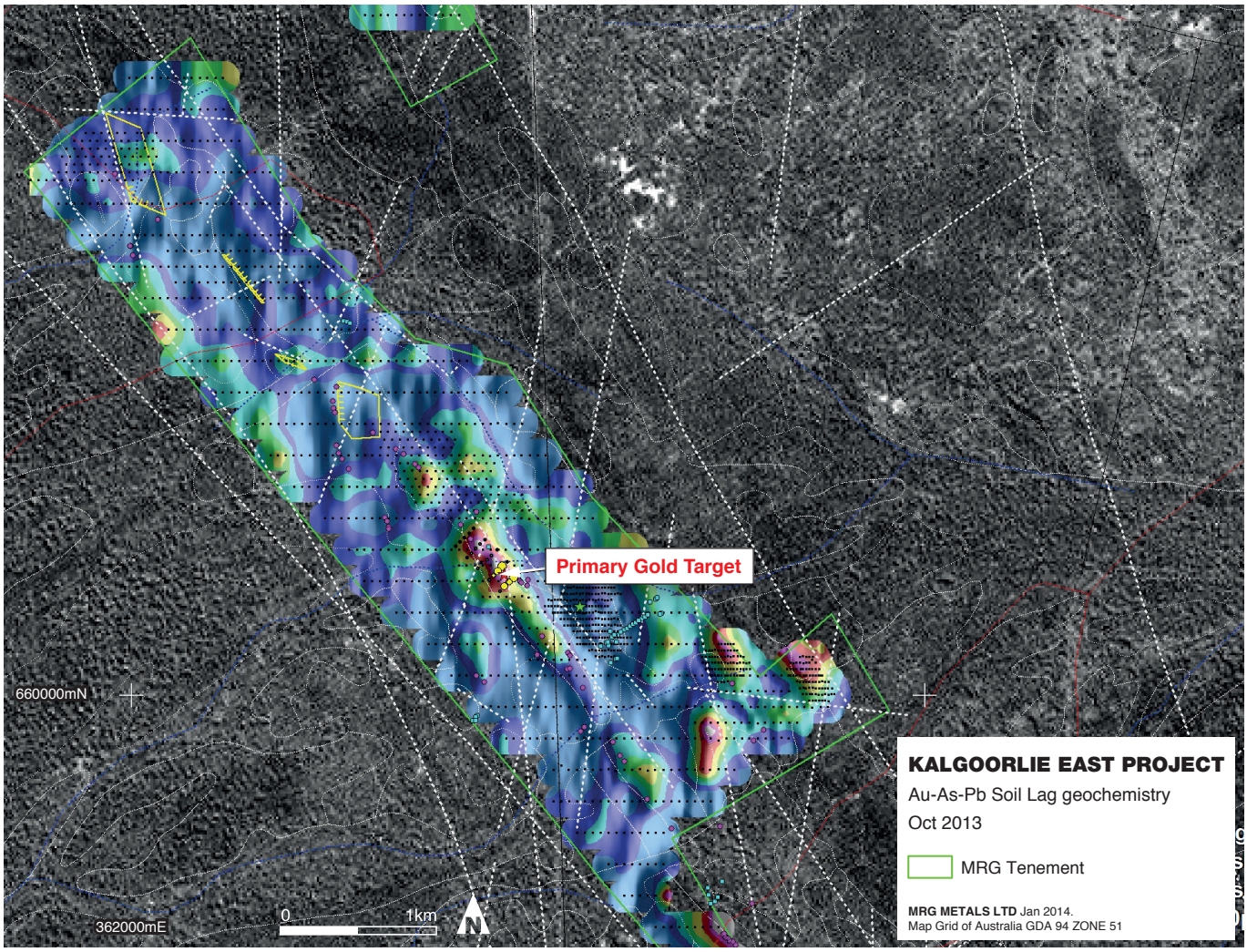


Figure 2.

XANADU EXPLORATION PROGRAM

Planning is underway for drilling at MRG Metals Ltd's ('MRG') Xanadu project. Access to the proposed drill sites is being checked following the recent passage of Cyclone Christine through the Pilbara Region late 2013 and drilling is expected to commence late in this quarter.

Exploration work by previous explorers concentrated on those areas with good geological exposure. MRG proposes to test predicted geochemical and structural targets in an area covered by a benign silica cap, approximately 7km long and up to 1 km wide. MRG interprets that this zone may represent the unmineralised upper zone of a mineralised hydrothermal system. The region under this silica cap has received little attention from earlier explorers.

Our drilling aims to test strike extensions of known prospects lying under this cap as well as new targets identified by wide-ranging analysis of MRG's geochemical and drilling database.

Xanadu is immediately adjacent to Northern Star Resources Ltd's Ashburton Project - a planned 100,000 ounce gold per annum operation with current JORC Resource of 1.67 Million ounces Au.

EAST YILGARN

MRG has now processed and interpreted the geophysical data covering the East Yilgarn project.

Sections of the project that were either devoid of compelling geophysical targets or under substantial depth of cover were surrendered.

Predictive modelling by Sasak Technical Services then focussed on a number of key areas with achievable exploration depths. Depth to basement has been calculated to be as little as 50 metres below surface over one target, with other basement targets calculated to lie in the range from 100 to 400 metres below surface. One of these deeper targets will be tested by utilising the drilling co-funding recently received by MRG from the Western Australian Government. Geochemical surveys are planned to commence in Q2 2014 over the shallower areas, whilst the balance of the deeper targets will likely require additional geophysical analysis and while of interest, are of lower priority at this stage.

QUEENSLAND IRON OXIDE COPPER GOLD PROJECT

An offer of grant for MRG's two other IOCG exploration licences was received from the Queensland Government in late 2013. The licences, numbered EPM 19470 & EPM 19471 will be granted following the completion of Native Title notification requirements and submission of Environmental Management Plans. Compilation and analysis of current geochemical & geophysical data has commenced as a precursor to on ground exploration upon grant of the licences.

LOONGANA

Analysis of Geophysical data covering the Loongana exploration licence has identified six target areas considered to have favourable rock types to host interpreted layered mafic / ultramafic intrusive complex. These layered complexes are considered prospective for platinum and nickel mineralisation. The mineralisation is likely to occur either as strataform or stratabound reefs within the complex, or associated with disseminated to massive nickel - copper sulphides in the margins.

Further analysis will be completed to refine drill targets that are planned to be tested in second half of 2014.

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 2004 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.

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.

Appendix 1.

TABLE 1: KALGOORLIE EAST PROJECT OCTOBER 2013 DRILLING SIGNIFICANT INTERCEPTS

Hole No.	From	To	Gold	Palladium	Platinum	Antimony	Arsenic	Chromium	Cobalt	Copper	Lead	Nickel	Silver	Tellurium	Thallium	Zinc
	m	m	ppb	ppb	ppb	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
KERC007	191	192	42	5	<5	8.4	124	30	105	748	159	130	3	2	4.4	4740
KERC007	192	193	45	10	5	7.7	154	40	105	930	158	118	3.5	1.6	5.1	4580
KERC007	193	194	46	5	5	8.9	148	30	100	806	135	100	3	2	4.5	3650
KERC007	194	195	46	5	10	9.8	168	30	110	898	137	102	3	3	5.5	4040
KERC007	195	196	39	5	<5	8.1	152	20	90	836	129	92	2.5	2	5.9	3880
KERC007	196	197	48	<5	<5	9	160	10	95	1020	286	84	3	2.4	6.5	3530
KERC007	197	198	39	10	5	8.1	147	30	100	858	146	98	2.5	2.4	7.9	3770
KERC008	112	113	4	30	50	0.4	9	220	75	90	4	206	0.5	<0.2	0.3	2190
KERC008	**113**	**114**	**8**	**105**	**165**	**0.5**	**3**	**540**	**105**	**140**	**6**	**322**	**0.5**	**<0.2**	**0.5**	**2550**
KERC008	**114**	**115**	**6**	**75**	**105**	**0.3**	**8**	**650**	**95**	**88**	**15**	**280**	**<0.5**	**<0.2**	**0.2**	**2550**
KERC008	115	116	2	35	45	0.2	3	650	80	72	9	256	0.5	<0.2	0.2	1300
KERC008	116	117	1	20	25	0.2	5	580	105	62	9	278	<0.5	<0.2	0.2	4590
KERC008	117	118	<1	15	20	0.3	6	430	120	66	5	256	<0.5	<0.2	0.9	5370
KERC008	**172**	**173**	**27**	**<5**	**5**	**6.9**	**159**	**40**	**140**	**1010**	**169**	**138**	**2**	**3.4**	**9.4**	**4080**
KERC008	**173**	**174**	**42**	**<5**	**<5**	**9.9**	**181**	**60**	**180**	**1480**	**237**	**168**	**3**	**5.4**	**9.5**	**5230**
KERC008	**174**	**175**	**30**	**<5**	**5**	**6.7**	**124**	**40**	**140**	**1360**	**146**	**114**	**1.5**	**3.6**	**8.5**	**5970**
KERC008	175	176	32	<5	<5	6.3	100	30	100	860	142	94	1	2.2	8.8	3500
KERC008	176	177	22	10	5	5.4	84	20	115	988	143	112	1	1.4	12.1	4140
KERC009	0	1	18	15	25	0.4	11	4530	45	174	5	748	0.5	0.2	0.1	96
KERC009	1	2	5	15	20	0.3	6	4000	125	160	3	1700	0.5	<0.2	0.1	100
KERC009	2	3	2	15	10	0.3	3	4100	70	130	2	1620	<0.5	0.2	<0.1	92
KERC009	3	4	<1	10	15	0.2	4	4000	75	132	1	2040	<0.5	<0.2	<0.1	88
KERC009	**4**	**5**	**1**	**5**	**5**	**0.2**	**3**	**3900**	**135**	**94**	**<1**	**3480**	**0.5**	**<0.2**	**<0.1**	**136**
KERC009	**5**	**6**	**<1**	**5**	**5**	**0.3**	**2**	**3090**	**155**	**106**	**1**	**3350**	**<0.5**	**<0.2**	**<0.1**	**132**
KERC009	**6**	**7**	**3**	**<5**	**10**	**0.5**	**4**	**3320**	**330**	**76**	**1**	**4030**	**<0.5**	**<0.2**	**<0.1**	**164**
KERC009	**7**	**8**	**2**	**10**	**10**	**0.4**	**5**	**2790**	**295**	**84**	**1**	**3450**	**<0.5**	**<0.2**	**<0.1**	**180**
KERC009	**8**	**9**	**<1**	**5**	**5**	**0.3**	**2**	**2170**	**550**	**46**	**<1**	**4940**	**<0.5**	**<0.2**	**<0.1**	**184**
KERC009	**9**	**10**	**<1**	**10**	**10**	**0.3**	**2**	**1720**	**760**	**44**	**<1**	**4760**	**<0.5**	**<0.2**	**0.2**	**120**
KERC010	185	186	7	<5	<5	1.1	4	80	70	428	31	126	0.5	0.6	3.3	4650
KERC010	186	187	16	10	10	2.1	4	40	95	866	34	196	1	0.4	2.4	5000
KERC010	187	188	14	10	5	1.7	2	20	55	868	24	156	1	0.4	0.6	1600
KERC010	188	189	4	<5	<5	1.1	1	30	35	518	14	84	1	<0.2	0.3	1260
KERC010	189	190	19	<5	<5	3.9	58	40	65	456	139	84	2	1.2	4.4	3410
KERC010	**190**	**191**	**36**	**<5**	**<5**	**6.7**	**137**	**30**	**125**	**600**	**164**	**132**	**2**	**2.4**	**6.7**	**10300**
KERC010	**191**	**192**	**35**	**<5**	**<5**	**8.2**	**146**	**30**	**125**	**498**	**157**	**144**	**2**	**2.2**	**6.6**	**5430**
KERC011	20	21	1	15	15	0.3	<1	3390	190	120	1	3350	<0.5	<0.2	0.7	116
KERC011	21	22	<1	5	5	0.3	1	2180	835	78	1	4450	0.5	<0.2	1.2	136
KERC011	22	23	1	5	5	0.2	1	1800	350	52	1	3660	<0.5	<0.2	0.3	120
KERC011	23	24	<1	10	5	0.3	<1	1710	205	78	<1	2860	0.5	<0.2	0.3	66
KERC011	24	25	1	5	10	0.2	1	1960	125	48	<1	2940	0.5	<0.2	0.3	88
KERC012	**3**	**4**	**3**	**10**	**5**	**0.1**	**3**	**4450**	**195**	**64**	**1**	**3290**	**<0.5**	**<0.2**	**<0.1**	**108**
KERC012	**4**	**5**	**8**	**5**	**5**	**0.1**	**2**	**3730**	**380**	**64**	**1**	**4120**	**<0.5**	**<0.2**	**<0.1**	**130**
KERC012	**5**	**6**	**5**	**10**	**10**	**0.1**	**2**	**3790**	**385**	**70**	**1**	**3500**	**5.5**	**<0.2**	**<0.1**	**136**
KERC012	**6**	**7**	**<1**	**10**	**10**	**0.1**	**3**	**2140**	**290**	**42**	**4**	**1950**	**1**	**<0.2**	**<0.1**	**102**
KERC012	**7**	**8**	**<1**	**5**	**5**	**<0.1**	**<1**	**2060**	**610**	**72**	**1**	**3270**	**0.5**	**<0.2**	**0.1**	**132**
KERC012	**8**	**9**	**3**	**10**	**5**	**0.1**	**<1**	**1930**	**940**	**56**	**<1**	**4740**	**0.5**	**<0.2**	**0.2**	**78**
KERC013	No significant Assays															
KERC014	No significant Assays															

TABLE 2: KALGOORLIE EAST PROJECT COLLAR LOCATION TABLE

Hole Number	Easting	Northing	Elevation	Azimuth	Dip	Total Depth
	GDA94	GDA94	m	Magnetic	Degrees	m
KERC007	360226	6603206	375	270	-60	264
KERC008	361626	6601681	386	270	-60	192
KERC009	360960	6602620	392	225	-60	300
KERC010	360269	6603178	381	225	-60	216
KERC011	360159	6603324	380	270	-60	132
KERC012	360867	6602702	390	245	-60	198
KERC013	359921	6602907	379	235	-60	114
KERC014	360307	6602623	380	235	-60	114

TABLE 3: KALGOORLIE EAST PROJECT GEOCHEMICAL ASSAY STATISTICS

	Ag	As	Au	Co	Cr	Cu	Ni	Pb	Pd	Pt	Sb	Te	Tl	Zn
	ppm	ppm	ppb	ppm	ppm	ppm	ppm	ppm	ppb	ppb	ppm	ppm	ppm	ppm
Minimum value	<0.5	<1	<1	30	10	26	66	<5	<5	<5	<0.1	<0.2	<0.1	36
Maximum value	5.5	181	72	940	8610	1480	4940	576	105	165	10.4	6.8	12.1	10300
Mean	0.88	36.23	9.91	121.36	1303.27	312.18	935.87	51.59	8.80	9.67	2.08	0.71	2.04	1539.09
Standard Deviation	0.85	49.24	13.44	134.43	1673.24	332.70	1236.50	78.38	10.67	15.66	2.81	1.10	2.94	1959.56

Appendix 2.

JORC CODE, 2012 EDITION – TABLE 1 REPORT - KALGOORLIE EAST RC DRILLING

SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sapling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The sampling has been carried out using Reversed Circulation drilling (RC). A total of eight holes were drilled in the reported program for a total of 1530m, at depths ranging from of 114 to 300m. The holes were drilled at -60 degrees at various azimuths. Sample quality was high with only minimal (estimated up to 30%) sample loss around the annulus in the top 5m of each hole. 6 holes have assays reported in this document.
	Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used.	The drill holes were located by handheld GPS. Sampling was carried out under MRG Metals Ltd protocols and QAQC procedures as per current industry practice. See further details below.
	Aspects of the determination of mineralisation that are Material to the Public Report. *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	RC holes were drilled with a 5.25inch face-sampling bit, 1m samples collected through a cyclone and cone splitter, to form a 2 to 3kg sub sample. These samples were sorted and dried by the assay laboratory. The whole sample was pulverised in a vibrating disc pulveriser. Au, Pt, Pd, Co, Cr, Cu, Fe, Mg, Mn, Ni, P, V, Zn were determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry. Ag, As, Ba, Bi, Mo, Pb, Sb, Sn, Te, Tl were determined by Inductively Coupled Plasma (ICP) Mass Spectrometry. The samples were analysed by firing an approximately 40 gram portion of the sample following digestion with a mixture of acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric Acids.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	An Reverse Circulation drilling rig, operated by Redmond Drilling Pty Ltd was used to collect the samples.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	The majority of samples were dry. Ground water was only encountered in two holes KERC008 & KERC007, the inflow was controlled by increasing the air volume. RC recoveries were visually estimated and any low recoveries recorded in the drill logs. Recovery of the samples was good, generally estimated to be full, except for some sample loss at the top of the hole.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	RC face-sample bits, PVC casing in the top 5 metres and dust suppression were used to minimise sample loss. RC samples are collected through a cyclone and cone splitter, with the bulk of the sample deposited in a plastic bag and a sub sample up to 3kg collected for dispatch to the assay laboratory.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	All RC samples were dry except for to 120 to 192m (EOH) in hole KERC008 & from 172 to 264m (EOH) in hole KERC007. Ground water egress into the holes resulted in some wet samples. No significant loss of sample volume was noted when water was encountered. Except for the top of the hole, there is no evidence for excessive loss of material and the assay results do not indicate bias due to sample loss or cross contamination.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	All chips were geologically logged by MRG geologists, using the MRG logging scheme.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging of RC chips records lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. All samples are wet-sieved and stored in chip trays. These trays were photographed and then stored off site for future reference.
	The total length and percentage of the relevant intersections logged.	All holes were logged in full.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No core was collected.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	One-metre drill samples are channeled through a rotary cone-splitter installed directly below a rig mounted cyclone. A 2-3 kg sub-sample is collected in a calico bag and the balance in a plastic bag. The calico bag is positioned on top of the corresponding plastic bag. Most samples were dry except as noted above.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Samples were prepared at the Bureau Veritas Laboratory in Perth. Samples were dried, and the whole sample pulverised to 90% passing 75um, and a reference sub-sample of approximately. 200g retained. A nominal 40g was used for the analysis. The procedure is industry standard for this type of sample.
	Quality control procedures adopted for all sub-sampling stages to maximise representation of samples.	A duplicate field sample is taken from the cone splitter at a rate of approximately 1 in 40 samples. At the laboratory, regular Repeats and Lab Check samples are assayed.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/ second-half sampling.	One-metre samples are split on the rig using a cone-splitter, mounted directly under the cyclone. This standard Industry practice. The samples weigh less than 3kg prior to pulverisation.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate to give an indication of mineralisation given the particle sizes and the practical requirement to maintain manageable sample weights.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The samples were sorted and dried by the assay laboratory. The whole sample was pulverised in a vibrating disc pulveriser. Au, Pt, Pd, Co, Cr, Cu, Fe, Mg, Mn, Ni, P, V and Zn were determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry. Ag, As, Ba, Bi, Mo, Pb, Sb, Sn, Te, Tl were determined by Inductively Coupled Plasma (ICP) Mass Spectrometry. The samples were analysed by Firing a 40 gm (approx) portion of the sample following digestion with a mixture of Acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric Acids. This extended digest approaches a total digest for many elements however some refractory minerals are not completely attacked. Bi, Ba, Fe, Mg, Mn, Mo, P, Sn and V results are not included in this report as they are not considered material to the understanding of the overall assay results.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical tools were used in this program.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	MRG QA/QC protocol for RC drilling is for Field Standards (Certified Reference Materials) and Blanks inserted at a rate of 4 Standards and 3 Blanks per 100 single metre samples. Field duplicates were inserted at a rate of approximately 1 in 40. For the program reported the relevant assays were part of a total batch of 185 samples submitted including QC samples. This batch included 7 Blanks, 8 Standards, and 4 field duplicates. At the Assay Laboratory additional Repeats, Lab Standards, Checks and Blanks are analysed concurrently with the field samples. Results of the field and Lab QAQC samples were checked on assay receipt. All assays met QAQC protocols, showing no levels of contamination or sample bias. Analysis of field duplicate assay data suggests expected levels of sampling precision, with less than 10% pair difference.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Significant results were checked by the Exploration Manager and a consultant Geochemist.
	The use of twinned holes.	Twin holes were not employed during this part of the program.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All field logging was carried out on a Panasonic CF-19 Toughbook computer. Logging data is submitted electronically to the Database Geologist in the MRG Metals Ltd Victorian office. Assay files are received electronically from the Laboratory. All data is stored in a Company database system, and maintained by the Database Manager.
	Discuss any adjustment to assay data.	No assay data was adjusted. The lab's primary Au field is the one used for analysis purposes. No averaging is employed.

Criteria	JORC Code explanation	Commentary
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	RC locations were determined by hand-held GPS, with an accuracy of 5m in Northing and Easting. The drill rig mast is set up using a clinometer. No follow-up down hole directional surveying is planned for these holes.
	Specification of the grid system used.	Grid projection is GDA94, Zone 51.
	Quality and adequacy of topographic control.	Relative Levels are allocated to the drill hole collars using current Digital Terrain Model's for the Kalgoorlie area . The accuracy of the DTM is estimated to be better than 5m.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	RC drilling was designed to pierce co -incident geophysical & geochemical targets. No grid based drilling was undertaken. One sample was collected for every metre drilled and selected samples submitted for assay.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	This drilling was exploratory in nature and will not be utilised for Mineral Resource estimation purposes.
	Whether sample compositing has been applied.	No compositing has been employed in the reported results.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The orientation of the drill hole (azimuth) is approximately perpendicular to the strike of the targeted geophysical conductors. At this stage of the program insufficient information about the relationship of the conductors to the orientation of any mineralisation is unclear.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The detailed orientation of any mineralisation is not accurately known at this stage and holes are drilled approximately perpendicular to regional strike and/or the longest axis of the modeled geophysical conductors.
Sample security	*The measures taken to ensure sample security.*	Calico sample bags were collected in pre -numbered plastic bags (five calico bags per single plastic bag), sealed and transported by company vehicle to the Bureau Veritas Laboratory in Kalgoorlie. These samples were then forwarded by Bureau Veritas to their laboratory in Perth for assaying.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Sampling and assaying techniques are industry-standard. No specific audits or reviews have been undertaken at this stage in the program.

SECTION 2: REPORTING OF EXPLORATION RESULTS (CRITERIA LISTED IN THE PRECEDING SECTION ALSO APPLY TO THIS SECTION.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The RC drilling occurred within tenements P26/3596, P26/3597 & P26/3598 which are now held by MRG Metals (Australia) Pty Ltd. MRG had a Tenement Acquisition Agreement with Malanti Pty Ltd and under the terms of the agreement MRG now has full beneficial interest in the licences, which are in the process of being transferred to MRG. They are on Public land covered by Crown Reserve 8767 (Common). The Tenements are located within the Widji Native Title Claim WC98/27, registered on 12 June 1998. Exploration is conducted under a Regional Standard Heritage Agreement with the Native Title Parties.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenement subject to this report are in good standing with the Western Australian Department of Mines & Petroleum.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Previous exploration on this Project area has been completed by Malanti Pty Ltd in association with St Barbara Mines Ltd & MRG Metals Ltd. Where relevant, assay data from this earlier exploration has been incorporated into MRG databases.
Geology	*Deposit type, geological setting and style of mineralisation.*	This drilling program was targeted towards Kambalda Style nickel sulphide mineralisation, which occurs in channel like features at the basal contact between basaltic lavas and overlying ultramafic rocks (komatiites). A Moving Loop Transient Electro Magnetic geophysical survey was undertaken to search for conductive bodies that may be indicative of this style of sulphide mineralisation. The individual drill holes were sited based on geophysical modeling of the conductors revealed by the geophysical program and previous surface geochemical sampling. A secondary target is VMS mineralisation within black shales, as previous drilling by MRG has found elevated levels of base metals within these rocks.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *• easting and northing of the drill hole collar* *• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *• dip and azimuth of the hole* *• down hole length and interception depth* *• hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Refer to table in the body of text.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Grades are reported as down-hole length-weighted averages of grades. No top cuts have been applied to the reporting of the assay results.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	All higher grade intervals are included in the reported grade intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	The geometry of the mineralisation at depth is not known at this stage. As determined by surface mapping the local dip varies from steeply west dipping to steeply east dipping. (75 to 90 degrees). All assay results are based on down-hole lengths, and true width of mineralisation is not known.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figure in the body of text.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Refer to results reported in body of text and summary statistics for the elements reported.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Refer to body of text and this appendix.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further drill testing of the anomalous results with angled RC holes is planned based on additional geological analysis. The location of the collars of these holes is still to be determined. Currently there is insufficient geological information to determine the extent of mineralisation.