Market Update

HIGHLIGHTS

- **QLD IOCG projects seeking JV partners**
- **Sasak Technology screening high potential targets**
- **Cash burn reductions locked in**
- **Low cost exploration programs identified**

MRG Metals Limited ("**MRG**" or the "**Company**", ASX:MRQ) continued to progress its review of its broader portfolio including its Queensland IOCG targets to refine future exploration expenditure and JV development opportunities within a low cost framework.

QLD IOCG PROJECTS SEEKING JV PARTNERS

MRG's ground holding in the Mt Isa Province in western Queensland comprises 5 granted licences (Davenport Downs, Pulchera, Selwyn, Mt Angelay and Squirrel Hill (Cannington style target)). The two recently granted licences, Selwyn and Mt Angelay, lie close to favourable structural positions near existing mines.

MRG is currently re-assessing the geophysical data on these licences and is in joint venture discussions on a project by project basis. Progress on discussions is confidential as a number of parties are reviewing JV opportunities. MRG believes a conclusion on current JV discussions will be finalized in Q2 2016.

SASAK TECHNOLOGY SCREENING HIGH POTENTIAL TARGETS

Within its cost constrained environment, MRG has maintained its contractual obligations and relationship with Sasak Technology. In the current market conditions, Sasak has been able to identify a number of potential high potential targets and MRG is pleased to continue to work with Sasak on the acquisition of various tenements as they become available.

CASH BURN REDUCTIONS LOCKED IN

The Board of MRG and key contractors have all agreed to the deferral of cash payments for Director Fees and service contracts. They further agreed for the accrual of deferred costs to be paid via the issue of shares, if necessary and subject to shareholder approval. The cash preservation measure will enable the company to maintain a positive cash position through to mid - 2017, pending the successful application of Research and Development ("R&D") funding in Q3 2016. This is a significant achievement and enables MRG to review the various opportunities available as well as to continue discussions with potential JV partners and develop low cost / high potential exploration programs to go to the market for funding should the JV discussions progress slowly.

LOW COST EXPLORATION PROGRAMS IDENTIFIED

Low cost programs (sub $300k each) are being finalized for the projects described below. Such programs may be undertaken subsequent to the receipt of the R&D funding or alternate new funding as appropriate. MRG is currently re-assessing the geophysical data on these licences and is in joint venture discussions on a project by project basis.

Pulchera

Situated in the Simpson Desert near the Northern Territory border in western Queensland, the Pulchera project lies 135km north-west of Bedourie. The project lies 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.

Mineralisation associated with alkaline intrusives may be present on the Pulchera licence and MRG aims to pursue this concept. Follow up work will be carried out on previously carried out research, which suggests that Olympic Dam style IOCG deposits may occur within a granitic breccia host.

Previous drilling by BHP Billiton has demonstrated that the targets lie under younger cover rocks approximately 100m thick. An innovative deep seeking bio geochemical sampling program ($50,000) is planned as a precursor to $120,000 Reverse Circulation drilling program.

Squirrel Hill

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

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

A program of shallow air-core holes over previously identified geophysical anomalies to identify zones for subsequent RC drilling would be the logical first step. This initial air-core program would cost approx. $120,000.

Yardilla

Yardilla straddles the Cundeelee Fault, which separates the Archean Yilgarn Craton from the Proterozoic Albany-Fraser Orogen, Western Australia. The Yardilla project area includes both 100% MRG-owned licences and an option and purchase agreement over two additional exploration licences, which together cover a contiguous area of c.220km^2 in the southern Fraser Range. The 3 adjoining exploration licences are considered to be prospective for gold, nickel and base metals. MRG believes the geological setting of Yardilla is similar to that of Tropicana (114.7Mt grading 1.95 g/t for 7.19Moz Au).

MRG has a soil project (circa $50k) ready to commence, which will lead to the targeting of a maiden drilling program. Exploration comprising auger soil sampling and RC drilling is planned for 2016.

Mt Angelay

This licence is approximately 44km southwest of FMR Investments' Eloise Mine at the junction of two major fault zones in the meta-sedimentary Soldiers Cap Group. Sasak's predictive modeling technology has identified Mt Angelay as having geophysical characteristics of IOCG deposits clustered near the intersection of the faults.

A program of ground based geophysics costing around $100,000 is planned, to be followed by a $150,000 Reverse Circulation drilling program.

Davenport Downs

Davenport Downs lies 120km south-east of Boulia, Queensland. Like Pulchera, it is close to the interpreted southern margin of the Mt Isa Block. Davenport Downs straddles a portion of a prominent gravity ridge with accompanying favourable magnetic signatures. Exploration work undertaken on the tenement to date has comprised historical data compilation, geophysical data review and prospectivity assessment. This work has identified two distinct targets.

The Davenport Downs EPM is considered prospective due to its positive magnetic gravity responses, which are characteristic of IOCG-type deposits in the Mt Isa Block. An exploration co-funding grant of $75,000 was obtained from the Queensland government to assist with exploration on the project. A $250,000 drilling program has been developed that would test the 2 identified targets.

Loongana

MRG's Loongana Project is prospective for Bushveld reef type Platinum Group Elements ("PGE") plus Iron Oxide Copper Gold (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 Orogen and includes one of the strongest gravity residuals in Australia.

Located 500kms east of Kalgoorlie, the Loongana Complex is a tadpole shaped feature orientated SW-NE with a large lobe 40km long and 15km wide and a tail 60km in length. MRG holds the core of the Complex which is surrounded by tenements owned by Fortescue Metals Group (ASX: FMG).

Previous exploration indicates the main PGE targets lie 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 has been the main focus of MRG's exploration.

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

A deep diamond hole to test the PGE reef target during mid 2015 intersected , a prospective chromium bearing clinopyroxenite was intersected between 443 65- 446.5m, hosting anomalous PGE's, but with no visual sulphide bearing reef. A mylonite fault zone developed between 442.5- 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 drill a further deep hole to test this concept along with magmatic nickel-copper mineralisation on the north western margin of the complex subject to available funding. The combined drilling program is budgeted at $300,000.

Xanadu

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 completed a further drilling program at Xanadu in December 2015 to test a large fluid ponding target under an impermeable dolomitic unit. This target extends 8km across MRG's tenement and is thought to be a potential cap to ore fluids which may have ponded underneath.

3D data over the prospects have allowed a new exploration model to be developed with 3 prioritised targets to be tested by future drilling. Predictive modelling is underway for next drilling program in planned for 2016. The first target is deep drilling at the Pertinax prospect for which MRG has received co funding of $110,000 from the West Australian Governments Exploration Incentive Scheme.

Keith Weston

Managing Director

The information in this summary report, as it relates to Exploration Results is based on information compiled and/or reviewed by Mr. Keith Weston, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Mr. Weston is an employee to the Company and has the relevant experience with the mineralisation reported on to qualify as a Competent Person as defined in the 2012 Edition of the " Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ". Mr. Weston consents to the inclusion in the report of the matters based on the information in the form and context in which they appear.