MRG METALS LTD RECEIVES DRILL CO-FUNDING FOR LOONGANA NICKEL & PLATINUM PROJECT

- **MRG AWARDED $108,000 TOWARDS LOONGANA DRILLING COSTS**
- **DRILLING PLANNED TO COMMENCE IN Q4 2014**

MRG Metals Limited ('MRG') has been advised by the Department of Mines and Petroleum WA that its application for co-funding for drilling on our 100% owned Loongana Project has been approved. This funding is available under the Royalties for Regions Co-funded Government-Industry Drilling Program (Round 9) of the Exploration Incentive Scheme ('EIS'). It is in addition to the earlier co-funding grant that MRG received for drilling of our East Yilgarn project in Round 8 of the EIS.

Under the EIS, funds committed by MRG towards the approved drill programs will be matched by funds from the Western Australian Government, up to a maximum of $108,000. Drilling is planned to commence in Q4 2014 following additional analysis of gravity and aeromagnetic data.

LOONGANA PROJECT

MRG's Loongana Project consists of a single exploration licence, E69/3104, that covers an area of 206km^2, located on the Nullarbor Plain, 500 km east of Kalgoorlie and 60km north of the Trans Australia railway line. Geologically, the project is within the Madura Block, a Proterozoic basement feature shown by regional geophysical data to extend about 350 km north-south and 200km east-west, likely related to the Musgrave Province.



Location of Loongana, Western Australia.

The target area is a distinct part of the Madura Block known as the Loongana Complex. The Loongana Complex is recognised from geophysical surveys and limited drilling (<10 holes). Previous exploration has shown that the prospective portion of the Loongana complex, a large layered mafic and ultramafic intrusive body, lies at depths ranging from 250 metres to 350 metres below the present surface.

The Complex is a 'tadpole' shaped feature oriented SW - NE, with the larger lobe shaped part of the complex approximately 40 km long and 15km wide, with a narrow tail at least 60 km in length (Figure 1). MRG's exploration licence covers the most of the lobe shaped part of the Complex, containing the major geophysical targets. It includes one of the strongest gravity residuals in Australia with accompanying multifarious magnetic features. These aeromagnetic features clearly delineate the intrusive body and related bounding faults. MRG will test for platinum mineralisation, either as strataform or stratabound reef within the complex, or associated with disseminated to massive nickel - copper sulphides on the margins. Additionally, earlier drilling suggests that Olympic Dam style iron-oxide copper-gold (IOCG) mineralisation may also be present.

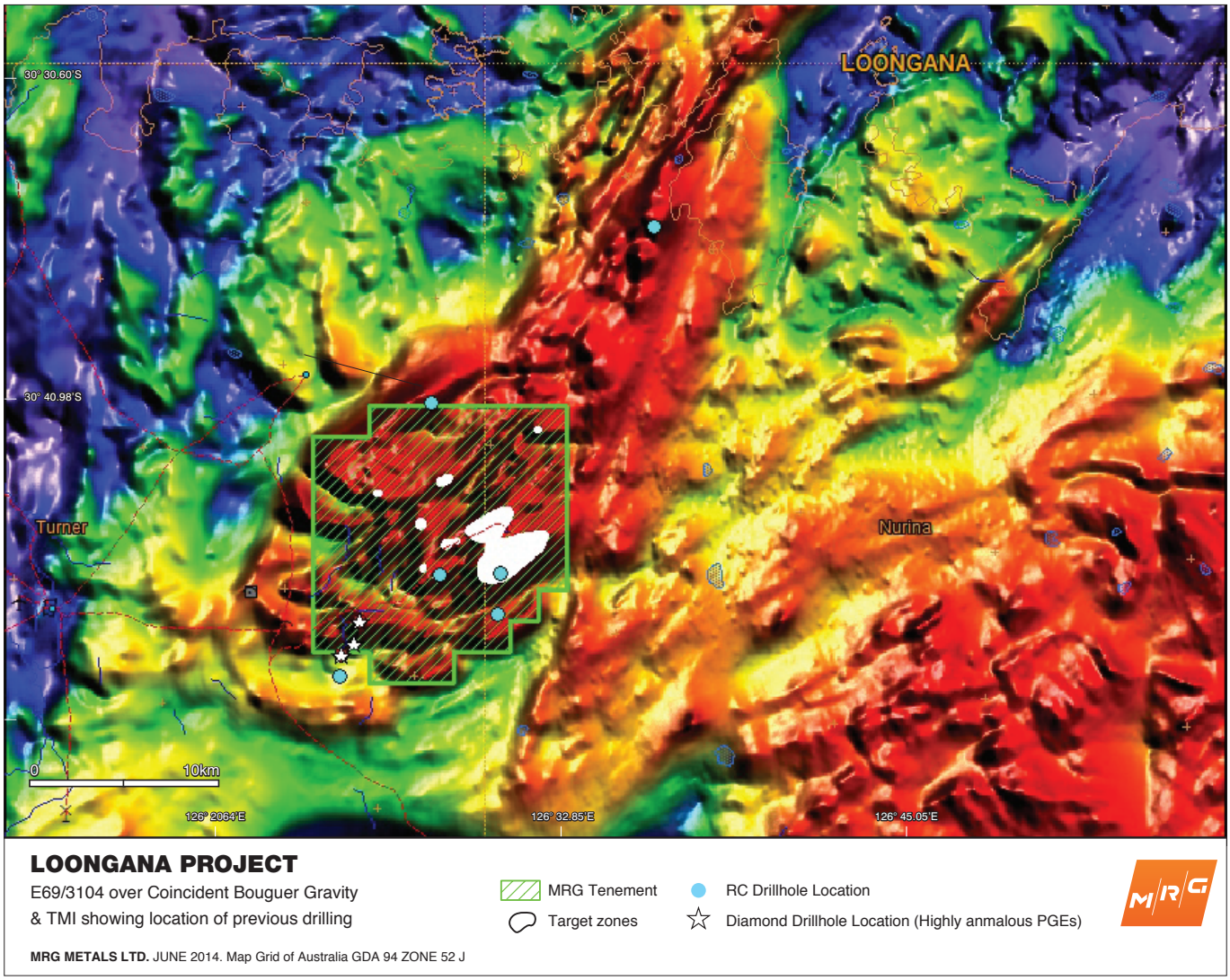

Figure 1 - E69/3104 over geophysics showing location of previous drilling.

Positive aspects of the prior exploration include:

- confirmation that part of the complex represents a layered intrusion;
- highly anomalous platinum group elements and gold values recorded in earlier drilling;
- moderate thickness of cover rocks considering the potential value of any discovery;
- traces of complex sulphides (chalcopyrite, pyrrhotite, pentlandite) were noted in an ultramafic cumulate;
- a 1.4 Ga intrusive age indicating the basement may be part of the Musgrave Province; and
- several features that indicate IOCG processes may potentially be operating in the granitic rocks, including hematite and chlorite alteration noted in drill core; thin section evidence for hydrothermal rather than metamorphic alteration; common trace chalcopyrite and blue quartz in the granites.

MRG plans to drill test a number of targets outlined by renewed analysis of the geophysics, in the belief that previous drilling was not sited in the optimum location for discovery. In particular, we have computed coincident magnetic/ gravity targets using innovative data mining and analysis techniques developed by Sasak Technical Services.

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 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.