

AUG 16, 2012 ASX ANNOUNCEMENT

## Silver potential enhanced at Kalgoorlie East Project by earlier drill results and adjacent discoveries.... RC Drill program will commence next week.

As announced in the recent Quarterly Activities Report the Company is preparing for an exciting 12 month exploration program focussed on further targeting of the Silver anomaly identified adjacent to the Nimbus Silver mine in Kalgoorlie.

Recent exploration results released on the Nimbus Silver mine Project by MacPhersons Resources on their adjacent tenements has confirmed our thoughts regarding MRG Metals Ltd's (MRG) earlier exploration results. MRG is exploring in a similar geological sequence (Project Nebula) two kilometres to the west of Nimbus Project.

Following further detailed geological mapping, a review of drilling and soil geochemical data, MRG now plans to fast track further drill holes, to test Silver mineralisation discovered in the southern part of our Kalgoorlie East tenements. Repeat sampling of the end hole KE047 returned values of 88.7 g/t Ag and 69.2 g/t Ag, within a stock-work veined felsic volcanic rock (initial sample 19.1g/t Ag). (Refer Figure 1)

Additionally, the previous soil sampling results indicate that the pathfinder base metal anomalies are not closed off, with strong Copper and Zinc values still being present on the southernmost line. As this sampling was initially undertaken seeking Gold mineralisation, the significance of these elevated base metal values was not immediately apparent. Extension of the soil sampling is presently underway to fully define the extent of the anomalism.

MRG proposes to drill RC holes close to the earlier air-core holes KE044 through KE047 (see ASX announcement 19 June 2012), and then progressively drill to the south upon receipt of soil sampling results. This work will commence as soon as a suitable drill rig becomes available next week. (Refer Figure 2)



### Company Information

#### Directors

**Albert Pietrzak**  
Non Executive Chairman

**Andrew Van Der Zwan**  
Managing Director

**Shane Turner**  
Non Executive Director  
& Company Secretary

*MRG aspires to become an investment of choice, focused on:*

*The discovery of gold, base metals and other commodities which fit its growth strategy*

ABN: 83 148 938 532

ASX Code: MRQ

Level 1, 1-3 Bath Lane  
Ballarat, VIC 3350

PO Box 237  
Ballarat, VIC 3353

Phone: +61 3 5330 5800

Phone: (Mel) +61 3 9642 8575

Fax: +61 3 5333 1667

Website: [www.mrgmetals.com.au](http://www.mrgmetals.com.au)

Email: [info@mrgmetals.com.au](mailto:info@mrgmetals.com.au)

#### Quick Facts

as at Aug 16, 2012

**Shares on Issue:** 88 million

**Market Cap:** A\$11 million

**Options:** 44 million

**Cash in Bank:** approx. A\$4.2 million

**Debt:** Nil

#### Current Projects:

Kalgoorlie East (Gold, Nickel)

Collie South (Coal, Bauxite)

Xanadu (Gold)

Braemore Battery (Gold, Copper)

Fraser Range (Gold, Base metals)

#### Royalty Interest

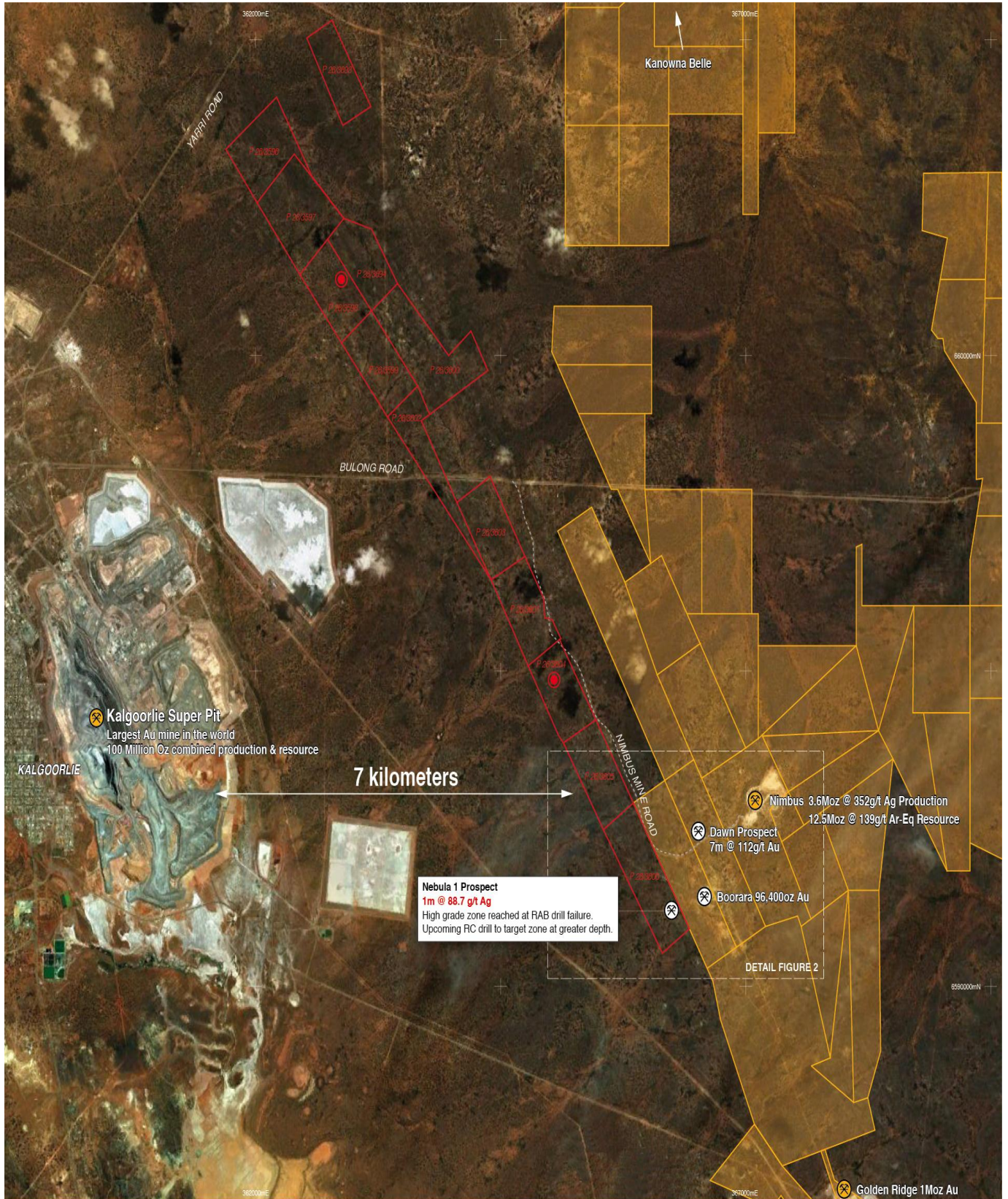
Diorite (Gold)

Bell Chambers (Gold, Copper)

Mulgul (Gold, Copper)







**KALGOORLIE EAST PROJECT**

TENEMENTS OVER SATELLITE IMAGE

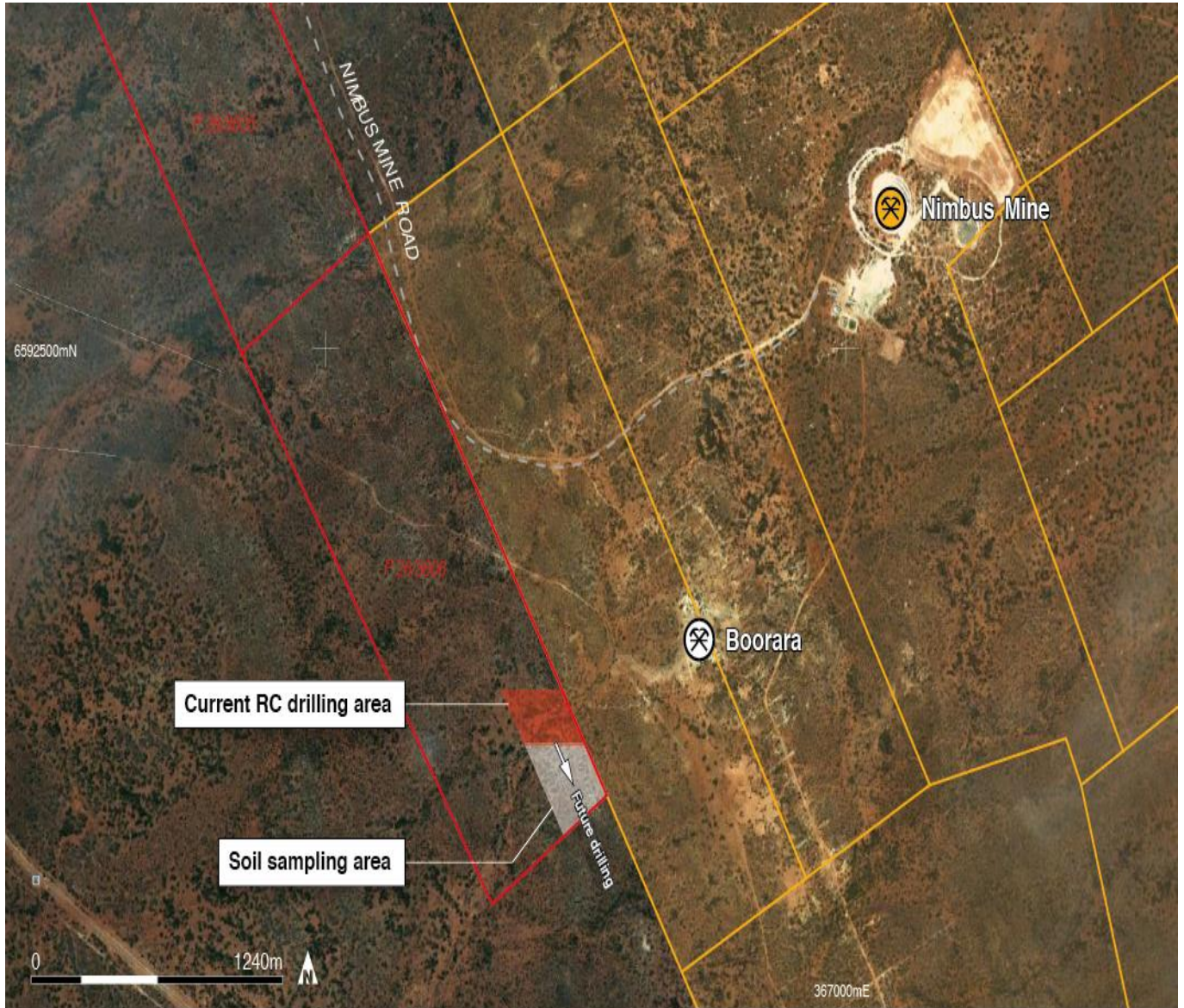
MRG METALS LTD August 2012. Map Grid of Australia GDA 94 ZONE 51 J

- MRG Tenement
- McPhersons Resources
- Prospect
- Mine
- MRG RC Drill Hole



**Figure 1 Kalgoorlie East Nebula Project Location**





**KALGOORLIE EAST PROJECT**

P 26/3606 RC and Soil Sampling

MRG METALS LTD August 2012. Map Grid of Australia GDA 94 ZONE 51 J

- MRG Tenement
- McPhersons Resources
- Prospect
- Mine



**Figure 2: Kalgoorlie East Nebula Project RC Drill targets**

Andrew Van Der Zwan  
Managing Director

*The information in this report, as it relates to Exploration Results for the Kalgoorlie East Project, 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 a consultant 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.*