

27 APRIL 2012 ASX ANNOUNCEMENT

QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2012

The quarterly report ending March 31, 2012 represents the first 9 months of MRG as a listed entity and is the quarter in which MRG finalised its soil based geochemical analysis at Kalgoorlie East and Collie South in preparation for drilling programs in the June 2012 quarter.

Kalgoorlie East Project (Gold and Nickel)

MRG completed further soil sampling analysis at its Kalgoorlie East Project during the March 2012 Quarter. Sampling was conducted as infill to anomalous areas identified in the MRG'S September 2011 Quarter soil sampling program and from further review of historical exploration completed in the area.

In addition, the results of the recently completed ground electromagnetic survey (EM) at the Company's Kalgoorlie East Project identified two priority anomalies considered prospective for nickel mineralisation.

The Priority EM anomalies occur in geological environment with known-ultramafic lithologies and anomalous nickel soil geochemistry.

The project is within the Golden Ridge Greenstone Belt which has known Nickel mineralisation to the south of the project area.

RC drilling is planned to test anomalies following Heritage Survey. This RC Drilling will commence in April 2012 in conjunction with RAB drilling program to test the Gold anomalies.

Collie South Project (Coal and Bauxite)

The Collie tenement covers 33km of strike directly south of the main Collie coal bearing basin & ground surrounding the western sub-basin of the lesser Wilga coal bearing basin. (Figure 1)

An exhaustive compilation of has been made of all available data for the area of the Collie tenements & environs. This has included data from previous drilling, gravity & airborne magnetic surveys and mapping. This compilation has identified 7 targets considered worthy of follow up.



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

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Quick Facts

as at April 27, 2012

Shares on Issue: 88 million

Market Cap: A\$23 million

Options: 44 million

Cash in Bank: approx. A\$4.6 million

Debt: Nil

Current Projects:

Kalgoorlie East (Gold, Nickel)

Collie South (Coal, Bauxite)

Xanadu (Gold)

Braemore Battery (Gold)

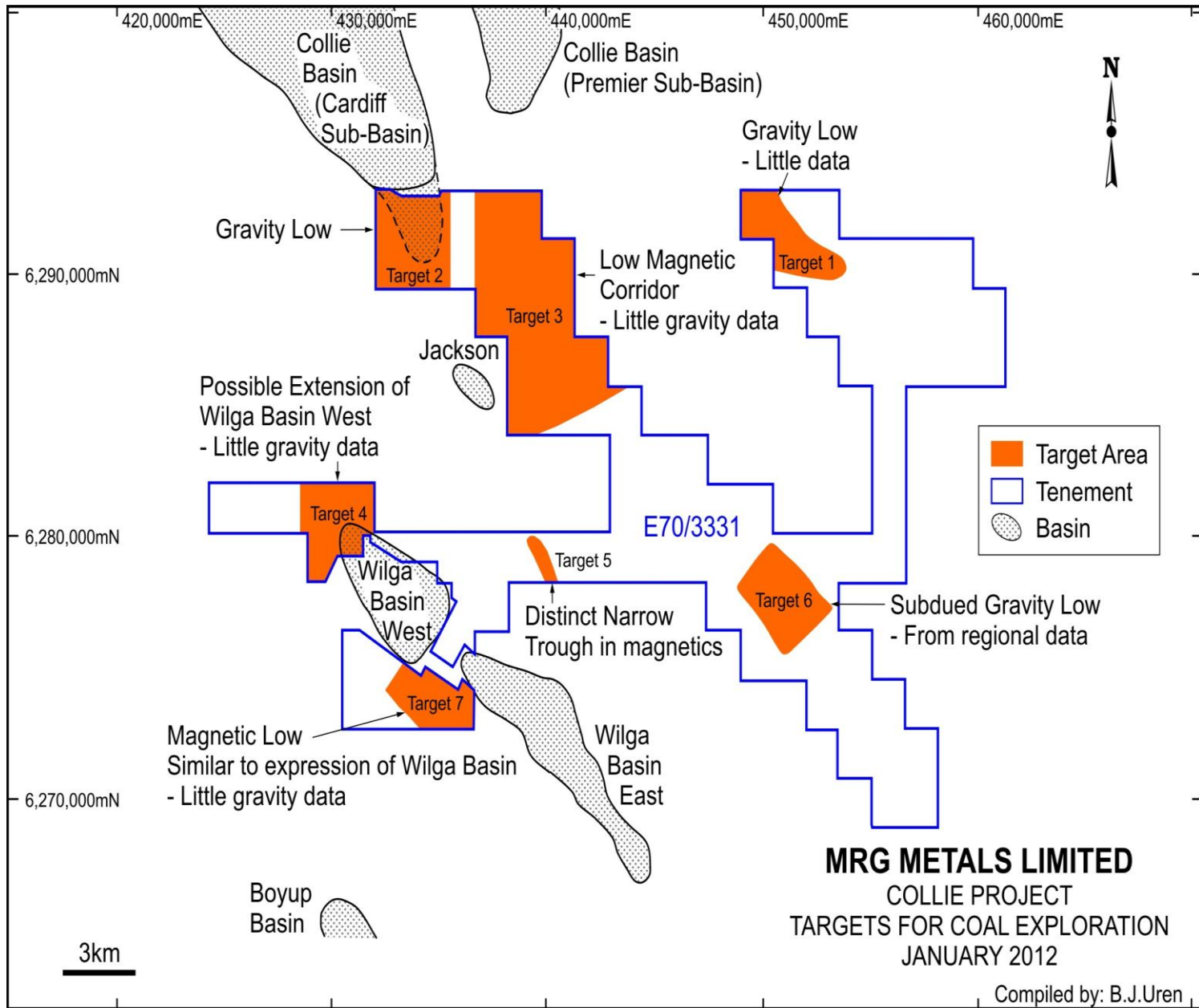
Royalty Interest

Diorite (Gold) -Royal

Bell Chambers (Gold, Copper)

Mulgul (Gold, Copper)





MRG METALS LIMITED				
COLLIE COAL PROJECT - EXPLORATION TARGETS				
Target No.	Location	Priority	Criteria	Proposed Exploration Methods
1	NE Arm of EL	2	Weak gravity low. Little data	Gravity survey & 2 early drill traverses
2	NW Arm of EL Immediately S of Cardiff Sub-basin	1	S end of Cardiff Sub- basin. Gravity low	Drill traverse
3	NW Arm of EL	2	Low magnetic corridor. Little gravity data	Gravity survey & 1 early drill traverse
4	SW Arm of EL Immediately NW of Wilga Basin West	1	NW end of Wilga W basin. Little gravity data. Coal present in 1 drill hole	Gravity survey
5	Central part of EL	3	Distinct, narrow deep magnetic trough	1 drill traaverse
6	SE Arm of EL	4	Subdued gravity low from regional data	Gravity survey
7	SW Arm of EL S & between Wilga Basin E & W	2	Magnetic low. Little gravity data	Gravity survey

Fig 1: COAL TARGET ZONES



Seven targets have been selected as being worthy of follow up. Of these 2 are considered to be first priority, 3 second priority, 1 third priority and 1 fourth priority. The details of these are provided in the above table and their locations shown on the following A4 index map and 1:50,000 scale Map 1. (Fig 1)

Target 1 – This target is located in the NE arm of the E.L. There is a possible gravity low in this area based on pretty flimsy evidence and the State Airmag shows a subdued response. The target is outside the area of the low level Airmag Survey. The only nearby drill hole data is from R237 which has possibly a single metre of Palaeozoic / Mesozoic above basement which was intersected at 36m. The log of hole R236 has been requested from the Mines Department. This target could be explored by a gravity survey and a single line of scout drilling. It is considered a priority 2 target. The drilling could entail a traverse of 8 holes drilled 300m apart and 3 gravity traverses with stations every 300m.

Target 2 – This target lies in the NW arm of the E.L. immediately SE of the Cardiff Sub-basin of the main Collie Basin. The original gravity survey which is used in several publications indicates that the Cardiff Sub-basin terminates at the NW boundary of the current E.L. However, later data shows a lobe swinging slightly south from the axis of the Cardiff Sub-basin. A line of 8 holes have been drilled just south of the current E.L. boundary. The logs of these are not currently available and are subject to a data request from the Mines Department. The text of a report indicates that 7 of these holes intersected Permian rocks before shallow basement. A single shallow hole located about 700m south of this traverse intersected mudstone.

This target could be quickly tested by a traverse of drill holes. The traverse could comprise 8 holes at a spacing of 300m. This is considered to be a first priority target.

Target 3 – This target is located in the NW arm of the E.L. on the southern extension of the Collie Basin. To the north of here the Collie basin is split by a basement high into the Cardiff and Premier Sub-basins. This basement high could recede in a southerly direction as it does to the north. The target area is corridor of low, subdued magnetic signature and only sparse gravity data is available. There are no drill holes in the area for which logs are available. Mapped granite basement outcrops on the eastern side of this area should be checked for their extent. The target could be tested by a gravity survey and two traverses of scout drilling.. The drilling could entail 14 holes spaced 500m apart and 5 gravity traverses 2km apart with stations every 300m.

This is considered to be a second priority target.

Target 4 – This target is the northern extension of the Wilga Basin West. Three historical drill holes within the E.L. intersected Palaeozoic / Mesozoic rocks with one, CW-5, intersecting several coal seams. The thickest of these was 2.6m thick at a depth of 40m. Holes 300m either side intersected sediments but no significant coal. Coal was also intersected in hole W41A which is just outside the E.L. in this area.

This is considered the best target on the tenement and should be followed up by a detailed gravity survey. This could entail gravity traverses at 500m spacing with a station spacing of 300m.

Target 5 – This target is located in the central part of the prospect where a very distinct narrow, deep continuous magnetic trough crosses a narrow arm of the E.L. There is no gravity or drilling data in this area. This is a low priority target as it is possible that the trough in the magnetics is a basement feature. It is however considered worthy of follow up by a short traverse of scout drilling. Perhaps 5 holes would suffice.

Target 6 – This target is located in the SE arm of the E.L. in an area of a very weak gravity low manifest in the regional data. There is no drilling data currently available but logs of BB-206 and 207 have been requested from the Mines Department. The State Airmag shows the target to be located on an extensive, broad magnetically low corridor parallel to the strike of the basins but drilling elsewhere along this corridor demonstrates that the magnetic pattern is not necessarily diagnostic of the presence of sediments. This is considered a fourth priority target which could be explored initially by a gravity survey on lines spaced 1km apart and stations at 300m apart.

Target 7 – This target is located in the detached piece of the E.L. in the far south west of the area. It lies south of the basement high which separates the two parts of the Wilga Basin. This has a similar magnetic expression to the Wilga Basin and there is little gravity or drill hole data. This is considered to be of second priority and could be tested initially by a gravity survey. This could have a line spacing of 1km and a station spacing of 300m.

Xanadu Project (Gold)

Work completed at the Xanadu Project during the Quarter consisted of database compilation and verification. All historical data relevant to the project dating back to the mid-1980's was acquired in both digital and hard copy format. Once finalised, the Xanadu database will be reviewed and priority targets identified for further exploration.

The project is some 7km west of Northern Star Resources Ltd.'s Mt Olympus Gold Project where recently completed RC drilling has targeted the sulphide resource beneath the Mt Olympus, Waugh and Peak open pits.

In addition a full analysis of Satellite images with radiometric/DEM imaging has been performed to further identify the geochemical characteristics associated with the known mineral anomalies, to facilitate target identification.



Braemore Battery (Gold)

A soil program was completed at Braemore Battery to cover the northern portion of the project which overlay the historical Au-As anomalies. The results from the soil analysis are due by end April 2012.

Tenement Acquisitions/Sales

The Board of MRG has finalised its review of all the current Tenements. In light of recent developments and acquisitions, MRG decided there was a need to reduce the number of Tenements in the portfolio. Key elements to this decision being:

- Need to prioritise exploration expenditure across the most prospective projects.
- The preliminary exploration results across the retained Tenements warrant focus of management time and Company resources.
- Interest of 3rd parties created opportunities.
- Potential to look at other opportunities and acquisitions.
- Timing of Tenement anniversary dates and near term expenditure requirements.

MRG decided to sell its exploration licences at Bell Chambers, Diorite and Mulgul.

Terms of the sale include the retention of future interest via a royalty agreement which varies during the exploration phase through to a full net smelter royalty once in the production phase.

Corporate Activities

Nil

ACTIVITIES AND HIGHLIGHTS SINCE 31 MARCH 2012

- The Board of MRG is pleased to advise its successful application for prospective Gold tenements along the Tropicana geological feature extension, called Fraser Range. Tropicana Gold has identified over 5 million oz resource.
 - The project is consistent with MRG's strategy to develop world class Gold assets.
 - The tenements sit within MRG's WA tenement focus.
 - The project is in an area currently being evaluated by Thor Mining Ltd, Ausquest Ltd and AngloGold Ashanti Ltd.

Overview

The project lies in an area that has seen intense tectonic activity within the same province which hosts the Tropicana gold deposits. It has demonstrated gold potential, with gold anomalies already identified in the adjacent tenements owned by Thor Mining Ltd and Ausquest Ltd (refer Figures 2-3)

Location:

100km ESE of Norseman, WA

Tenements:

Exploration Licences:-

E63/152 and E63/1553 for a total of 100 blocks.

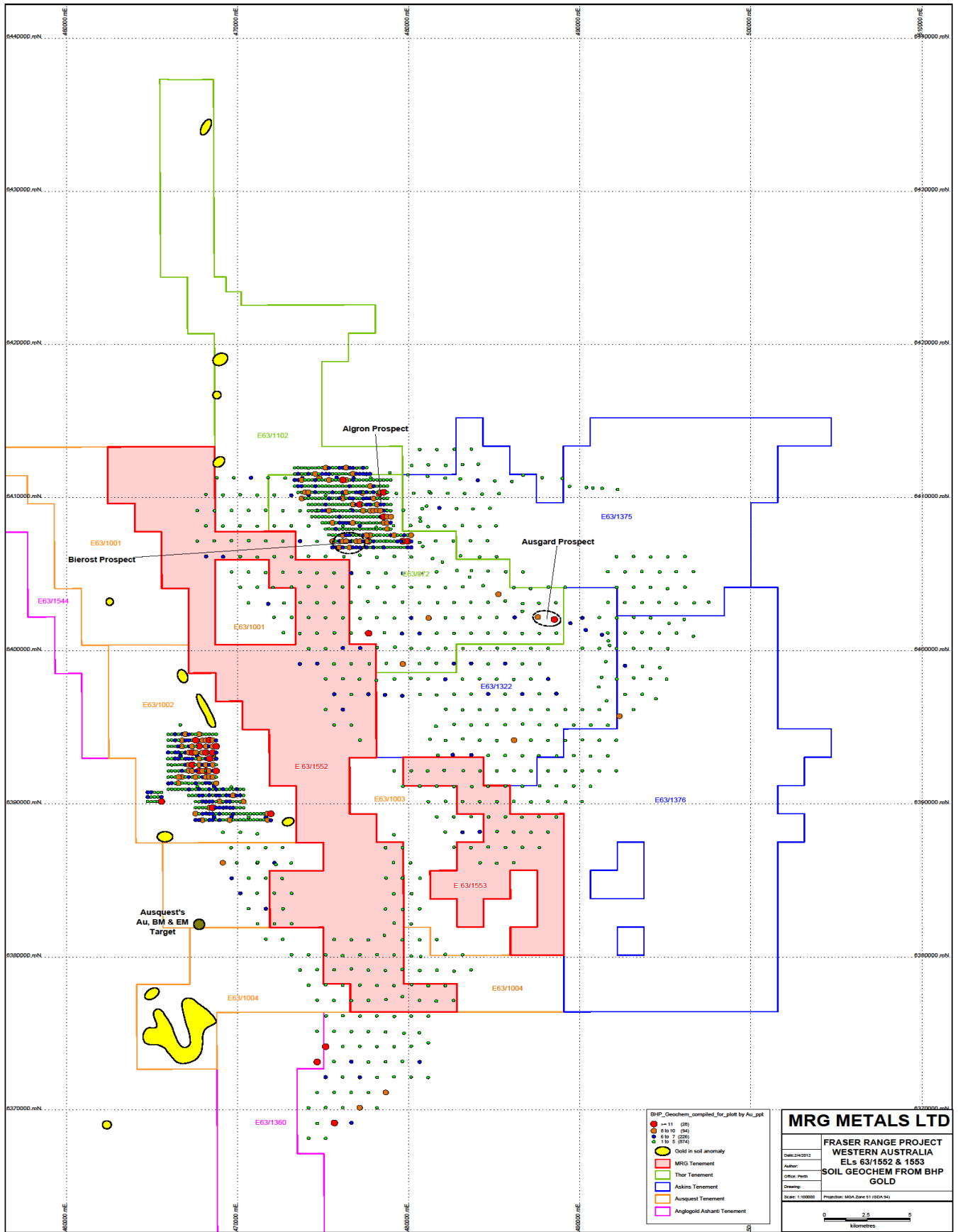
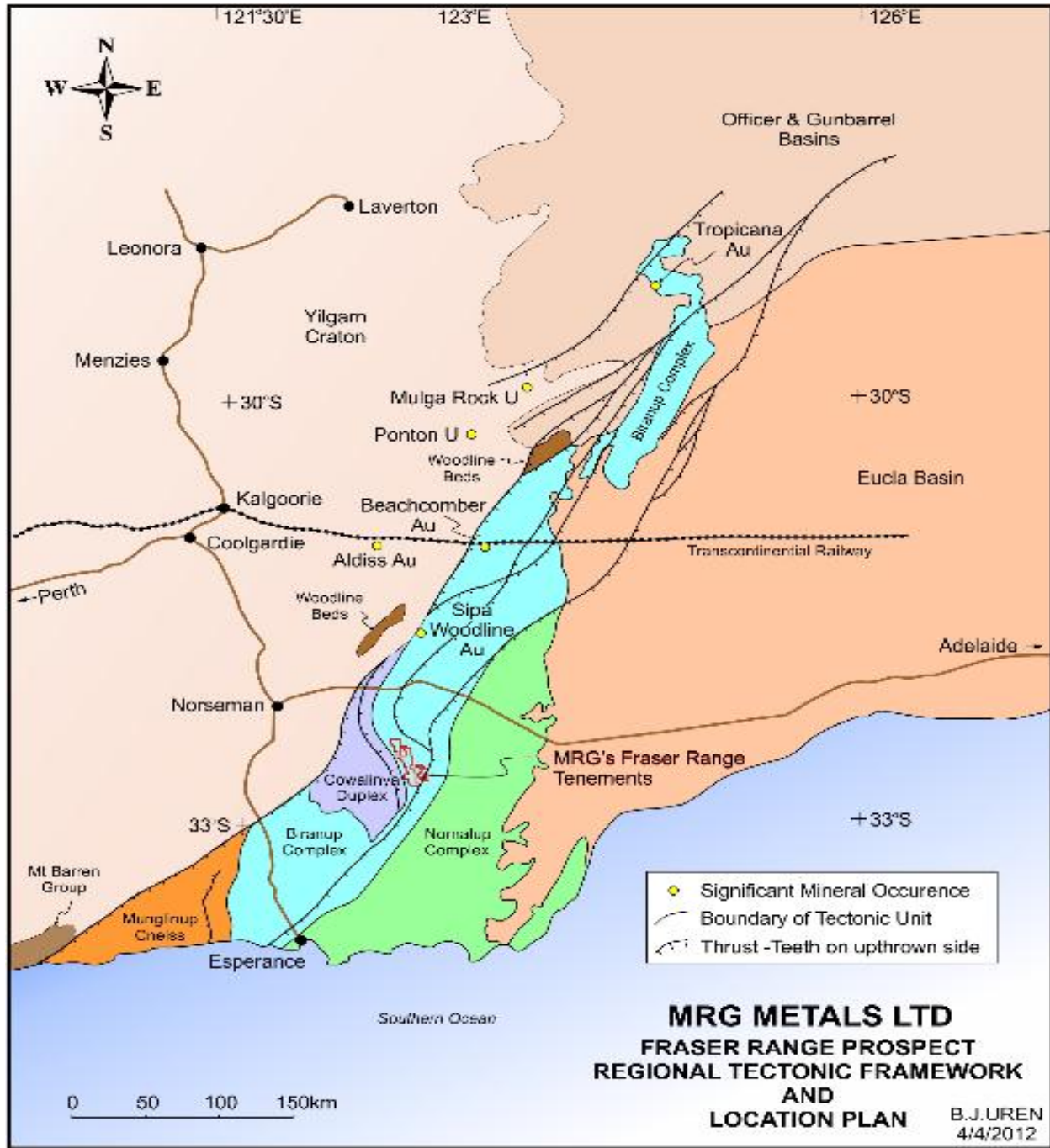


Figure 2 – Project Location and Soil Geochemistry



Figure 3 – Area Geology



Andrew Van Der Zwan
Managing Director

The information in this report, as it relates to Exploration Results for the Collie Project, is based on information compiled and/or reviewed by Mr Bruce Uren, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Uren 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 Uren consents to the inclusion in the report of the matters based on the information in the form and context in which they appear.