

23rd May 2014

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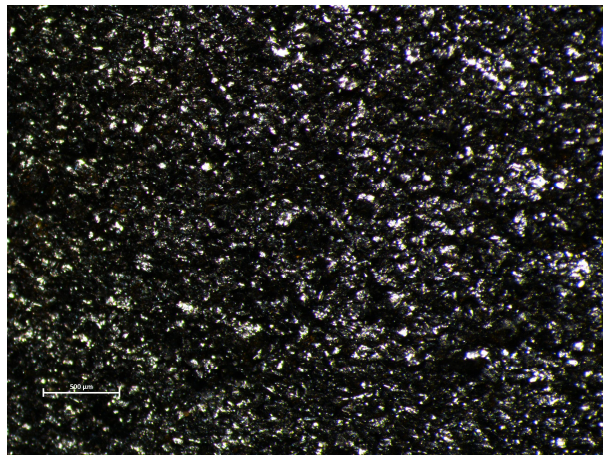
PRELIMINARY GRAPHITE TESTWORK

MRL Corporation Ltd (“MRL” or “the Company”) is pleased to provide an update on further analytical testing at Nagrom carried out on remnant graphite samples from its Sri Lankan graphite licence EL228.

The results achieved are very promising given this is the first round of testing and is without any process optimisation. With a single stage flotation and without any regrind a combined concentrate grade of ~95.4% Total Graphite as Carbon (TGC) and (96.2% TC) was recorded.

A Head Analysis grade of 85.6% (TGC) was achieved which is consistent with the results reported on the 26th March 2014.

Image 1 - Ro Float Concentrate



Analytical results

As previously advised in the 26th March announcement by MRL, many historical workings (shafts and adits) occur in the licence areas, along with remnant graphite stockpiles dating back in excess of 50 years.

Samples tested by Nagrom the mineral processor were from stockpiles located on EL228.

MRL Corp Sample 1 Rougher Flotation Test 1									
PRODUCT Flotation	Yield %	TGC		S		Fe		SiO2	
		%	dist.	%	dist.	%	dist.	%	dist.
Ro Con 1	22.10%	95.2	24.99%	<0.001	0.00%	0.29	9.97%	1.60	3.24%
Ro Con 2	14.81%	94.9	16.69%	<0.001	0.00%	0.37	8.54%	2.73	3.70%
Ro Con 3	49.14%	95.7	55.83%	<0.001	0.00%	0.38	29.28%	2.75	12.36%
Ro Con 4	1.50%	95.7	1.71%	<0.001	0.00%	0.38	0.90%	2.75	0.38%
Ro Con 5	0.21%	5.4	0.01%	0.062	1.72%	2.62	0.88%	70.61	1.38%
Ro Tail	12.23%	5.4	0.78%	0.062	98.28%	2.62	50.42%	70.61	78.94%
Calc. Head	100.00%	84.2	100.00%	0.008	100.00%	0.64	100.00%	10.94	100.00%

Future drill core samples from the drilling program detailed in the 21st May 2014 announcement will be tested by Nagrom to establish the insitu grade of any vein graphite intersections encountered.



About Sri Lankan Lump/Vein Graphite

Sri Lanka is famed for being the only producer of crystalline vein graphite (lump or Ceylon graphite), the highest quality of naturally occurring material in the world. The quality of vein graphite produced in the country has a purity level in excess of 90% TGC (Carbon as graphite) which means little upgrading and processing is required to make a high quality saleable product.

Reference: Industrial Minerals Natural Graphite Report 2012.

For further information:

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www.mrltd.com.au

Information in this report relating to Metallurgical interpretation, analysis, mineral distribution and recommendations has been compiled by Mr Denis Geldard, MAusIMM in consultation with Dr Slobodanka Vukcevic, Senior Metallurgist at Nagrom the Mineral Processors. Dr Slobodanka Vukcevic has sufficient experience and expertise relevant to this type of test work through her job experience and expertise and qualifies as a competent person in the field of metallurgy. Mr Geldard consents to the inclusion in the report of the matters based on the information reported in the form and context in which it appears.

JORC TABLE 1 Report for EL228 Pandeniya location Section 1 Sampling Techniques and Data

<i>Criteria</i>	<i>Explanation</i>
Sampling techniques	Samples collected were grab samples from remnant waste stockpiles adjacent to an historical abandoned shaft located on EL 228 at Grid 136219 Pandeniya location. A steel chisel was used to shave remnant graphite from attached gangue.
Drilling techniques	A drilling program will commence shortly as previously disclosed in the announcement dated 21 st May 2014
Drill sample recovery	No sample recovery from drilling has occurred.
Logging	No logging activities have taken place.
Sub-sampling techniques and sample preparation	Samples collected were grab samples from remnant waste stockpiles adjacent to an historical abandoned shaft located on EL 228 at Grid 136219 Pandeniya location. A steel chisel was used to shave remnant graphite from attached gangue. Samples may not be representative of insitu mineralisation.
Quality of assay data and laboratory tests	The results are indicative only and not representative of any potential orebody.
Verification of sampling and assaying	The results are indicative only and not representative of any potential orebody.
Location of data points	Grab samples are from remnant stockpiles, all collection locations were marked using a GPS.
Data spacing and distribution	Data spacing and distribution is not applicable at this time. The location of geophysical surveys is controlled by contractors using standard GPS equipment.
Orientation of data in relation to geological structure	Ground surveys have been orientated as close to perpendicular (NW – SE orientation) to expected graphite mineralisation.
Sample security	Samples were hand picked under direction from management.
Audits or reviews	No Audits or reviews have taken place.

Section 2 Reporting of Exploration Results

<i>Criteria</i>	<i>Explanation</i>																											
Mineral tenement and land tenure status	The Warakapola / Bopitiya / Pandeniya project exploration license areas EL228 are 100% owned by MRL Graphite (Pvt) Ltd. The exploration Licenses when granted have a two year term which can be renewed prior to the 2 year anniversary. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>License No.</th> <th>Interest</th> <th>General Location</th> </tr> </thead> <tbody> <tr> <td>EL/225</td> <td>100%</td> <td>Central</td> </tr> <tr> <td>EL/226</td> <td>100%</td> <td>Central</td> </tr> <tr> <td>EL/227</td> <td>100%</td> <td>South Central</td> </tr> <tr> <td>EL/228</td> <td>100%</td> <td>Central</td> </tr> <tr> <td>EL/231</td> <td>100%</td> <td>South West</td> </tr> <tr> <td>EL/243</td> <td>100%</td> <td>Central</td> </tr> <tr> <td>EL/244</td> <td>100%</td> <td>South West</td> </tr> <tr> <td>EL/262</td> <td>100%</td> <td>Central</td> </tr> </tbody> </table>	License No.	Interest	General Location	EL/225	100%	Central	EL/226	100%	Central	EL/227	100%	South Central	EL/228	100%	Central	EL/231	100%	South West	EL/243	100%	Central	EL/244	100%	South West	EL/262	100%	Central
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Exploration done by other parties	Initial Exploration and Review of the Warakapola / Bopitiya / Pandeniya project was carried out by GSMB Technical Services (Pvt) Ltd with reports provided to MRL. MRL has established a regional office in the EL228 area to support the company geologists and underground crews.																											
Geology	Warakapola / Bopitiya / Pandeniya Geologically, the area covered by the selected grid units belong to the Wannu Complex of Sri Lanka. The Wannu Complex is mainly characterised by thick sequences of ortho gneisses comprising amphibolite, migmatitic, granitic and granodioritic gneisses. These rocks represent a series of antiformal and synformal structures. A characteristic feature of the exploration area is the alignment of identified abandoned graphite mines / pits in a straight line, aligned in a NNW-SSE direction.(GSMB 2013)																											
Drill hole Information	No drilling activities have been undertaken at this time. A drilling program will commence shortly as previously disclosed in the announcement dated 21 st May 2014																											
Data aggregation methods	MRL will use GIS and MAPINFO to access and collate all data during the exploration activities.																											
Relationship between mineralisation widths and intercept lengths	No insitu samples have been intersected by MRL at this stage. Remnant grab samples of graphite from stockpiles at Pandeniya have been collected for metallurgical testing.																											
Diagrams	General location diagram of the Warakapola / Bopitiya / Pandeniya located on EL 228																											

<i>Criteria</i>	<i>Explanation</i>
Balanced reporting	MRL Corporation Ltd will endeavour to produce balanced reports accurately detailing the results from any exploration activities.
Other substantive exploration data	No other substantive exploration data is available at this time.
Further work	MRL Corporation Ltd intends to complete further site investigation that may include surface geological mapping / underground mapping / geophysics and drilling.