QUARTERLY REPORT

FOR THE QUARTER ENDED 30 SEPTEMBER 2017

Highlights:

- **Commencement of initial drilling program at Norrliden.**
  - **Sulphides identified in Södra drill cores.**
  - **Difficultly in drilling Norra, technique modified for November drilling.**
  - **Assay results pending.**
  - **Completed full technical analysis of previous data and interpretation of regional geological setting.**
  - **Drilling to recommence in November following Reindeer migration period.**
- **Completed detailed technical review of the Loongana Project.**
  - **Planning new drill targets focused on intrusion-related Ni-PGE and Au-Cu.**
- **Continued discussions with potential JV partners on our Australian portfolio.**
- **Nearing completion of technical review and prioritization of QLD projects.**

NORRLIDEN

MRG Metals Ltd's activities during the July-September Quarter has been focused firmly on the Company's newly-acquired Joint Venture in northern Sweden, including the compilation and review of historical data and the planning and execution of initial drilling.

NORRLIDEN JV, Sweden

MRG Metals completed initial drilling of three holes at the Company's Norrliden Project in September, ahead of a planned break in operations over October to allow for seasonal movement of Reindeer in the district. Drilling will recommence in the first week of November with holes prioritised based on the results of initial assays and technical review of the project during October.

Holes NOR17001 and NOR17006 at Norrliden Södra were drilled to depths of 85m and 99m respectively. Both holes intersected 10-15m wide zones of banded sulphide mineralisation dominated by pyrrhotite (Fe-sulphide); with pyrite (Fe-sulphide), sphalerite (Zn-sulphide) and galena (Pb-sulphides) observed in the core. These sulphide zones correspond well to outcropping mineralisation sampled at surface in June-July. Sampling and assay of these intervals is to be completed in the coming weeks and will provide a good initial test of the width and tenor of near-surface mineralisation at Södra. Holes designed to target the deeper extension of this zone and the corresponding geophysical targets (FLEM) are planned for early November when drilling resumes at the project.

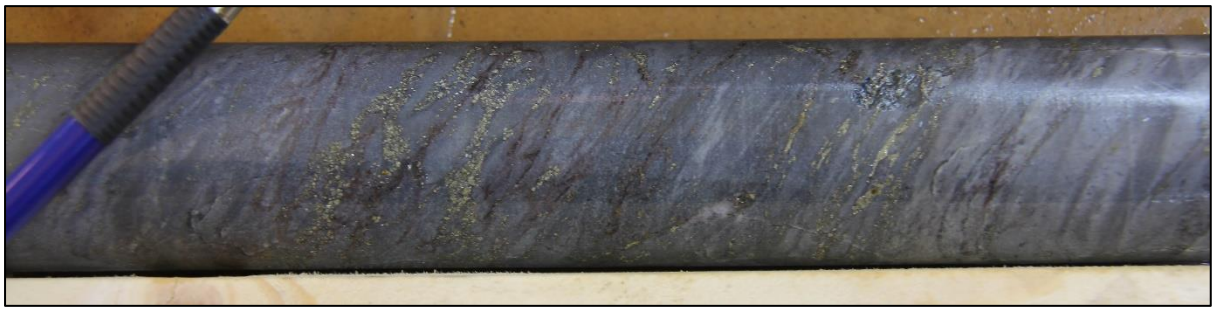


Figure 1. Pyrrhotite, pyrite, and sphalerite in intensely-altered felsic volcano-sedimentary rock. NOR17001, 46.5m.

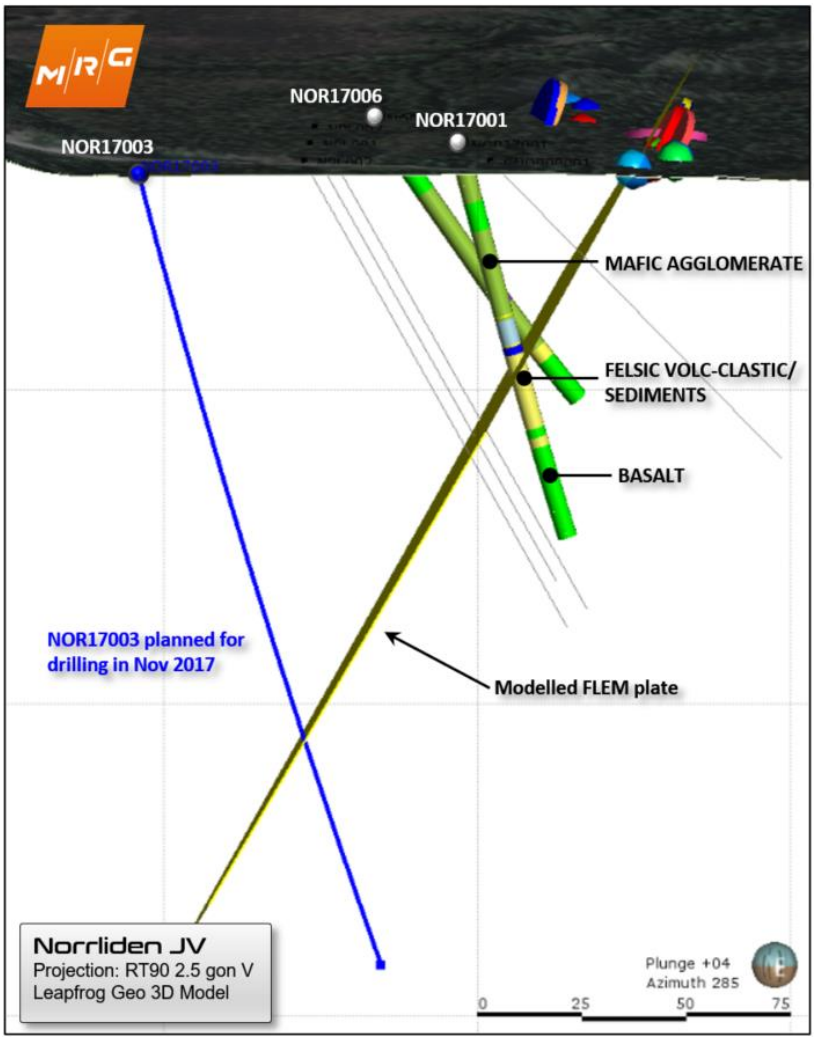


Figure 2. Oblique section through Norrliden Södra showing lithology logs holes NOR17001 and NOR17006 drilled in September. Sulphide mineralisation logged in both holes occurs at the transition from mafic agglomerates to strongly-altered felsic volcanoclastic rocks, and altered sediments (including conglomerate). A (yellow) plate modelled from historical EM data corresponding well with this sulphide zone; the down-dip extent of this plate will be tested by NOR17003 in November 2017.

Drilling at Norrliden Norra (NOR17007) encountered problems caused by significant deviation of the drillhole from planned design while still in hangingwall rocks well above the targeted mineralised zone. Due to the time-constraint imposed by the October break in operations a decision was made

to return again in early November, using a larger diameter drill string and additional stabilising equipment to better control the direction of the hole. Oriented drillcore retrieved from initial attempts to drill NOR17007 will not be sampled and assayed, but will contribute significantly to the structural understanding of the deposit.

An onsite technical review of the project commenced in late September that will include mapping and re-logging of historical core in archive. The results of this review and analysis of data collected will drive MRG's exploration strategy into 2018.

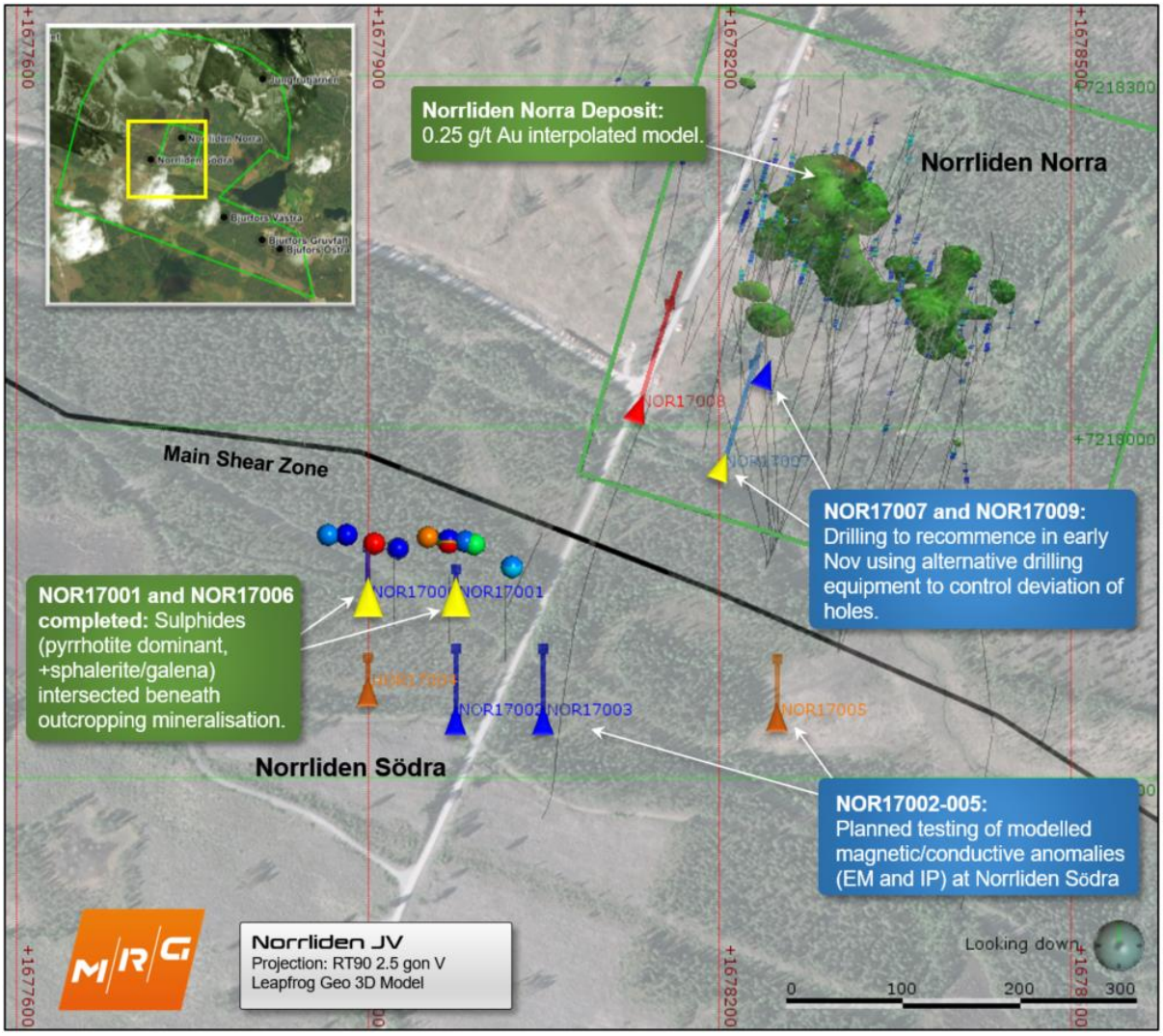


Figure 3. Drilling completed at Norrliden Södra in September 2017, and location of initial drillhole attempted at Norra (yellow collars). Deviation of the hole NOR17007 due to strong foliation in the rock was significant enough to compromise its effectiveness. Drilling equipment better suited to controlling the hole in these conditions will be brought in to recommence drilling in early Novemberr; holes are to be prioritised based on the results of initial assays and technical review of the project during October.

Norrliden Background

Norrliden is a base metal exploration project located in central Skelleftea belt of Northern Sweden. The project comprises a central granted Mining Concession and a surrounding Exploration Licence (Figure 1).

MRG Metals (MRG) has entered into a Farm-In Agreement with Mandalay Resources Corporation (Mandalay) over the Norrliden project in North east Sweden. Mandalay have opted not to develop

the project further themselves whilst they concentrate on the nearby Bjorkdal gold mine. However, they retain the right to claw -back the project under joint venture should a significantly larger standalone discovery be made by MRG.

Fundamentals of the deal for MRG:

- 10% Earn-in after $500,000 USD sole expenditure within 15 months,
- 25% Earn-in after cumulative $1,000,000 USD sole expenditure within 27 months,
- 50% Earn-in after cumulative $3,000,000 USD sole expenditure within 39 months,
- Joint Venture structure to progress the project from here.

Regional Setting

The Norrliden Project is located in a key position within the central part of the Paleoproterozoic (c. 1890-1870 Ma) Skellefte Belt in Northern Sweden, 5km to the southeast of Boliden Group's Maurliden mines, along the main structural corridor and mineralised trend between Boliden and Malå. There are numerous sulphide deposits, resources and mines within 10km of the Norrliden Project and huge potential for further new discoveries.

The Swedish Boliden Group has dominated production in the district for decades and has established processing facilities at Boliden and smelting facilities in Skellefteå. In more recent years TSX and ASX listed companies such as Mandalay Resources (MRG's JV partner) and S2 Resources Ltd have recognised the untapped potential of the belt, establishing concession holdings in the district and beginning active exploration using the latest available technology. Much of the Skellefte Belt and the majority of the Norrliden Project area is covered by a veil of recent glacial till deposits (up to 50m thick). MRG's expertise in integrating geophysical and geochemical data will be the key to making further discoveries in the district.

Within the Norrliden JV concessions are three main areas of historical exploration that will be the initial targets of review and exploration by MRG.

Norrliden Norra (North):

Norrliden Norra is located within the JV's approved mining concession (see Table 1) and has a reported historic resource of 1.497Mt @ 4.4% Zn, 0.8% Cu, 0.4% Pb, 0.8 g/t Au, 59.9 g/t Ag (measured and indicated), which was compiled by North Atlantic Resources AB in 2004. Although review of the existing drilling and exploration data is at an early stage, MRG are confident that targeting extensions to known mineralisation at depth and along strike will provide opportunity to increase the resource.

Norrliden Södra (South)

Norrliden Södra is a prospect first identified during the 1930's and is located 500m southwest of Norrliden Norra. It appears to be a separate mineral occurrence from the main resource.

Field work in June 2017 identified sulphide-rich (mainly pyrite and pyrrhotite) mineralisation outcropping at surface beneath the moss and thin glacial till cover where a total of 14 rock chip samples were collected and assayed.

Historical trenching (1930's) and very limited exploration drilling has been undertaken at Norrliden Södra but not followed up beyond these initial programs.

Bjurfors Gruvfält

Bjurfors Gruvfält comprises three separate sulphide deposits; Östra, Mellersta and Västra. Bjurfors Östra was a copper-rich deposit that was mined to a depth of approximately 50m via open-pit and underground

operations in the 1940's. Limited exploration has been completed beneath the historic open-pit and underground workings and is a key target area for MRG.

Along strike to the west of Bjurfors Östra, the Mellersta and Västra deposits remain unexploited and are distinctly more zinc-lead-rich. North Atlantic Resources Ltd completed a number of holes to test the depth extension at Mellersta. All three deposits are located directly along strike from the Bjurliden (Boliden Group) and Bjurträskgruvan (S2R) deposits.

YARDILLA

MRG completed two drilling programs over the Yardilla Project Tenements in late 2016 and early 2017 into a large alteration system that returned down hole intervals of 30m and 10m of anomalous gold (>0.1g/t).

Subsequently, MRG's technical partner Sasak used the newly-developed, A.I. based, *Archean Gold Lode Alteration Detection System* (AGLADS) to compare multi-element geochemical data from MRG's drilling at Yardilla with the geochemistry of known Archean Gold Lode Gold Deposits across Western Australia. The Company applied for additional ground, which is now due to be granted, based upon the identification of further prospective positions using the same Technology, increasing our land holdings in this lightly explored area.

Technical work, including thin-section analysis of core from drilling in 2016, has been ongoing as MRG continues the search for economic mineralisation at Yardilla. Further exploration is planned for the remainder of 2017.

Project Background

The Yardilla project is located 95km east-northeast of Norseman, WA and is prospective for gold mineralisation on the boundary between the Archaean Yilgarn Craton and the Proterozoic Albany-Fraser Orogen. MRG holds four granted exploration licences and several applications, covering prospective lithology identified from structural and geochemical analysis utilising the Sasak Technology.

LOONGANA

MRG finalised a major technical review of its Loongana Project in September 2017 and the results of this study are now feeding into a comprehensive exploration strategy for the project. The findings of the review has led MRG to re-focus exploration toward using a combined drilling and EM-geophysics approach to discovery of intrusion-related Ni-Cu-PGE and intrusion-related Cu-Au targets beneath the limestone cover of the Nullarbor Plain; backing earlier work by the Company's technical partner Sasak, and following up on unfinished exploration by Richmond Mining in 2009 and 2010. A Program of Works has been submitted and approved for planned drilling of new targets at the project into 2018.

The technical review consisted of a detailed compilation and review of existing drilling data and detailed analysis of the Loongana Arc geology, with a focus on building a common 3D model in Leapfrog Geo™ so that exploration ideas could be tested against the modelled data. A review of available academic publications relating to the composition and crustal-scale tectonics of the project area was undertaken alongside work to better establish the ideas and strategy of past explorers.

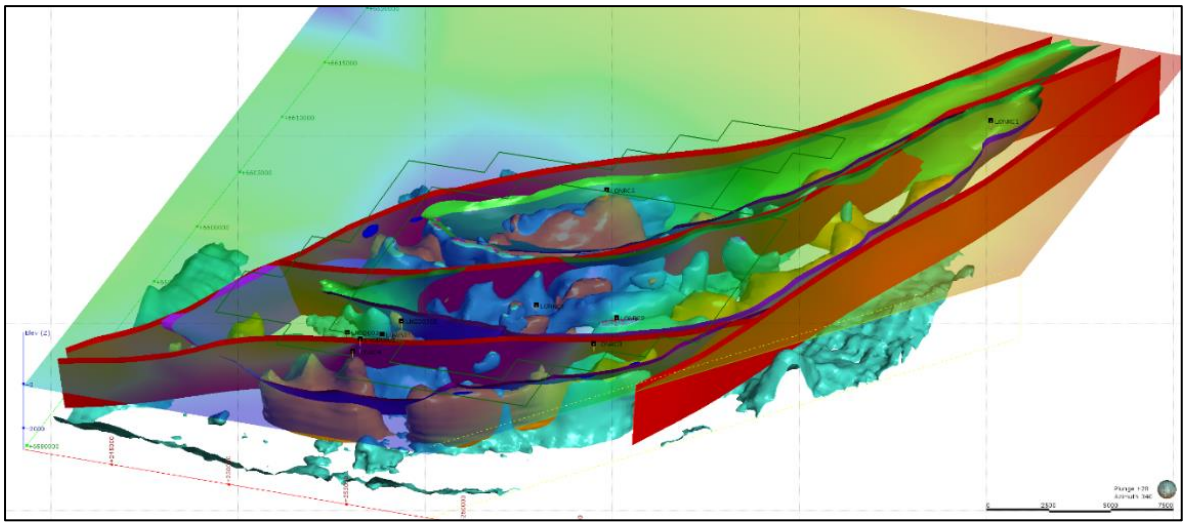


Figure 4. Screen-shot of the Leapfrog Geo™ 3D model developed as part of the detailed technical review of MRG's Loongana Project undertaken in July 2017.

In addition to the compilation of existing data, the location of all remaining physical samples from historical drilling campaigns were tracked-down and acquired where possible. A number of new analytical work programs were commissioned to gain further understanding of the Loongana Arc rocks from the available physical samples. This included:

- Relogging of diamond drill core from hole LNGD001 and LNGD002 stored in the GSWA Core Library in Carlisle, Western Australia.

- Acquisition of the RC chip trays from drill holes LNRC1 to LNRC5 and spectral analysis of chips by Corescan Pty Ltd.

- Thin-section analysis of core samples taken from LNGD003 (MRG Metals, 2015) by Richard England.

Project Background

MRG Metals Loongana Project is situated on the Nullarbor Plain in south eastern Western Australia, approximately 480km east of Kalgoorlie and 25km north of the Trans-Continental Railway Line. MRG holds 2 granted licences that cover the majority of the southern extent of a 95km long gravity anomaly and magnetic feature known as the Loongana Arc. The layered mafic and ultramafic rocks of the Loongana Arc are known from a total of 9 scattered drillholes (3 DDH, 6 RC) through the 250-350m deep Cenozoic sedimentary cover (limestone and mud/shale) of the Eucla Basin.

The ca. 1410 Ma Loongana Arc is interpreted to comprise of sequences of Proterozoic calc-alkaline mafic (gabbro) and ultramafic (pyroxenite and olivine cumulates) layered intrusions and granites (granodiorites-trondhjemites) which have subsequently undergone deformation and metamorphism during the Albany-Fraser Orogeny (spanning 1345-1140 Ma).

In the period of time following formation and accretion of the Loongana Arc, a series of major mafic and felsic intrusion events occurred in the wider region, these include gabbroic intrusions prospective for Nickel-Cu-PGE (Nova-Bollinger, Nebo-Babel) and shoshonitic intrusions prospective for major Au-Cu mineralised systems (Moodini Supersuite).

XANADU PROJECT

Following a detailed technical review of the Xanadu Project in July 2017, a strategy for moving exploration forward for MRG's Pilbara exploration is in development. A combined drilling and geophysical program is being developed for 2018.

QUEENSLAND PROJECTS

No on ground exploration was conducted over the Queensland Projects during the quarter. A full technical review and prioritization of the projects is nearing completion.

EVENTS SUBSEQUENT TO THE QUARTER ENDING:

CORPORATE

On 20 October 2017, a refund of $669,271 was received pursuant to the Australian Federal Government's Research and Development Tax Incentive.

Andrew Van Der Zwan

Chairman and Non-Executive Director

The information in this summary report, as it relates to Exploration Results is based on information compiled and/or reviewed by Mr. Ben McCormack, who is a member of the Australasian Institute of Geoscientists (AIG).

Mr. McCormack 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 2012 Edition of the " Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ". Mr. McCormack consents to the inclusion in the report of the matters based on the information in the form and context in which they appear.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MRG METALS LIMITED

ABN	**Quarter ended ("current quarter")**
83 148 938 532	30 September 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(184)	(184)
	(b) development		
	(c) production		
	(d) staff costs	(83)	(83)
	(e) administration and corporate costs	(55)	(55)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(321)**	**(321)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments/government bond		
	(d) other non-current assets		

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	588	588
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(321)	(321)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**267**	**267**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	25	28
5.2	Call deposits	242	560
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**267**	**588**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	108
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director Fees, Secretarial Fees, Consulting Fees, & Accounting Fees.

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	Nil
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	Nil	Nil
8.2	Credit standby arrangements	Nil	Nil
8.3	Other (please specify)	Nil	Nil

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Note – received after Quarter a refundable tax offset of $669,271 for Research & Development activities.

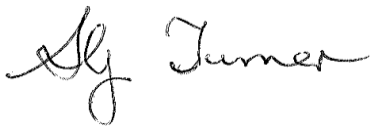
9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	300
9.2	Development	
9.3	Production	
9.4	Staff costs	80
9.5	Administration and corporate costs	100
9.6	Other (capital raising costs)	
9.7	**Total estimated cash outflows**	**480**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 27 October 2017

(Company secretary)

Print name: SHANE TURNER

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.