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Annual Report

MRG Metals Ltd

ABN: 83 148 938 532

For the Year ended 30 June 2013

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Review of Operations

Highlights

The year ended 30 June 2013 saw a major change in the direction of MRG, with the acquisition in the second half of the financial year of Sasak Resources Australia Pty Ltd ('Sasak Resources'). The finalisation of this event marks a change in direction for the Group, with a focus on the application of data mining technology to the mineral exploration process. The acquisition comprised three separate components:

- Gaining a large landholding of over 2,000 km² in the East Yilgarn Craton of Western Australia and three Iron Oxide Copper Gold exploration licences in the Mount Isa Block of western Queensland.
- Access to proprietary data mining technology developed by the principals of Sasak Resources, through a Technical Services Agreement;
- A Project Generation Agreement.

The Technical Services Agreement with Sasak Technical Services Pty Ltd ('Sasak Technical') and Project Generation Agreement with Sasak Minerals Pty Ltd ('Sasak Minerals') run for a period of 2 years, with the option of extension, commencing 1 July 2013.

A technical and commercial review of all MRG's projects is currently underway, with the review of Collie South & Kalgoorlie East projects already complete.

Projects

The financial year ended 30 June 2013 saw further advancement of MRG's exploration at Kalgoorlie East and Collie South projects. Since the Company's initial listing in June 2011 the Company has actively pursued exploration with the major focus being on Kalgoorlie East. This project has the outstanding characteristic of being located between the Kalgoorlie Consolidated Gold Mines' Gold Super Pit and MacPherson Resources Ltd's Silver Super Pit. It is hosted in the Golden Ridge tectonic zone which already hosts a number of mines and major deposits. MRG also achieved initial technical success on our Collie South project, with coal being discovered at shallow depths at two of the three areas drilled. The second half of the year was largely spent on negotiations and due diligence associated with the Sasak Resources acquisition. This review has already identified new targets on the Kalgoorlie East and Xanadu projects.

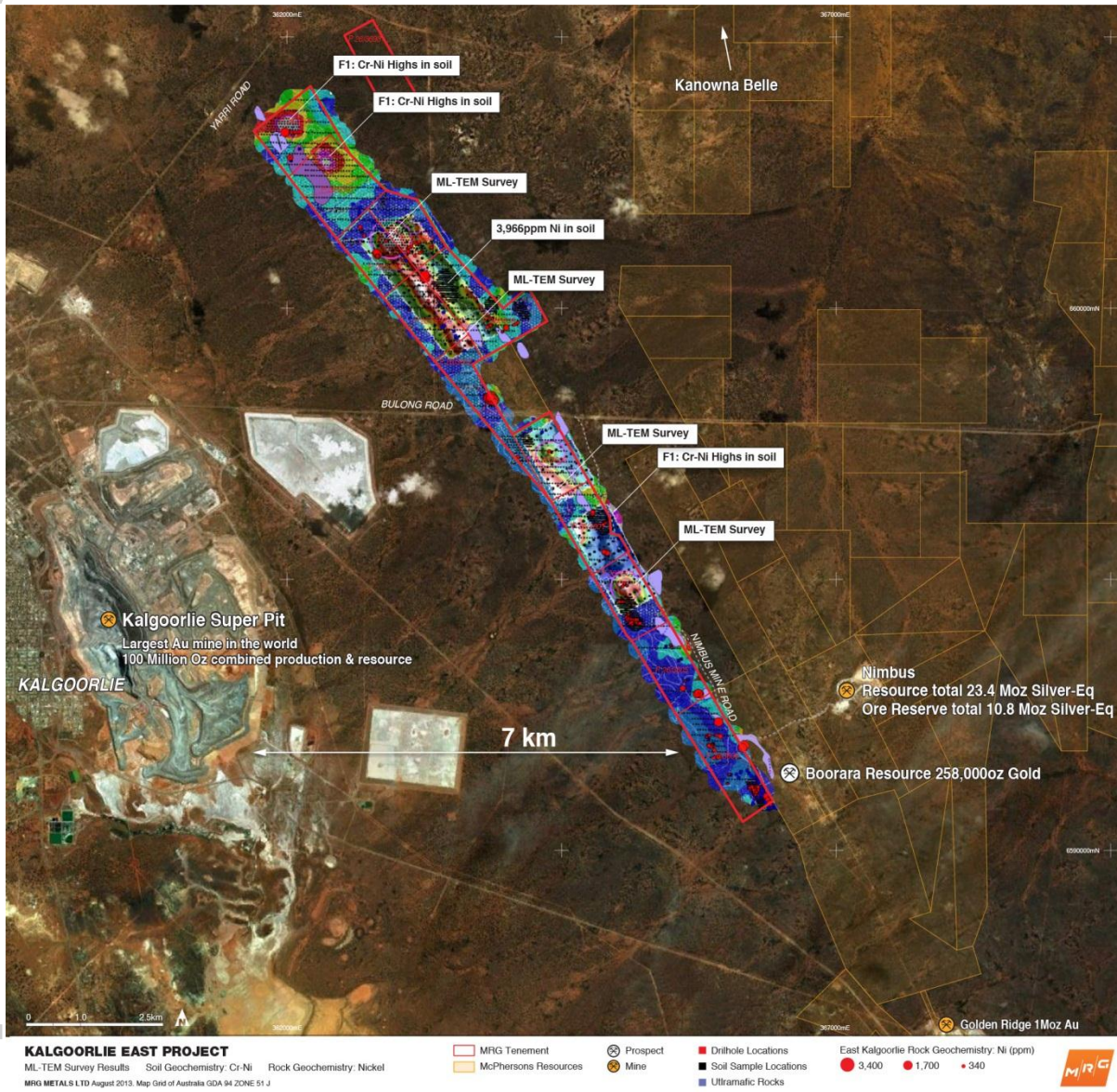
Kalgoorlie East Project (Gold, Silver, Nickel & Base Metals)

The Kalgoorlie East project is located approximately 8km east of Kalgoorlie in the Eastern Goldfields of WA, and consists of 15 prospecting licences covering an area of 17km². This region is highly prospective and hosts a number of large gold and silver deposits, including the Kalgoorlie Super Pit (>50 million oz Au) 7km to the west, Kanowna Belle (>5 million oz Au) 12kms to the north and Nimbus (>23 million oz Ag-eq.) 2kms to the south east.

The project area consists of a structurally complex assemblage of Archean ultramafic, mafic and felsic volcanic rocks with associated sediments and cherts, intruded by a series of younger dolerite dykes and felsic porphyries, together known as the Golden Ridge Belt.

Indications of a number of styles of mineralisation have been identified on the project, including Kambalda style nickel sulphide, shear hosted gold, Nimbus style silver mineralisation and disseminated base metal mineralisation. In addition, the Boorara type mineralisation, may also be present. At Boorara, <1km east, mineralisation is controlled by the intersection of a north east trending fault with the major regional NNW trending faults. This NE fault and others of a similar orientation, extend into the MRG tenements. The spatial association between these NE faults and the MRG gold in soil anomalies will be tested during the coming year.

Initially, three nickel areas are being assessed in detail. The main target is an area where earlier MRG Aircore drilling returned 5m @ 1% nickel, 0.2% cobalt & 0.33% chromium from 5m down hole. While this intercept is within weathered rocks, subsequent detailed re - analysis indicates that it derived from primary nickel sulphides, rather than being a lateritic accumulation. Another anomaly to the south shows coherent high nickel soil anomalism up to 3,966 ppm Ni.



Drilling is planned to commence in Q4 2013 after completion of an EM survey. For the gold targets, the Company will investigate the geochemical and structural relationships of the NE trending faults to elucidate the geological controls on gold mineralisation.

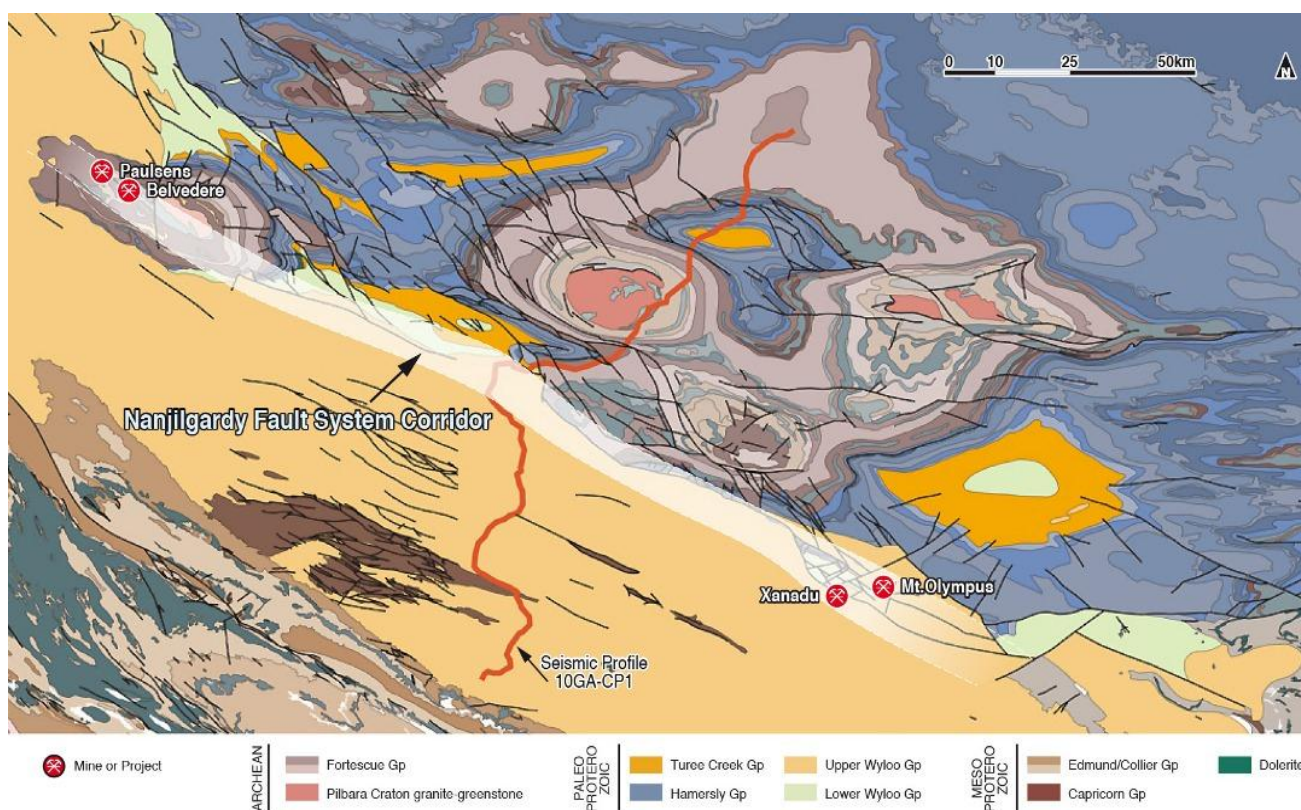
Xanadu Project (Gold)

MRG acquired the Xanadu project along with four other projects for its Initial Public Offering in April 2011. We have been compiling and reviewing data on this project while prioritising Kalgoorlie East and Collie South projects. Sasak Technology is currently applying their data mining technology to the extensive database to assist in targeting additional areas gold mineralisation away from the known prospects.

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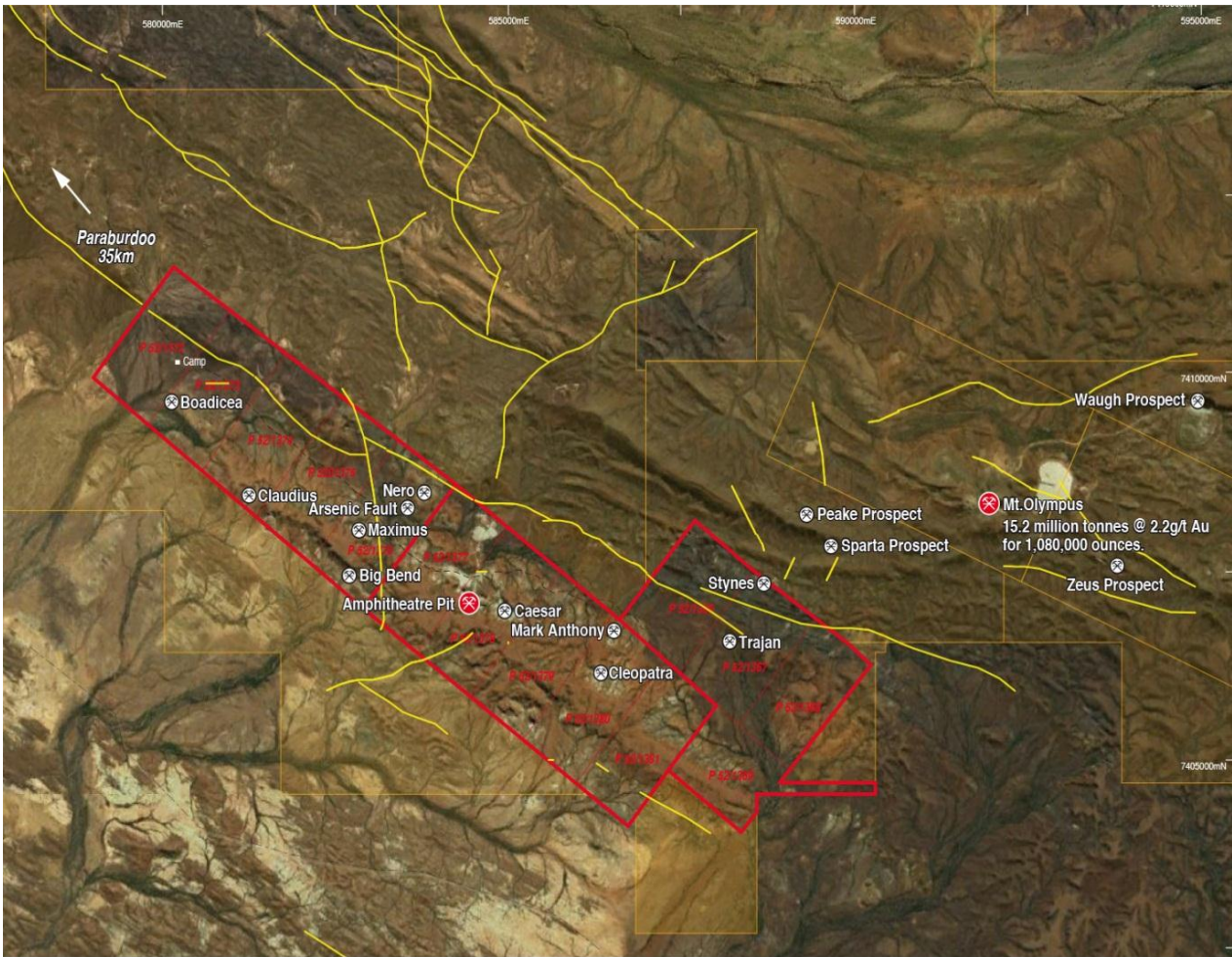
Xanadu is located approximately 38km southeast of Paraburdoo in the Pilbara Region of WA and is comprised of 14 prospecting licences covering 27km². Geologically, it shares many characteristics of Northern Star Resources Ltd's adjacent Ashburton Project (Mount Olympus), which lies 5km the northwest and hosts over 1 million oz of gold.

The project covers a northwest trending zone of Proterozoic clastic sediments and carbonates on the southern margin of the Ashburton Basin and is prospective for Carlin-style gold deposits. Mineralisation in the Ashburton Basin is focused along a 200km long corridor on the margins of the Nanjilgardy Fault, which is a major deep seated bounding structure between the Basin and the Pilbara Craton. This fault is the likely conduit for gold bearing fluids responsible for mineralisation found at Xanadu and Mount Olympus, as well as the Paulsens's mine and Belvedere deposits to the northwest.



MRG's tenements cover a 12km strike length along the highly prospective corridor that follows the Nanjilgardy Fault. The region is generally lightly explored. However, there is greater than 25,000m of drilling on the licence area since 1993, the bulk of which was carried out by Newcrest Mining from 1999 to 2006. Several small (non-JORC) gold resource estimates were made by previous explorers. MRG continues with ongoing database consolidation and validation and has identified four priority targets where drilling is expected to commence later in the year. The exploration program is expected to focus on the Claudius and Amphitheatre prospects, followed by the Big Bend and Stynes prospects, along with other areas identified during the current technical review.

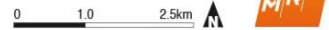
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XANADU GOLD PROJECT
 TENEMENTS OVER SATELLITE IMAGE

MRG METALS LTD September 2013. Map Grid of Australia GDA 94 ZONE 50

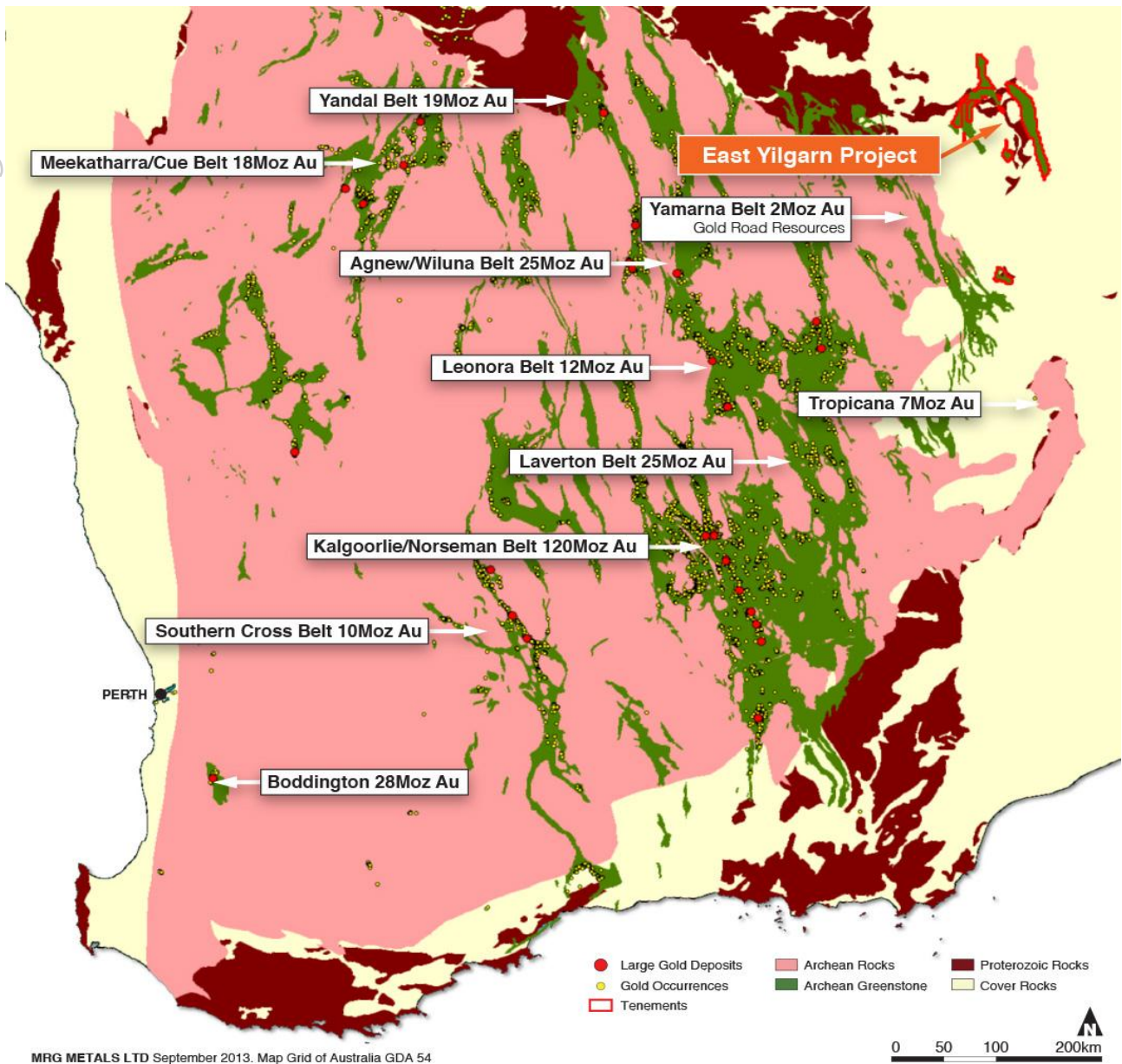
MRG Tenement Prospect Fault
 Northern Star Tenements Pit



East Yilgarn Project (Gold)

The East Yilgarn Project comprises a large land holding, covering over 2,000 km² of greenstone terrain acquired from Sasak Resources in June 2013. The Sasak Technical predictive modelling indicates that this greenstone belt has a potential to host a new 25Moz gold province. Gold Road Resources Ltd, in similar geological terrain 100kms to the southwest, has already discovered >1 million oz Au and has successfully joint ventured the southern part of the project with major Japanese corporation, Sumitomo Metal Mining Ltd.

MRG acquired 14 granted exploration licences and a further two pending exploration licences in the East Yilgarn greenstone belt covering more than 2,000km². The East Yilgarn project is located just to the north of Great Central Road, approximately 275km northeast of Laverton.



MRG METALS LTD September 2013. Map Grid of Australia GDA 54

The geology of the province is poorly known, since Cainozoic superficial units up to 30m thick cover approximately 90 percent of the area. Outcrops in the remaining areas consist of either flat-lying Phanerozoic rocks and easterly-dipping Proterozoic quartzites, forming the western margin of the Officer Basin, or Proterozoic rocks dipping gently north at the eastern end of the Nabberu Basin.

The main exploration target is Archaean Greenstone-hosted gold deposits, such as those at the Golden Mile around Kalgoorlie, or recent discoveries as made in neighbouring greenstone terrains by Gold Road Resources Ltd.

In early July 2013, MRG commissioned an airborne geophysical survey over the East Yilgarn greenstone tenements. Results from the Survey are now to hand and the data will be used to define 6 to 8 priority targets areas for more detailed exploration and analysis.

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Queensland IOCG Projects - (Copper/Gold)

With the purchase of Sasak Resources, MRG acquired three tenements in the Mt. Isa Block, a large geological province in western Queensland. These tenements include a granted licence known as Davenport Downs (37.8km²) and pending applications at Squirrel Hill (6.3km²) and Pulchera (129.2km²). Sasak Technical's analysis has identified these areas as having the potential for Iron Oxide, Copper and Gold deposits with similar characteristics to known deposits, such as the Ernst Henry deposit (170 million tonne, at 1.7% Copper and 0.54% Gold) located in the northern part of the Mount Isa Block.

In addition to the technical review, compilation of previous data has commenced as precursor to on ground exploration planned for Q1 2014.



Fraser Range Project (Gold)

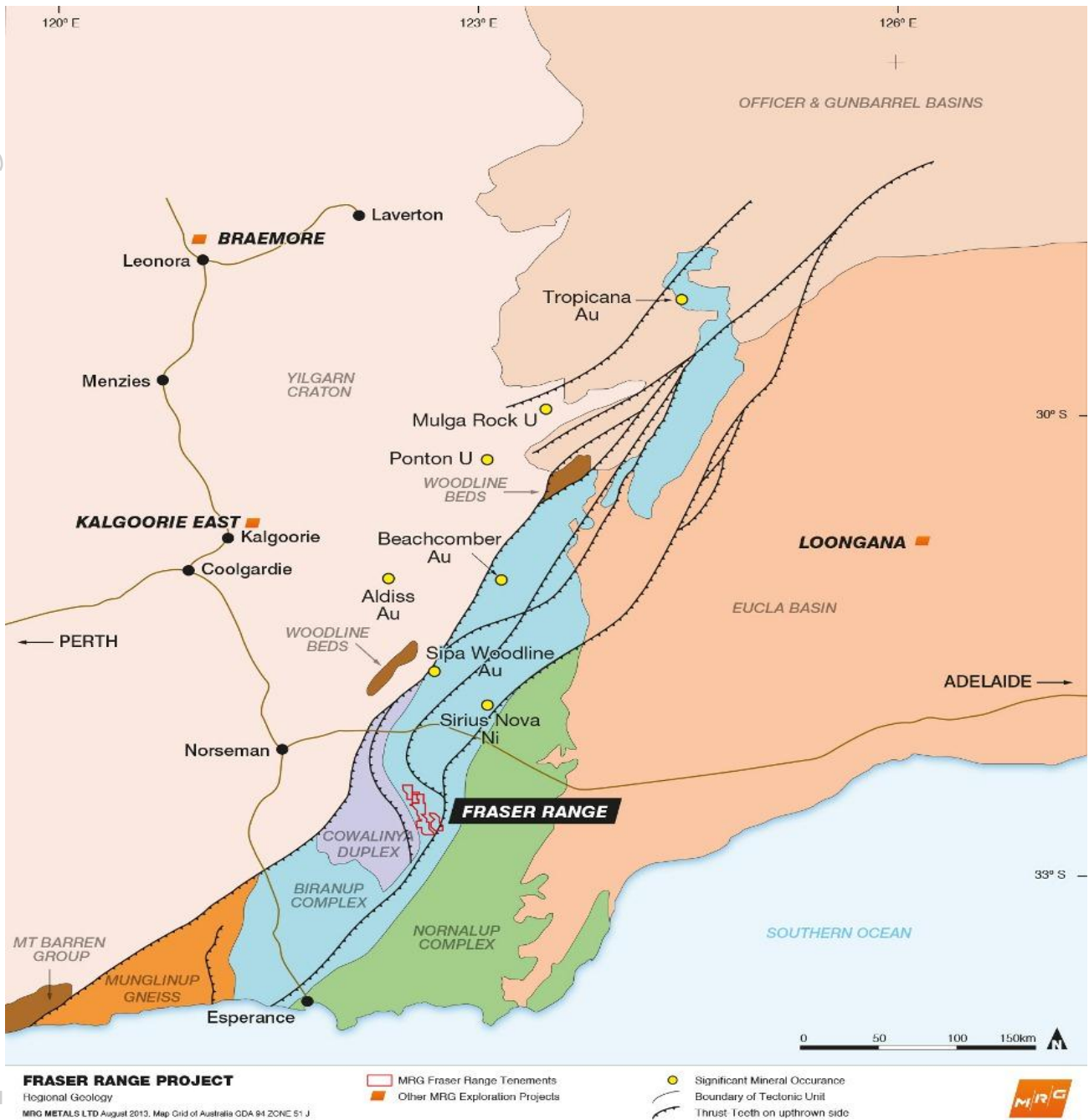
The Fraser Range project has a total area of approximately 150km², located 100km south east of Norseman, WA. The project consists of 5 pending exploration licences, of which two were applied for in March 2012 and an additional three in March 2013. The primary target is Tropicana style gold mineralisation.

The geology of the Albany Fraser Orogenic Province, of which the MRG's Fraser Range project is part, is poorly known, since younger sediments cover approximately 90 percent of the area. Based on limited outcrop and geophysical interpretation, the project lies within a complex of strongly deformed Proterozoic high-grade gneissic rocks.

The focus for MRG has been an ancient collision zone located between the Yilgarn Craton and the Albany-Fraser Orogen which hosts AngloGold Ashanti's +5M oz Tropicana Gold Mine, located 400km to the northeast and Sirius Resources Ltd's Nova Ni-Cu-Co deposit, located 80km the northeast. Prior to these discoveries the area was not thought to be overly prospective.

Assessment of the Fraser Range licence applications has now been completed by the Department of Minerals and Petroleum, however as part of the licences lie within the Dundas Nature Reserve, final grant is awaiting environmental approval from the Department of Environment and Conservation. All open file and geophysical data is currently being scrutinized for favourable structural positions and alteration zones, with selected areas to be subjected to a targeted geochemical sampling program upon final licence approval.

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Loongana (Nickel - Platinum)

The Loongana project area, also acquired from Sasak Resources, covers part of an interpreted large layered mafic-ultramafic complex buried under cover. MRG is to test this complex for Platinum mineralisation, either as strataform or stratabound reef within the complex, or associated with disseminated to massive Nickel - Copper sulphides in the margins of the complex.

The Loongana exploration licence covers an area of 220km² and also lies within the Albany-Fraser Orogen, which is covered by younger sedimentary rocks. The project is approximately 480km east of Kalgoorlie WA, on the Nullabor Plain and 50km north of the Trans Australia Railway.

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The project area covers a large coincident magnetic and gravity anomaly believed to be a layered mafic-ultramafic intrusion within the Proterozoic Albany-Fraser Complex. The main target zone is 45km long, and up to 15km wide at its widest point. The main exploration focus is a strong geophysical target below the Cainozoic sedimentary rocks of the Eucla Basin. The magnetic and gravity signatures interpreted by Sasak Technical suggest the presence of Pt-Ni-Cu mineralisation associated with mafic/ultramafic lithologies.

This exploration licence was recently granted and MRG will now undertake further geophysical analysis as precursor to a deep drilling program.

Braemore Project (Gold & Base Metals)

The Braemore project lies 8 kilometres north east of Leonora WA in the Eastern Goldfield, within the regionally significant north north-westerly trending Keith-Kilkenny Tectonic Zone.

As part of the current Technical Services Agreement, MRG will apply the predictive analytical technology to the exploration data collected to date to generate exploration targets. Previous work by MRG has not identified any significant results. However, Braemore is to be retained until completion of the review.

Collie South Project (Thermal Coal)

Following the Sasak Resources acquisition the Company commenced a technical and commercial review of the existing exploration projects and determined to withdraw from the Joint Venture on the Collie South Coal project. While exploration by MRG did reveal the presence of the coal within the licence, the Board has determined that given the state of the thermal coal market and the number of other of highly prospective targets in MRG's portfolio, shareholders are best served by returning the licence to the original holder. Accordingly, MRG withdrew from the Joint Venture in July 2013.

ACTIVITIES AND HIGHLIGHTS SINCE 30 JUNE 2013

MRG has withdrawn from the Collie South Joint Venture in July 2013.

Mr Christopher Gregory was appointed to the Board as a Non-Executive Director on 12 August 2013.

The Loongana exploration licence was granted in August 2013.

An Airborne Geophysical Survey was completed in August 2013 for East Yilgarn.

An Electro Magnetic Survey commenced in September 2013 on Kalgoorlie East.

A Program of Works has been approved for Xanadu.

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Directors' Report

The Directors of MRG Metals Ltd present their Report together with the financial statements of the consolidated entity, being MRG Metals Ltd ('MRG' or 'the Company') and its controlled entities, MRG Metals (Australia) Pty Ltd and MRG Metals (Exploration) Pty Ltd ('the Group') for the year ended 30 June 2013 and the Independent Audit Report thereon.

Director details

The following persons were directors of MRG Metals Ltd during or since the end of the financial year.

Mr Keith Weston

BSc Geology (hons), MAusIMM

Managing Director & Chief Executive Officer since 07/01/2013

Director since 07/01/2013

Keith is a Geologist with over 26 years experience in the Minerals Industry throughout Australia and Latin America. In recent times, Mr Weston was the inaugural Managing Director and Chief Executive Officer of Metminco Ltd (ASX Code: MNC) ("Metminco"). He held the position prior to ASX Listing on 1 October 2007 until 31 October 2009. During this time he was instrumental in the successful takeover of Hampton Mining Ltd and subsequent exploration by the merged entity in South America. Principally, from November 2009 to December 2011, he was Chief Geologist for Peru of Metminco, where he was involved in advancing the world class Los Calatos copper deposit. Since January 2012, Keith was engaged as a consulting Geologist for MRG.

Other current directorships:

None

Previous directorships (last 3 years):

None

Interests in shares:

100,000 shares

Interest in options:

None

Mr Andrew Van Der Zwan

BE Chemical Engineering (hons)

Independent Non Executive Director since 07/01/2013

Managing Director & Chief Executive Officer 01/07/2012 to 07/01/2013

Director since 14/02/2011

Andrew has 27 years engineering and commercial experience, both local and international. He was a Non Executive Director of Gulfx Ltd for 11 years and was employed in various senior positions within the worldwide operations of Exxon Mobil for 17 years.

Other current directorships:

Argo Exploration Ltd (ASX: AXT) since 02/07/2013

Previous directorships (last 3 years):

None

Interests in shares:

2,280,000 shares

Interest in options:

1,080,000 options

Mr Albert Pietrzak

BE Mechanical Engineering

Independent Non-Executive Director

Independent Chairman

Director since incorporation 24/01/2011

Albert has 42 years engineering and commercial experience. He was Managing Director of an engineering company for 33 years. He is a fully qualified IFR pilot, an engineering consultant and an investor.

Other current directorships:

None

Previous directorships (last 3 years):

None

Interests in shares:

2,180,000 shares

Interest in options:

1,065,000 options

Mr Shane Turner

CA, Bachelor of Business

Independent Non-Executive Director

Director since incorporation 24/01/2011

Shane is a Chartered Accountant and has 25 years financial and accounting experience. He has been employed with KPMG, a large regional public accounting practice, operated his own public accounting practice and now is employed with RSM Bird Cameron. He was a Non Executive Director and Company Secretary for Metminco for 2 years.

Other current directorships:

None

Previous directorships (last 3 years):

None

Interests in shares:

1,531,600 shares

Interest in options:

735,000 options

Mr Christopher Gregory

BSc Geology, MAusIMM, MAIG, FSEG, MAICD

Independent Non-Executive Director since 12/08/2013

Director since 12/08/2013

Chris has extensive global minerals industry experience over 30 years, at both technical and executive levels. Career foundation of 22 years in the Asia-Pacific region with Rio Tinto. Currently consultant GM Australasia, Corporate Development & Exploration, Mandalay Resources (TSX:MND).

Other current directorships:

None

Previous directorships (last 3 years):

None

Interests in shares:

12,249,900 shares

Interest in options:

None

Company secretary

Shane Turner is a Chartered Accountant and the Group Chief Financial Officer. Shane has held senior positions with a number of professional accounting firms and has a degree in Business. Shane has previously held the role of company secretary for Metminco for 2 years. He has been the company secretary of MRG since incorporation on 24/01/2011.

Principal activities

During the period, the principal activities of entities within the Group were exploration and development of gold, base metals and other commodities within Australia.

There have been no significant changes in the nature of these activities during the period.

Review of operations and financial results

The operating result of the Group for the year ended was a loss of \$1,070,853 (2012 loss \$764,056). Refer detailed Review of Operations that follows this report.

Earnings per share (1.21) cents (2012 (0.87) cents).

Further information on the detailed operations of the Group during the year are included in the Review of Operations Report.

Significant changes in the state of affairs

During the year, the following changes occurred within the Group:

- Subsidiary acquisition

On 26 June 2013, Shareholders approved at a General Meeting to acquire 100% of the issued capital of Sasak Resources.

- Tenement Acquisitions

As part of the acquisition of Sasak Resources, tenements and tenement applications were acquired in East Yilgarn, WA; Loongana, WA and Mount Isa, QLD.

In March 2013, applications were lodged for three further tenements at Fraser Range.

Dividends

There were no dividends declared or paid during the financial period.

Events arising since the end of the reporting period

Since the end of the year no further significant events have occurred other than those noted in the Review of Operations Report.

Likely developments

Information on likely developments in the Group's operations and the expected results have not been included in this report because the directors believe it would likely result in unreasonable prejudice to the Group.

Directors' meetings

The number of meetings of directors held during the period and the number of meetings attended by each director were as follows:

Name	Board meetings	
	A	B
Mr A Van Der Zwan	13	12
Mr A Pietrzak	13	12
Mr S Turner	13	13
Mr K Weston	8	8

Where:

A is the number of meetings the Director was entitled to attend

B is the number of meetings the Director attended

Remuneration Report (audited)

The Directors of MRG Metals Ltd ('the Group') present the Remuneration Report prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

The remuneration report is set out under the following main headings:

- a. Principles used to determine the nature and amount of remuneration
- b. Details of remuneration
- c. Service agreements
- d. Share-based remuneration

(a) Principles used to determine the nature and amount of remuneration

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:

- To align rewards to business outcomes that deliver value to shareholders;
- To drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- To ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

MRG Metals Ltd has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The Board, in accordance with its charter as approved by the Board, is responsible for determining and reviewing compensation arrangements for the directors and the executive team.

The remuneration structure that has been adopted by the Group consists of the following components:

- Fixed remuneration being annual salary; and
- Superannuation to meet statutory obligations.

The Board assesses the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

The payment of bonuses, share options and other incentive payments are reviewed by the Board annually as part of the review of executive. All bonuses, options and incentives must be linked to pre-determined performance criteria.

(b) Details of remuneration

Details of the nature and amount of each element of the remuneration of each key management personnel ('KMP') of MRG Metals Ltd are shown in the table below. Mr. A Van Der Zwan was replaced as Managing director on 7 January 2013 by Mr K Weston. Mr A Van Der Zwan became a Non-executive director from 7 January 2013.

Director and other Key Management Personnel Remuneration

Name	Short term employee benefits			Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments	Total (\$)	% of remuneration that is performance based
	Cash salary and fees (\$)	Cash bonus (\$)	Non-monetary benefits (\$)	Superannuation (\$)	Long-term bonus (\$)	Termination payments (\$)	Options (\$)		
Executive director									
Mr A Van Der Zwan	150,000	-	-	13,500	-	-	-	163,500	Nil
Non-executive directors									
Mr A Pietrzak	50,000	-	-	4,500	-	-	-	54,500	Nil
Mr S Turner	86,000	-	-	7,740	-	-	-	93,740	Nil
Mr N Fammartino	-	1,000	-	-	-	-	-	1,000	Nil
2012 Total	286,000	1,000	-	25,740	-	-	-	312,740	Nil
Executive director									
Mr K Weston	58,077	-	-	5,227	-	-	-	63,304	Nil
Mr A Van Der Zwan	88,847	-	-	6,510	-	-	-	95,357	Nil
Non-executive directors									
Mr A Pietrzak	50,000	-	-	4,500	-	-	-	54,500	Nil
Mr S Turner	96,891	-	-	8,640	-	-	-	105,531	Nil
Mr A Van Der Zwan	19,359	-	-	2,242	-	-	-	21,601	Nil
2013 Total	313,174	-	-	27,119	-	-	-	340,293	Nil

(c) Service agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a service agreement. The major provisions of the agreements relating to remuneration are set out below:

Name	Base salary	Term of agreement	Notice period
Mr K Weston	120,000	One Year	One Month
Mr A Van Der Zwan	40,000	Rotation per Corporations Act 2001	Nil
Mr A Pietrzak	50,000	Rotation per Corporations Act 2001	Nil
Mr S Turner - Director	50,000	Rotation per Corporations Act 2001	Nil
Mr S Turner - Secretary	50,000	No fixed term	Nil

(d) Share based remuneration

During the year, there was no share based remuneration paid or outstanding.

End of audited remuneration report.

Environmental legislation

The Group's projects are subject to environmental regulation under laws of the Commonwealth and States and Territories in Australia, specifically the Group is required to comply with terms of the grant of the tenement and all directions given to it under those terms of the tenement which it holds. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agency during the period ended 30 June 2013.

Indemnities given and insurance premiums paid to auditors and officers

During the year, MRG Metals Ltd negotiated a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

Non-audit services

During the previous period, Grant Thornton Audit Pty Ltd, the Group's auditors, performed no other services in addition to their statutory audit duties.

Details of the amounts paid to the auditors of the Group, Grant Thornton Audit Pty Ltd, and its related practices for audit and non-audit services provided during the year are set out in note 16 to the Financial Statements.

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is included on page 20 of this financial report and forms part of this Directors' Report.

Proceedings of behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Signed in accordance with a resolution of the directors.



Albert Pietrzak
Chairman

30 September 2013

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Grant Thornton Audit Pty Ltd
ACN 130 913 594

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

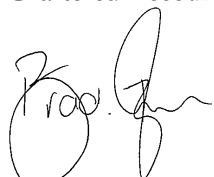
**Auditor's Independence Declaration
To the Directors of MRG Metals Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of MRG Metals Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

no contraventions of any applicable code of professional conduct in relation to the audit.


GRANT THORNTON AUDIT PTY LTD
Chartered Accountants


Brad Taylor
Partner - Audit & Assurance

Melbourne, 30 September 2013

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Corporate Governance Statement

This Corporate Governance Statement sets out the extent to which the Company's practices comply with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Recommendations (**Recommendations**). The Recommendations are not mandatory.

ASX Corporate Governance Council Recommendation	MRG policy	Compliance
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1: Companies should establish functions reserved to the board and those delegated to senior executives and disclose those functions	The Group's Corporate Governance framework includes a Board Charter, which details the specific responsibilities of the Board and identifies those areas of authority delegated to senior executives.	Complies
Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives	The Board will set performance criteria to review the performance of senior management.	Complies
Recommendation 1.3: Companies should provide the information indicated in the Guide to reporting on Principle 1	The Board Charter is available on the Group's website.	Complies
Principle 2: Structure the board to add value		
Recommendation 2.1: A majority of the board should be independent directors	Three of the Group's four directors, being Albert Pietrzak, Andrew Van Der Zwan and Shane Turner, are independent directors.	Complies
Recommendation 2.2: The chair should be an independent director	Albert Pietrzak is the Chairman and is an independent director.	Complies
Recommendation 2.3: The roles of chair and chief executive officer should not be exercised by the same individual	Albert Pietrzak is the Chairman. Keith Weston is the Chief Executive Officer.	Complies
Recommendation 2.4: The board should establish a nomination committee	The Group does not currently have a nomination committee. Board appointments will be decided by the Board as a whole, taking into consideration the needs of the Group at the relevant time.	The Board does not consider it necessary given the size of the Group's current operations.
Recommendation 2.5: Companies should disclose the process for evaluating the performance of the board, its committees and individual directors	The Company Secretary plays an integral role in monitoring the conduct and activities of Board, ensuring the Board has an appropriate mix of skills and experience and reviewing individual director's performance. The Chief Executive Officer is responsible for reviewing the performance of the Company Secretary.	Complies

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ASX Corporate Governance Council Recommendation	MRG policy	Compliance
Recommendation 2.6: Companies should provide the information indicated in the Guide to reporting on Principle 2	This information, where relevant, has been disclosed in the Directors' Report.	Complies
Principle 3: Promote ethical and responsible decision making		
Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none"> - the practices necessary to maintain confidence in the company's integrity - the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders - the responsibility and accountability of individuals for reporting and investigating reports of unethical practices - trading in securities of the Company 	The Board has established a Code of Conduct as to the practices necessary to maintain confidence in the Group's integrity; practices necessary to take into account the Group's legal obligations and the reasonable expectations of shareholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. The Code of Conduct is available on the Group's website.	Complies
Recommendation 3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board and to assess annually both the objectives and progress in achieving them	The Group does not currently have a diversity policy. Once the Group has established its operations, it will develop a policy that complements its needs.	Board is committed to review and prepare appropriate Diversity policy.
Recommendation 3.3: Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them	The Group does not currently have a diversity policy. Once the Group has established its operations, it will develop a policy that complements its needs.	Board is committed to review and prepare appropriate Diversity policy.
Recommendation 3.4: Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board	None at present.	None at present due to the size of Group.
Recommendation 3.5: Companies should provide the information indicated in the Guide to reporting	The Code of Conduct and the diversity policy (once established) will be available on the Group's	Board is committed to review and prepare appropriate Diversity

ASX Corporate Governance Council Recommendation	MRG policy	Compliance
on Principle 3	website.	policy.
Principle 4: Safeguard integrity in financial reporting		
Recommendation 4.1: The board should establish an audit committee	The Group does not currently have an audit committee. The functions of this committee will be carried out by the whole Board. The Company Secretary has significant experience in financial and accounting matters and will be primarily responsible for monitoring and preparing the financial reports. External resources will be commissioned where necessary.	The Board does not consider it necessary given the size of the Group's current operations.
Recommendation 4.2: The audit committee should be structured so that it: <ul style="list-style-type: none"> - consists only of non-executive directors - consists of a majority of independent directors - is chaired by an independent chair, who is not chair of the board - has at least 3 members 	Refer to comments in 4.1 above.	Refer to comments in 4.1 above.
Recommendation 4.3: The audit committee should have a formal charter	Refer to comments in 4.1 above.	Refer to comments in 4.1 above.
Recommendation 4.4: Companies should provide the information indicated in the Guide to reporting on Principle 4	Refer to comments in 4.1 above.	Refer to comments in 4.1 above.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	The Group has established a Continuous Disclosure Policy which applies to all directors and senior management.	Complies
Recommendation 5.2: Companies should provide the information indicated in the Guide to reporting on Principle 5	The Group's Continuous Disclosure Policy will be available on the Group's website.	Complies
Principle 6: Respect the rights of shareholders		
Recommendation 6.1: Companies should design a communications policy for promoting effective	The Group is committed to all shareholders and stakeholders having equal and timely access to	Complies

ASX Corporate Governance Council Recommendation	MRG policy	Compliance
communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy	material information regarding the operations and results of the Group. Where required, this information will be provided via the ASX. Otherwise, information will be made available on the Group's website.	
Recommendation 6.2: Companies should provide the information indicated in the Guide to reporting on Principle 6	The Group will provide an explanation of any departures (if any) from the best practice recommendations in Principle 6 in its future annual reports.	Complies
Principle 7: Recognise and manage risk		
Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies	Given the size of the Group's current operations, the Board has formed the view that a separate risk committee is not necessary. The Board itself monitors all areas of operational and financial risk and considers strategies for appropriate risk management arrangements on an ongoing basis. If considered necessary, external input will be sought to assess and counteract identified risks.	Complies
Recommendation 7.2: The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks	The Board will require that Keith Weston, as Managing Director and Chief Executive Officer, design and implement an appropriate risk management and internal control system and provide a report to the Board at the relevant time.	Complies
Recommendation 7.3: The board should disclose whether it has received assurance from the CEO and CFO that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks	The Board will seek this assurance from Keith Weston as Chief Executive Officer.	Complies
Recommendation 7.4: Companies should provide the information	The Group will provide an explanation of any departures (if	Complies

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ASX Corporate Governance Council Recommendation	MRG policy	Compliance
indicated in the Guide to reporting on Principle 7	any) from the best practice recommendations in Principle 7 in its future annual reports.	
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1: The board should establish a remuneration committee	The Group does not currently have a remuneration committee. . The Board is responsible for making recommendations regarding director and management remuneration packages.	The Board does not consider it necessary given the size of the Group's current operations
Recommendation 8.2: The remuneration committee should be structured so that it: <ul style="list-style-type: none"> - consists of a majority of independent directors - is chaired by an independent chair - has at least three members 	Refer to comments in 8.1 above.	Refer to comments in 8.1 above.
Recommendation 8.3: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives	The Board is aware of the need to ensure remuneration remains competitive and consistent with competitor companies and that remuneration reflects the performance of the Group over time. The directors performing an executive role are remunerated based on the scope of their responsibilities and the performance of the Group. Non-executive directors are paid fees as determined by shareholders. The Group will provide the requisite disclosure regarding executive remuneration policies in its annual report.	Complies
Recommendation 8.4: Companies should provide the information indicated in the Guide to reporting on Principle 8	The Group will provide an explanation of any departures (if any) from the best practice recommendations in Principle 8 in its future annual reports.	Complies

The Board actively monitors the Group's governance framework, related practices and overall culture.

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Statement of Financial Position

As of 30 June 2013

	Notes	Consolidated 2013 \$	Consolidated 2012 \$
Assets			
Current			
Cash and cash equivalents	8	3,110,575	4,362,737
Other receivables	7	116,295	44,436
Total current assets		<u>3,226,870</u>	<u>4,407,173</u>
Non-current			
Plant & Equipment	12	368	736
Exploration & Evaluation	13	8,665,546	2,089,540
Intangibles	14	2,043,500	-
Total non-current assets		<u>10,709,414</u>	<u>2,090,276</u>
Total assets		<u>13,936,284</u>	<u>6,497,449</u>
Liabilities			
Current			
Employee benefits	10	-	10,062
Trade and other payables	11	153,317	183,567
Total current liabilities		<u>153,317</u>	<u>193,629</u>
Total liabilities		<u>153,317</u>	<u>193,629</u>
Net assets		<u>13,782,967</u>	<u>6,303,820</u>
Equity			
Share capital	9	15,934,536	7,384,536
Retained earnings		(2,151,569)	(1,080,716)
Total equity		<u>13,782,967</u>	<u>6,303,820</u>

This statement should be read in conjunction with the notes to the financial statements.

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Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2013

	Notes	Consolidated 2013 \$	Consolidated 2012 \$
Revenue	5	182,654	298,117
Employee benefits expense	10	(330,231)	(317,086)
Administrative expenses		(475,854)	(376,708)
Exploration expenses		(447,422)	(368,379)
Loss before tax		(1,070,853)	(764,056)
Tax expense	15	-	-
Loss after tax		(1,070,853)	(764,056)
Other comprehensive income, net of tax		-	-
Total comprehensive losses		(1,070,853)	(764,056)
		Cents	Cents
Earnings per share	17		
Basic earnings per share			
Earnings from continuing operations		(1.21)	(0.87)
Diluted earnings per share			
Earnings from continuing operations		(1.21)	(0.87)

This statement should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

for the year ended 30 June 2013

	Share Capital \$	Retained earnings \$	Total equity \$
Balance at 30 June 2011	6,545,994	(316,660)	6,229,334
Other Comprehensive Income			
Loss after income tax expense for the period	-	(764,056)	(764,056)
Transactions with owners			
Issue of share capital	853,080	-	853,080
Less capital raising costs	(14,538)	-	(14,538)
Total transactions with owners	<u>838,542</u>	<u>-</u>	<u>838,542</u>
Balance at 30 June 2012	<u>7,384,536</u>	<u>(1,080,716)</u>	<u>6,303,820</u>
Balance at 30 June 2012	7,384,536	(1,080,716)	6,303,820
Other Comprehensive Income			
Loss after income tax expense for the period	-	(1,070,853)	(1,070,853)
Transactions with owners			
Issue of share capital	8,550,000	-	8,550,000
Less capital raising costs	-	-	-
Total transactions with owners	<u>8,550,000</u>	<u>-</u>	<u>8,550,000</u>
Balance at 30 June 2013	<u>15,934,536</u>	<u>(2,151,569)</u>	<u>13,782,967</u>

This statement should be read in conjunction with the notes to the financial statements.

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Statement of Cash Flows

for the year ended 30 June 2013

	Notes	Consolidated 2013 \$	Consolidated 2012 \$
Operating activities			
Interest received		114,279	298,117
Payments to suppliers and employees		(871,652)	(643,069)
Net cash from continuing operations		<u>(757,373)</u>	<u>(344,952)</u>
Net cash used in operating activities	18	<u>(757,373)</u>	<u>(344,952)</u>
Investing activities			
Payment for plant & equipment		-	(1,104)
Payment for exploration & evaluation		(494,789)	(874,840)
Net cash used in investing activities		<u>(494,789)</u>	<u>(875,944)</u>
Financing activities			
Proceeds from issue of share capital		-	453,080
Capital raising costs		-	(14,538)
Net cash from financing activities		<u>-</u>	<u>438,542</u>
Net change in cash and cash equivalents		(1,252,162)	(782,354)
Cash and cash equivalents, beginning of year		4,362,737	5,145,091
Cash and cash equivalents, end of year	8	<u>3,110,575</u>	<u>4,362,737</u>

This statement should be read in conjunction with the notes to the financial statements.

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Notes to the consolidated financial statements

1 Nature of operations

The activities of MRG Metals Ltd and its subsidiaries, MRG Metals (Australia) Pty Ltd and MRG Metals (Exploration) Pty Ltd are exploration and development of gold, base metals and other commodities within Australia.

2 General information and statement of compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

MRG Metals Ltd is the Group's ultimate parent company. MRG Metals Ltd is a public company incorporated and domiciled in Australia.

The consolidated financial statements for the year ended 30 June 2013 were approved and authorised for issue by the board of directors on 30 September 2013 (see note 26).

3 Changes in accounting policies

3.1 Overall considerations

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the Group.

3.2 New Accounting Standards and Interpretations not yet mandatory or early adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 Financial Instruments (December 2010)	1 January 2015	30 June 2016
AASB 10 Consolidated Financial Statements	1 January 2013	30 June 2014
AASB 11 Joint Arrangements	1 January 2013	30 June 2014
AASB 12 Disclosure of Interests in Other Entities	1 January 2013	30 June 2014
AASB 127 Separate Financial Statements	1 January 2013	30 June 2014
AASB 13 Fair Value Measurement	1 January 2013	30 June 2014

AASB 1053 Application of Tiers of Australian Accounting Standards	1 July 2013	30 June 2014
AASB 2010 – 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements		
AASB 2011 – 4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	1 July 2013	30 June 2014
AASB 2011 – 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards	1 January 2013	30 June 2014
AASB 119 Employee Benefits (September 2011)	1 January 2013	30 June 2014
AASB Interpretation 20 Stripping Costs in the Production Phase of Surface Mining	1 January 2013	30 June 2014
AASB 2012 – 2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013	30 June 2014
AASB 2012 – 3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	1 January 2014	30 June 2015
AASB 2012 – 4 Amendments to Australian Accounting Standards – Government Loans	1 January 2013	30 June 2014
AASB 2012 – 5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009 – 2011 Cycle	1 January 2013	30 June 2014
AASB 2012 - 6 Amendments to Australian Accounting Standards –Mandatory Effective Date of AASB 9 and Transition Disclosures	1 January 2013	30 June 2014
AASB 2012 - 9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039	1 January 2013	30 June 2014

4 Summary of accounting policies

4.1 Overall considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The consolidated financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

4.2 Presentation of financial statements

AASB 101 requires two comparative periods to be presented for the statement of financial position in certain circumstances.

4.3 Basis of consolidation

The Group financial statements consolidate those of the parent company and its subsidiary undertakings drawn up to 30 June 2013. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through more than half of the voting rights. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

4.4 Segment reporting

Operating segments are presented using the 'management approach', where information is presented on the same basis as the internal reports provided to chief operating decision makers, being the Board of Directors. The Board of Directors are responsible for the allocation of resource to operating segments and assessing their performance.

4.5 Revenue

Interest income is recognised on an accrual basis using the effective interest method.

4.6 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

4.7 Exploration and evaluation

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

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Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

A regular review for impairment is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

4.8 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.10 Other Receivables

Other receivables are recognised at amortised cost, less any impairment.

4.11 Trade Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short term nature they are measured at amortised cost and not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

4.12 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of MRG Metals Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

4.13 Equity

Share capital represents the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Retained earnings include all current and prior period retained profits.

4.14 Post employment benefits and short-term employee benefits

The Group provides post employment benefits through various defined contribution plans.

A defined contribution plan is a superannuation plan under which the Group pays fixed contributions into an independent entity. The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. The Group contributes to several plans and insurances for individual employees that are considered defined contribution plans. Contributions to the plans are recognised as an expense in the period that relevant employee services are received.

Short-term employee benefits, including annual leave entitlement, are current liabilities included in 'employee benefits', measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

4.15 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

4.16 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

4.17 Significant management judgement in applying accounting policies

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Estimation uncertainty

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Exploration and evaluation assets

At each reporting date, the directors review the carrying amount of each area of interest, with reference to the indicators of impairment outlined in AASB 6 Exploration for and Evaluation of Mineral Resources. No indicators of impairment were noted in the current period.

Tax Losses

The Group has not recognised a deferred tax asset with regard to unused tax losses and other temporary differences, as it has not been determined whether the Company will generate sufficient taxable income against which the unused tax losses and other temporary differences can be utilised in the foreseeable future.

Share based payments

The Group measures the cost of share based payments at fair value at the issue date.

4.18 Other intangible assets

Recognition of other intangible assets

Acquired intangible assets

The acquired Technical Services Agreement is capitalised on the basis of the costs incurred to acquire.

Subsequent measurement

All intangible assets, including the acquired Technical Services Agreement, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 4.19. The following useful lives are applied:

- Technical Services Agreement – 2 years

Amortisation has been included within depreciation, amortisation and impairment of non-financial assets.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

4.19 Impairment testing of goodwill, other intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

5 Revenue

	Consolidated 2013	Consolidated 2012
	\$	\$
Interest	182,654	298,117
	<u>182,654</u>	<u>298,117</u>

6 Segment reporting

The Group is organised into one operating segment, which is the exploration and development of Gold, base metals and other commodities within Australia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources.

7 Other receivables

	Consolidated 2013	Consolidated 2012
	\$	\$
GST receivables	35,195	44,436
Accrued Interest	68,375	-
Prepayments	12,725	-
Other receivables	<u>116,295</u>	<u>44,436</u>

The receivables noted above are not impaired nor past due.

8 Cash and cash equivalents

Cash and cash equivalents include the following components:

	Consolidated 2013	Consolidated 2012
	\$	\$
Cash at bank and in hand:		
AUD	44,603	3,552,737
Short term deposits (AUD)	3,065,972	810,000
Cash and cash equivalents	<u>3,110,575</u>	<u>4,362,737</u>

The effective interest rate on short-term bank deposits is 4.70%; these deposits have an average maturity of 180 days.

9 Equity
9.1 Share capital

The share capital of MRG Metals Ltd consists of fully paid ordinary shares and options, the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of MRG Metals Ltd.

Date Issued	Details	Quantity	Consolidated 2012 \$
	SHARES		
	Total at 30 June 2011	86,116,000	6,545,994
	Shares issued and fully paid:		
4 July 2011	Issued to Tenement Vendors at \$0.20	1,000,000	200,000
26 July 2011	Issued to Tenement Vendors at \$0.20	1,000,000	200,000
9 November 2011	Issued from options conversion at \$0.25	50,000	12,500
	Total issued shares at 30 June 2012	<u>88,166,000</u>	<u>6,958,494</u>
	OPTIONS		
	Total at 30 June 2011	-	-
	Options issued:		
28 September 2011	Issued to public at \$0.01	44,057,993	440,580
9 November 2011	Options conversion	<u>(50,000)</u>	<u>-</u>
	Total issued options at 30 June 2012	44,007,993	440,580
	Less costs of capital raising for above items		<u>(14,538)</u>
	Total issued options at 30 June 2012	<u>44,007,993</u>	<u>426,042</u>
	SHARE CAPITAL		<u>7,384,536</u>
Date Issued	Details	Quantity	Consolidated 2013 \$
	SHARES		
	Total at 30 June 2012	88,166,000	6,958,494
	Shares issued and fully paid:		
28 June 2013	Issued to Sasak Resources Vendors	<u>45,000,000</u>	<u>8,550,000</u>
	Total share capital at 30 June 2013	<u>133,166,000</u>	<u>15,508,494</u>
	OPTIONS		
	Total at 30 June 2012	44,007,993	426,042
	Options issued:	-	-
	Total issued options at 30 June 2013	<u>44,007,993</u>	<u>426,042</u>
	SHARE CAPITAL		<u>15,934,536</u>

9.2 Dividends

No dividends were declared or paid during the year. There are no franking credits outstanding at period end.

10 Employee remuneration

10.1 Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	Consolidated 2013	Consolidated 2012
	\$	\$
Salaries and fees	303,112	291,346
Defined Contribution Superannuation	27,119	25,740
Employee benefits expense	<u>330,231</u>	<u>317,086</u>

10.2 Employee benefits

The liabilities recognised for employee benefits in the statement of financial position consist of the following amounts:

	Consolidated 2013	Consolidated 2012
	\$	\$
Current:		
- Other short term employee obligations	-	10,062
	<u>-</u>	<u>10,062</u>

The current portion of these liabilities represents the Group's obligations to its current employees that are expected to be settled during 2013. Other short-term employee obligations arise from accrued annual leave entitlement at the reporting date.

11 Trade and other payables

Trade and other payables recognised in the statement of financial position can be analysed as follows:

	Consolidated 2013	Consolidated 2012
	\$	\$
Current		
- Trade payables	49,797	139,941
- Tenement acquisition payable	50,000	-
- Other payables and accrued expenses	53,520	43,626
	<u>153,317</u>	<u>183,567</u>

12 Plant and equipment

	Consolidated 2013	Consolidated 2012
	\$	\$
Plant & Equipment	1,104	1,104
Accumulated Depreciation	(736)	(368)
	<u>368</u>	<u>736</u>

13 Exploration and evaluation assets

	Consolidated 2012
	\$
Cost as at 30 June 2011	1,146,623
Additions:	
Kalgoorlie East - tenement acquisition costs	220,000
Collie South - tenement acquisition costs	250,000
Fraser Range - tenement acquisition costs	13,700
Other exploration costs	791,140
Disposals:	
Mulgul	(22,435)
Diorite/Bellchambers	(65,513)
Braemore Battery	(243,975)
Cost as at 30 June 2012	<u>2,089,540</u>
	Consolidated 2013
	\$
Cost as at 30 June 2012	2,089,540
Additions:	
Kalgoorlie East - tenement acquisition costs	57,148
Collie South - tenement acquisition costs	75,000
Sasak Resources – tenement acquisition costs	6,506,500
Fraser Range - tenement acquisition costs	7,205
Other exploration costs	405,436
Disposals:	
Collie South	(475,283)
Cost as at 30 June 2013	<u>8,665,546</u>

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

14 Intangibles

The acquisition of Sasak Resources required the issue of 45,000,000 ordinary shares. The market value of the shares at 26 June 2013, being date transaction was approved at a General Meeting, was \$0.19. Hence, total consideration was \$8,550,000. The value per the Independent Geologist Report for the tenements acquired was \$6,506,500. The balance of consideration of \$2,043,500 was attributed to the access to the data mining software of Sasak Technical.

	Consolidated 2013	Consolidated 2012
	\$	\$
Intangibles	2,043,500	-
	<u>2,043,500</u>	<u>-</u>

15 Income tax expense

The relationship between the expected tax expense based on the tax rate of MRG Metals Ltd and the reported tax expense in profit or loss can be reconciled as follows, also showing major components of tax expenses:

	Consolidated 2013 \$	Consolidated 2012 \$
Profit/(loss) before tax	(1,070,853)	(764,056)
Expected tax expense/(benefit) @ 30%	(321,256)	(229,217)
Adjustment for non-deductible expenses:		
- Movement in accruals	5,256	-
- Movement in provisions	(3,019)	1,603
- Incorporation expenses	-	(338)
- Exploration and evaluation expenses	(102,811)	(210,473)
Adjustment for non-assessable income:		
- Movement in other receivables	(20,512)	-
	(442,342)	(438,425)
Current period tax loss not recognised	442,342	438,425
Deferred tax expense:		
- Temporary differences	(121,086)	(209,208)
- Unused tax losses	442,342	438,425
Deferred tax assets not recognised	321,256	229,217

The above potential tax benefit has not be recognised as the recovery is uncertain.

The carry forward tax loss at 30 June 2013 was \$3,235,300.

The taxation benefit of tax losses and temporary differences not brought to account will only be obtained if:

- the Group derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no change in tax legislation adversely affects the Group in realising the benefits from deducting the tax losses.

16 Auditor remuneration

	Consolidated 2013 \$	Consolidated 2012 \$
Audit services		
Auditors of MRG Metals Ltd – Grant Thornton		
- Audit of the financial report	39,500	34,000
Audit services remuneration	39,500	34,000
Other services		
Total other service remuneration	-	-
Total Auditor's remuneration	39,500	34,000

17 Earnings per share

The weighted average number of shares for the purposes of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Consolidated 2013 \$	Consolidated 2012 \$
Loss after income tax	(1,070,853)	(764,056)
Weighted average number of shares used in basic earnings per share	88,535,863	88,071,601
Weighted average number of shares used in diluted earnings per share	<u>88,535,863</u>	<u>88,071,601</u>
Earnings Per Share	(1.21) cents	(0.87) cents
Diluted Earnings Per Share	(1.21) cents	(0.87) cents

The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for the inclusion in AASB 133 "Earnings per Share". The rights to options are non-dilutive as the Group is loss generating.

18 Reconciliation of cash flows from operating activities

	Consolidated 2013 \$	Consolidated 2012 \$
Cash flows from operating activities		
Loss after income tax expense for the year	(1,070,853)	(764,056)
Cash flows excluded from loss attributable to operating activities		
Non cash flows in loss:		
Depreciation	368	368
Write off deferred exploration and evaluation expenditure	304,889	331,923
Change in other employee obligations	(10,062)	5,345
Change in other assets and liabilities:		
(Increase)/decrease in trade and other receivables	(59,134)	5,268
(Increase)/decrease in other assets and prepayments	(12,725)	42,666
(Increase)/decrease trade and other payables	90,144	33,534
Net cash from operating activities	<u>(757,373)</u>	<u>(344,952)</u>

19 Related party transactions

The Parent entity is MRG Metals Ltd.

MRG Metals Ltd owns 100% of the shares of MRG Metals (Australia) Pty Ltd.

MRG Metals Ltd owns 100% of the shares of MRG Metals (Exploration) Pty Ltd.

MRG Metals (Australia) Pty Ltd and MRG (Exploration) own the mining tenements and have no other Assets or Liabilities.

The Group's related parties include its key management and others as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

19.1 Transactions with related parties

The following transactions occurred with related parties:

Payment for goods and services:

The Company has entered into an agreement with Calatos Pty Ltd in relation to consulting fees for services relating to marketing, dealing with shareholders and capital raising. The fees payable are \$120,000 per annum. At the time of entering into the agreement, Mr Bruce McFarlane, a shareholder of Calatos Pty Ltd, held a controlling interest in MRG Metals Ltd.

The Group used the accounting services of RSM Bird Cameron, an entity associated with Mr. Turner. The amounts billed were based on normal market rates and amounted to \$40,800 (2012 \$31,500).

Receivable from and payable to related parties

There were no trade receivable from or trade payables to related parties.

Loans to/from related parties

There were no loans to or from related parties at the reporting date.

Terms and conditions

All transactions are made on normal commercial terms and conditions and at market rates.

19.2 Transactions with key management personnel

Key management of the Group are the Board of Directors. Key management personnel remuneration is set out in the Remuneration Report in the Director's Report.

19.3 Equity instruments held by KMP

The number of shares in the Company by each of the key management personnel of the Group, including their related parties are set out below:

Year ended 30 June 2012

	Balance at start of year	Additions	Received on exercise	Other changes	Held at the end of the reporting period
Van Der Zwan	2,160,000	-	-	-	2,160,000
Pietrzak	2,130,000	-	-	-	2,130,000
Turner	1,470,000	-	-	-	1,470,000
	<u>5,760,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,760,000</u>

Year ended 30 June 2013

	Balance at start of year	Additions	Received on exercise	Other changes	Held at the end of the reporting period
Weston	-	100,000	-	-	100,000
Van Der Zwan	2,160,000	120,000	-	-	2,280,000
Pietrzak	2,130,000	50,000	-	-	2,180,000
Turner	1,470,000	61,600	-	-	1,531,600
	5,760,000	331,600	-	-	6,091,600

The number of options in the Company by each of the key management personnel of the Group, including their related parties are set out below:

Year ended 30 June 2012

	Balance at start of year	Additions	Deleted on exercise	Other changes	Held at the end of the reporting period
Van Der Zwan	-	1,080,000	-	-	1,080,000
Pietrzak	-	1,065,000	-	-	1,065,000
Turner	-	735,000	-	-	735,000
	-	2,880,000	-	-	2,880,000

Year ended 30 June 2013

	Balance at start of year	Additions	Deleted on exercise	Other changes	Held at the end of the reporting period
Weston	-	-	-	-	-
Van Der Zwan	1,080,000	-	-	-	1,080,000
Pietrzak	1,065,000	-	-	-	1,065,000
Turner	735,000	-	-	-	735,000
	2,880,000	-	-	-	2,880,000

20 Contingent assets and contingent liabilities

The Group has no contingent assets as 30 June 2013.

With reference to Note 14, the Group has identified potential stamp duty implications associated with the acquisition of Sasak Resources. The Group has made a submission to the WA Office of State Revenue to determine whether any stamp duty is payable on the acquisition of Sasak Resources WA tenements. An assessment is yet to be received in relation to this transaction. However, the Directors estimate that if stamp duty is assessable, the liability will approximate \$300,000.

21 Commitments for expenditure

	2013	2012
	\$	\$
Exploration and evaluation: Within 12 months	1,046,880	344,000
	1,046,880	344,000

Exploration and evaluation:

In order to maintain current rights of tenure to exploration tenements, the Group is required to outlay rentals and to meet the minimum expenditure requirements of the State Mine Departments. Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided in the accounts and are payable.

22 Financial instrument risk

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The main types of risks are market risk (including interest rate risk), credit risk and liquidity risk.

The Group's risk management is carried out by the board of directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets.

The Group does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

22.1 Foreign currency sensitivity

To date, all of the Group's transactions have been carried out in Australian Dollars.

22.2 Interest rate sensitivity

The Group's only exposure to interest rate risk is in relation to deposits held. Deposits are held with reputable banking financial institutions.

At 30 June 2013, there was \$3,000,000 on deposit at 4.70% and \$65,972 on deposit at 4.60% (Note 8).

An increase/decrease by 30% or 1.41 basis points would have a favourable/adverse effect on profit for the year of \$43,230. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

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22.3 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to minimal credit risk as its only exposure is to interest receivable and GST refunds.

22.4 Liquidity risk analysis

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring actual and forecast cash inflows and outflows due in day-to-day business.

The Group's working capital, being current assets less current liabilities, at 30 June 2013 was \$3,123,553. Based on this, the directors are satisfied the Group will have sufficient funds to pay its debts as and when they fall due.

As at 30 June, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Current		Non current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
30 June 2012	\$	\$	\$	\$
Trade and other payables	183,567	-	-	-
Total	183,567	-	-	-

	Current		Non current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
30 June 2013	\$	\$	\$	\$
Trade and other payables	103,317	-	-	-
Total	103,317	-	-	-

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date. Unless otherwise stated, the carrying amounts of financial instruments reflect their fair values due to their short term nature.

23 Capital risk management

The Group's objectives when managing capital is to ensure the Group's ability to continue as a going concern so that it can provide an adequate return to shareholders.

The Group would look to raise capital when an opportunity to invest in a business, company or tenement is seen as value adding.

24 Post-reporting date events

Since the end of the year the following significant events have occurred:

There are no other events occurring since the end of the year that have, or may, significantly affect the Group's operations, results of those operations or the state of affairs of the Group.

25 Parent entity information

Information relating to MRG Metals Ltd (‘the parent entity’)

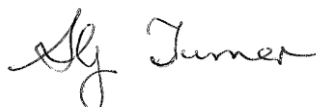
	2013	2012
	\$	\$
Statement of financial position		
Current assets	3,226,870	4,407,173
Total assets	13,936,284	6,497,449
Current liabilities	153,317	193,629
Total liabilities	153,317	193,629
Issued capital	15,934,536	7,384,536
Retained earnings	(2,151,569)	(1,080,716)
	<u>13,782,967</u>	<u>6,303,820</u>
Statement of comprehensive income		
Profit/(loss) for the period	(1,070,853)	(764,056)
Total comprehensive income	<u>(1,070,853)</u>	<u>(764,056)</u>

26 Authorisation of financial statements

The consolidated financial statements for the year ended 30 June 2013 were approved by the board of directors on 30 September 2013.



Albert Pietrzak
 Chairman



Shane Turner
 Director/Secretary

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Directors' declaration

1. In the opinion of the directors of MRG Metals Ltd:
 - a the consolidated financial statements and notes of MRG Metals Ltd are in accordance with the Corporations Act 2001, including
 - i giving a true and fair view of its financial position as at 30 June 2013 and of its performance for the financial period ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b there are reasonable grounds to believe that MRG Metals Ltd will be able to pay its debts as and when they become due and payable.
2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial period ended 30 June 2013.
3. The consolidated financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated at Melbourne, the 30th day of September 2013



Albert Pietrzak

Director

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Grant Thornton Audit Pty Ltd
ACN 130 913 594

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report To the Members of MRG Metals Limited

Report on the financial report

We have audited the accompanying financial report of MRG Metals Limited (the "Entity"), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit and loss statement and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Entity and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Electronic presentation of audited financial report

This auditor's report relates to the financial report of MRG Metals Limited and controlled entities for the year ended 30 June 2013 included on MRG Metals Limited's web site. The Entity's Directors are responsible for the integrity of MRG Metals Limited's web site. We have not been engaged to report on the integrity of MRG Metals Limited's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- a the financial report of MRG Metals Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 16 to 18 of the directors' report for the year ended 30 June 2013. The Directors of the Entity are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



Auditor's opinion on the remuneration report

In our opinion, the remuneration report of MRG Metals Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Brad Taylor
Partner - Audit & Assurance

Melbourne, 30 September 2013

In our opinion, the remuneration report of MRG Metals Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

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ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at 18 September 2013.

Substantial Shareholders

The number of substantial shareholders and their associates are set out below:

Shareholder	Number of Shares
Ottawa Resources P/L	13,007,000
Lograr Investments P/L	12,249,900
El Gaia Holdings P/L	12,249,900
Jolanza P/L	12,249,900
Julian Bavin Holdings P/L	8,250,300

Voting Rights

Ordinary shares On show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote

Options No voting rights

Holding	Shareholders
1 – 1,000	5
1,001 – 5,000	22
5,001 – 10,000	94
10,001 – 100,000	149
100,000 and over	115
	<hr/> 385 <hr/>

There were 9 holders of less than a marketable parcel of ordinary shares.

	Ordinary Shares	
Twenty largest quoted shareholders	Number Held	%of quoted shares
Ottawa Resources P/L	10,764,000	12.21
J Powell	3,100,000	3.52
Bigson P/L	2,560,000	2.90
G & C Hedt P/L	2,310,000	2.62
Gulf Country Investments P/L	2,250,000	2.55
B McFarlane & J Charlwood	2,243,000	2.54
Lifestyle Connections P/L	2,100,000	2.38
L, H & T Knight	2,070,000	2.35
Minico P/L	2,000,000	2.27
M Bolton	2,000,000	2.27
K Van Der Zwan	1,930,000	2.19
N Fammartino	1,760,000	2.00
HSBC Custody Nominees (Australia) Ltd	1,639,500	1.86
UBS Wealth Management Australia Nominees P/L	1,534,000	1.74
TRR Investments P/L	1,410,000	1.60
Tigerland Investments P/L	1,400,000	1.59
RL Staggard & DL Berry	1,380,000	1.57

MRG Metals Ltd
Consolidated Financial Statements
30 June 2013

Rylet P/L	1,380,000	1.57
33rd Infinity P/L	1,280,000	1.45
S Popovic	1,280,000	1.45
	46,390,500	52.62

Restricted equity securities

The following securities are subject to escrow:

- 15,000,000	Escrowed until 28 June 2014
- 15,000,000	Escrowed until 28 June 2015
- 15,000,000	Escrowed until 28 June 2016

Securities exchange

The Company is listed on the Australian Securities Exchange and shares are quoted under the code MRQ.

Twenty largest quoted optionholders	Number Held	Options %of quoted options
Ottawa Resources P/L	5,392,000	12.25
J Powell	1,404,500	3.19
G & C Hedt P/L	1,280,000	2.91
Gulf Country Investments P/L	1,200,000	2.73
HSBC Custody Nominees (Australia) Ltd	1,154,750	2.62
RL Staggard & DL Berry	1,150,000	2.61
Life-Style Connections P/L	1,050,000	2.39
L, H & T Knight	1,035,000	2.35
Minico P/L	1,000,000	2.27
K Van Der Zwan	965,000	2.19
Rylet P/L	940,000	2.14
N Fammartino	880,000	2.00
Bigson P/L	880,000	2.00
Tigerland Investments P/L	700,000	1.59
Sage Administration P/L	695,000	1.58
TRR Investments P/L	690,000	1.57
A & J Turner P/L	640,000	1.45
33rd Infinity P/L	640,000	1.45
S Popovic	640,000	1.45
Notemarl P/L	640,000	1.45
	22,976,250	52.21

Securities exchange

The Company is listed on the Australian Securities Exchange and options are quoted under the code MRQO.

Tenements

The Tenements held by the Company at reporting date are as follows:

Project	Tenement	% Owned
Xanadu	P52/1366	100
Xanadu	P52/1367	100
Xanadu	P52/1368	100
Xanadu	P52/1369	100
Xanadu	P52/1372	100
Xanadu	P52/1373	100
Xanadu	P52/1374	100
Xanadu	P52/1375	100
Xanadu	P52/1376	100
Xanadu	P52/1377	100
Xanadu	P52/1378	100
Xanadu	P52/1379	100
Xanadu	P52/1380	100
Xanadu	P52/1381	100
Kalgoorlie East	P26/3693	100
Kalgoorlie East	P26/3694	100
Kalgoorlie East	P26/3596	100
Kalgoorlie East	P26/3597	100
Kalgoorlie East	P26/3598	100
Kalgoorlie East	P26/3599	100
Kalgoorlie East	P26/3600	100
Kalgoorlie East	P26/3601	100
Kalgoorlie East	P26/3602	100
Kalgoorlie East	P26/3603	100
Kalgoorlie East	P26/3604	100
Kalgoorlie East	P26/3605	100
Kalgoorlie East	P26/3606	100
Kalgoorlie East	P25/1984	100
Kalgoorlie East	P25/1985	100
Collie South	E70/3331	30
Braemore	P37/7765	100
Braemore	P37/7766	100
Braemore	P37/7767	100
Braemore	P37/7768	100
Braemore	P37/7769	100
Braemore	P37/7770	100
Braemore	P37/7771	100
East Yilgarn	E38/2541	100
East Yilgarn	E38/2543	100
East Yilgarn	E38/2544	100
East Yilgarn	E38/2547	100

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East Yilgarn	E38/2548	100
East Yilgarn	E38/2549	100
East Yilgarn	E38/2550	100
East Yilgarn	E38/2551	100
East Yilgarn	E38/2553	100
East Yilgarn	E38/2555	100
East Yilgarn	E38/2556	100
East Yilgarn	E38/2557	100
East Yilgarn	E38/2561	100
East Yilgarn	E38/2773	100
East Yilgarn	E38/1616	100
Davenport Downs	EPM19306	100

Corporate Directory

Directors & Secretary

Albert Pietrzak

Non Executive Chairman

Keith Weston

Managing Director and Chief Executive Officer

Andrew Van Der Zwan

Non Executive Director

Christopher Gregory

Non Executive Director

Shane Turner

Non Executive Director and Company Secretary

Principal place of business

Level 8, 350 Collins Street, Melbourne VIC 3000

Telephone: +61 3 9642 8575 Fax: +61 3 96425662

Email: info@mrgmetals.com.au

www.mrgmetals.com.au

Registered office

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

PO Box 237, Ballarat VIC 3353

Telephone: +61 3 5330 5800 Fax: +61 3 5333 1667

Corporate accountant and Registered ASIC Agent

RSM Bird Cameron

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

PO Box 685, Ballarat VIC 3353

Telephone: +61 3 5330 5800 Fax: +61 3 5333 1667

www.rsmi.com.au

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Solicitors

K & L Gates

Level 25, 525 Collins Street, Melbourne VIC 3000

Telephone: +61 3 9205 2000 Fax: +61 3 9205 2055

www.klgates.com

Share Registry

Link Market Services Limited

Ground Floor, 178 St Georges Terrace, Perth WA 6000

Telephone: 1300 554 474

Auditor

Grant Thornton Audit Pty Ltd

Level 30, 525 Collins Street, Melbourne Vic 3000

Telephone (office): +61 3 8663 6000 Fax: +61 3 8663 6333

Email: brad.taylor@au.gt.com

Website: www.grantthornton.com.au

Stock Exchange Listing

ASX Codes: MRQ , MRQO

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