YARDILLA PROJECT - OMMANEY FOLLOW UP RC DRILLING

- **Drilling contracts and site clearances are now finalised.**
  - **Drill crew mobilisation on March 26**
  - **Drilling to commence on or about March 27**
  - **Drill program anticipated to take 2-3 weeks.**
  - **Assay results an additional 2-3 weeks.**
- **A 7 hole RC drilling program will follow up the intense alteration zone intersected in YRDH-003A.**
- **Main aims of the follow up drilling are to drill below (down dip) and along strike of YRDH-003A to test the NE and SW continuity of the alteration system and to vector to high grade gold mineralisation.**
- **Multi-element assay classification using Sasak's AGLADS (Archean Gold Lode Alteration Detection System) playing a crucial role in targeting and planning holes at Ommaney.**

MRG has finalised a drilling program designed to follow-up on the alteration system intersected in YRDH-003A in December 2016, and plans to commence RC drilling at Ommaney.

The program will comprise up to 7 holes designed to test:

1. The down-dip extent of the 30m wide, intense sericite-biotite (+ pyrite) alteration zone in YRDH-003A. Analysis of this alteration zone using Sasak's AGLADS classification indicated it is likely to be Proximal To Ore and a second intersection of the same zone will allow MRG to vector towards a deposit with much greater confidence.

2. The along strike extent of the same alteration zone, 500m to the NE and the SW of the intersection in YRDH-003A. Confirming the lateral extent of this alteration system is important in predicting the size of the potential deposit as well as understanding geochemical zonation across the prospect and vectoring towards the core of the system.

By integrating detailed structural analysis of diamond core from the 2016 drilling program with regional geophysics and analysis of surface multielement geochemistry by Sasak, MRG has developed an updated geological and exploration model of the Ommaney prospect that forms the basis for targeting future drillholes. With increased confidence in geological controls and orientations, the latest drilling program is designed as a cost-effective and efficient series of RC drillhole fences (200-250m deep holes), with provision to drill Diamond Drillhole tails on deeper holes if required (Figures 1, 2 & 3).

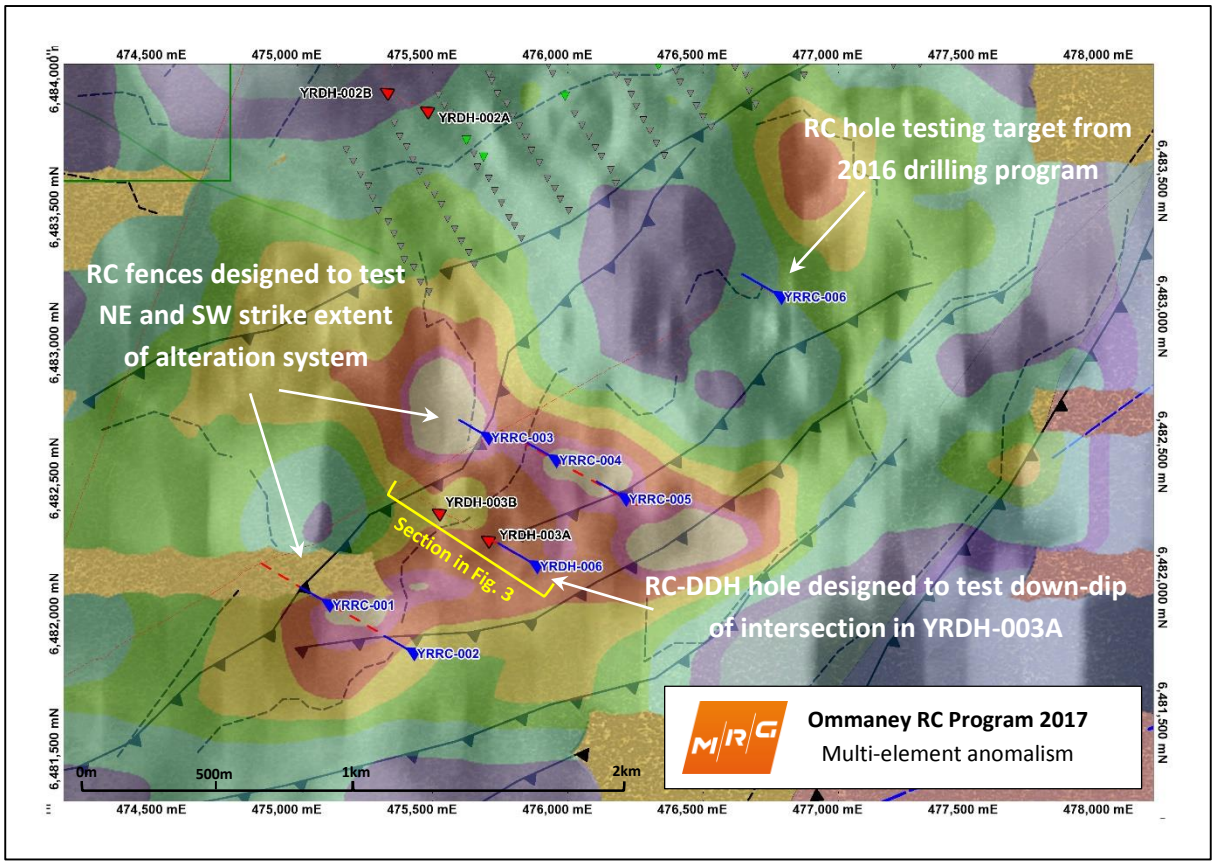

Figure 1. Map of the Ommaney prosect at Yardilla integrating structural interpretation of the geology with shaded interpolation of the results of Sasak Techonologies re-interpretation of surface multi-element anomalism. This analyis of surface multi-element geochemistry guided the initial targeting of hole YRDH003A, it has now been updated to include results of 2016 drilling. Planned RC Drillhole collars (blue) and the projected drillhole traces (300° azimuth) are shown with Diamond Drillholes from the 2016 program (including YRDH-003A) shown in red.

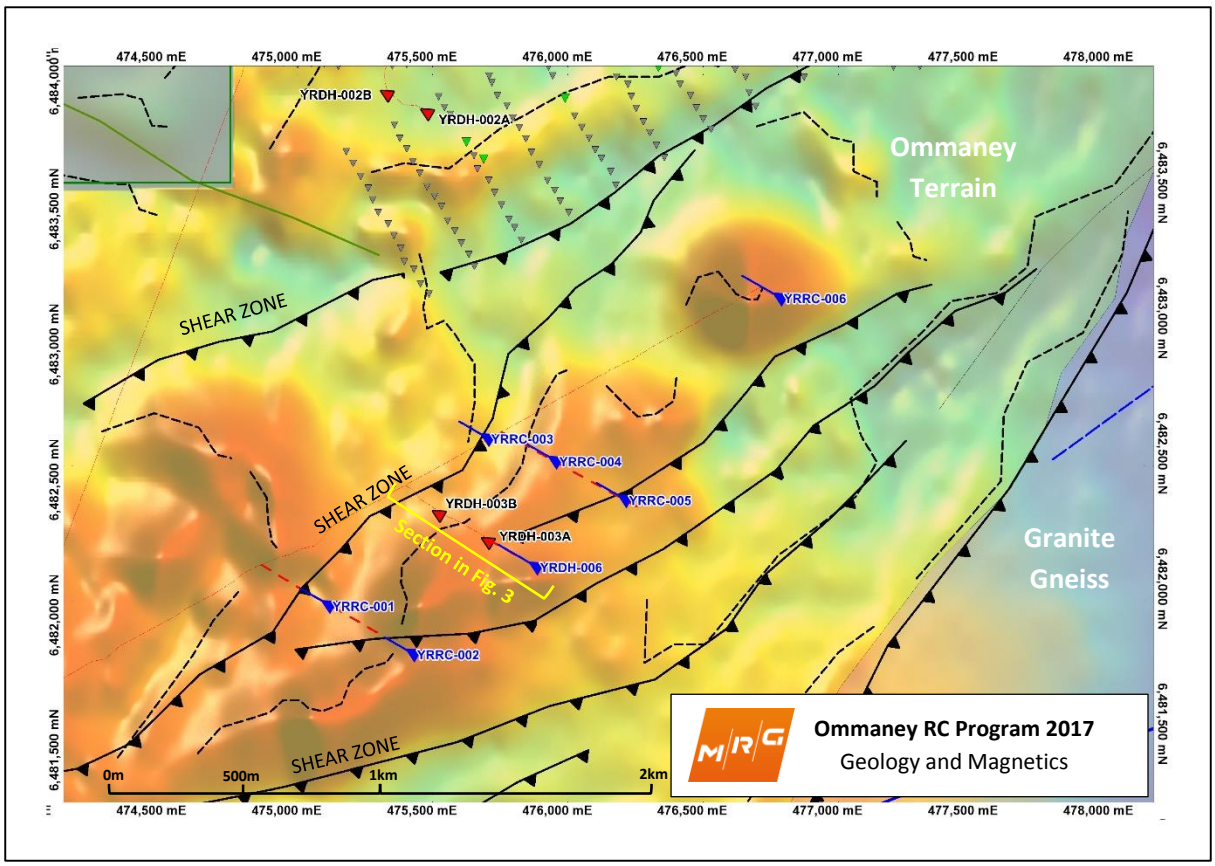

Figure 2. Map of the Ommaney prosect at Yardilla showing updated structural and geological model overlaid on aeromagnetic imgage. Key features of the prospect are the series of SE-dipping interpreted shear zones that cut through the deformed geniessic rocks, the geometry of which is defined by a folded linear magnetic trend in the data. Planned RC Drillhole collars and projected traces (blue) have been designed to test favourbale structural features of the prospect in addition to testing the multi-element anomaly defined by surface geochemistry. The area to the NW of the main local shear zone (at NW edge of planned drilling) has has yet to be tested by any previous drilling at Ommaney-Yardilla.

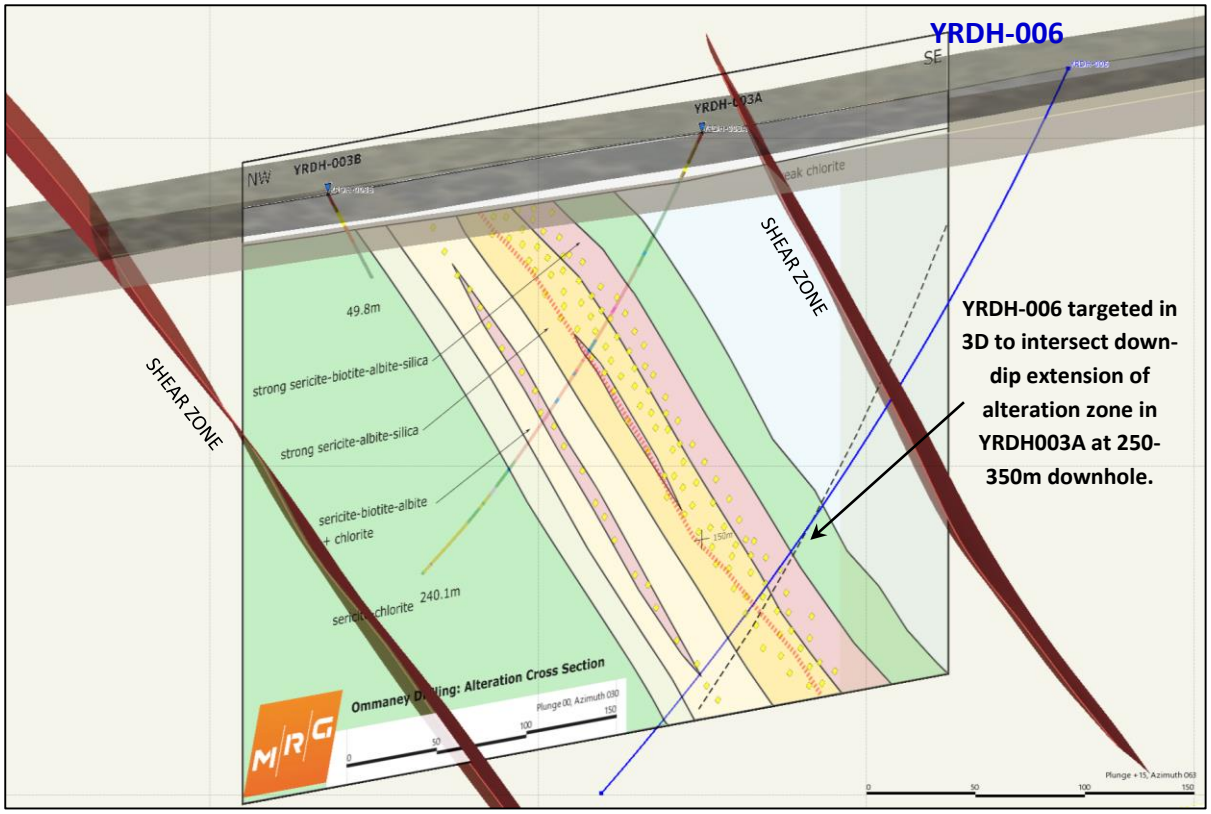

Figure 3. Interpreted cross-section (showing the alteration zoning) of YRDH-003A and YRDH-003B projected into 3D space using Leapfrog™ and integrated with structural modeling of shear zones from updated Ommaney-Yardilla geological map. The ground surface and base of paleochanell cover is also modeled and shown in this oblique view. Planned hole YRDH-006 is designed to intersect the Proximal-classified alteration zone at approximately 200m down-dip of the original intersection. In addition to testing for nearby gold mineralisation, comparison of the multi-element signature of the two intersections using Sasak's AGLADS system will allow MRG to vector the next stage of exploration towards the core of alteration/mineralisation.

MRG is now highly confident that it can accurately identify Ommaney-style alteration in RC drill chips by comparison of multi-element assays with the detailed multi-element signature of the intersection in hole YRDH-003A. Because of this, assays of the planned drilling will be a two-step process:

Stage 1: Composited 5m multi-element samples will be assayed (including gold) and analysed to detemine prospective intervals.

Stage 2: More detailed 1m samples will be assayed over prospective intervals defined in Stage 1 to accurately determine gold grades and to refine geochemical model.

Andrew Van Der Zwan , Non Executive Chairman, says " This drilling program is an exciting next step in our exploration approach utilising the Sasak technology and methodical interpretation of the Geology. Having achieved a degree of technical success, we now aim to leverage this approach to determine whether this signiciant alteration will prove to be mineralised. We expect it will take about 3 weeks to complete the drilling program and a further 2-3 weeks to receive assay results after that.

In addition we will shortly be providing an update on our QLD projects, including an outline of the surface programs required to follow up target areas generated from the VTEM survey. We already have one step-up drill target, which we are looking to drill in Q2, 2017 after Yardilla."

Andrew Van der Zwan
Chairman

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

Mr. McCormack is a consultant to the Company and has the relevant experience with the mineralisation reported on to qualify as a Competent Person as defined in the 2012 Edition of the " Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ". Mr. McCormack consents to the inclusion in the report of the matters based on the information in the form and context in which they appear.