



Market Update – Norrlieden VMS Project

On 19 April 2017 MRG Metals Ltd (“MRG”) announced that MRG and Mandalay Resources Corporation (“Mandalay”) entered into a Heads of Agreement for MRG to farm into the Norrlieden VMS Project in Sweden.

Fundamentals of the deal for MRG:

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

The transaction offers a win-win outcome for both MRG and Mandalay through an ability for Mandalay to claw-back the project on fair terms to MRG, should a major discovery be made.

At any time after establishing the Joint Venture and with an independent completed NI-43101 and compliant Feasibility Study, up till decision financing is raised to construct a mine, Mandalay can buy out MRG’s interest for MRG’s share of the unlevered NPV of the project as estimated in a NI-43-101 Feasibility Study report prepared by a third party consultant. All parties must unanimously agree to the independent consultant and the assumptions used in the Feasibility study.

Geology of the Norrlieden VMS Project was further explained in the 23 June 2017 announcement.

Surface Mineralisation discoveries were announced in the 27 July 2017 announcement.

An update regarding the upcoming drilling program is expected to be made shortly.

Andrew Van Der Zwan
Chairman