

## EXPLORATION UPDATE

### – LOONGANA DRILLING TO COMMENCE

#### **LOONGANA DRILLING**

– Exploration target 9 million ounces platinum group plus gold

– Part funded by WA Exploration Incentive Scheme

#### **BACKGROUND**

The Loongana Project is located east of Kalgoorlie, near the Trans Australia railway line. MRG holds two tenements that cover the majority of the Loongana Igneous Complex (Figure 1). The remainder of this Complex is held by Fortescue Metals Ltd. This Complex is a large layered mafic and ultramafic intrusive body that lies at depths ranging from 250 metres to 350 metres below the surface. It includes one of the strongest gravity residuals in Australia, with accompanying multifarious magnetic features.

As advised in the December 2014 Quarter report MRG proposes to drill two holes (Reverse Circulation followed by diamond tails) into PGE (Platinum Group Element) reef style target at Loongana.

During late 2014 the original drill core and RC chips generated by previous drilling were re-logged and the anomalous interval in hole LNDG001 drilled by Helix Resources Ltd was re-assayed. This worked largely confirmed the original deposit model promulgated by Helix Resources Ltd, of a stratiform reef-style PGE deposit similar to those currently mined in South Africa (Bushveld/Stillwater model).

Re-assaying of the anomalous PGE interval confirmed the original result of 0.72 metres 0.12g/t Palladium+Platinum from 272 metres down hole. These factors have technically de-risked the forthcoming drill program by confirming a valid geological target.

The magnetic image in Figure 2 shows the potential reef position across the southern part of the intrusion, which is separated into 4 segments by later faults. The red segments have a strong confidence that the stratigraphic position is equivalent to that drilled in LNDG001, the orange segment a moderate confidence that the stratigraphic position is equivalent to that in LNDG001.

In total there is an interpreted 11.45 km of strike of the reef structure. The exploration target, assuming the full strike length of 11.45km is mineralised, a 2m true width, a grade around 4 g/t Pt +Pd+Au+Rh and a down dip length of 1000m is a potential contained PGE plus Au endowment of nearly 9M oz.

MRG will collar a new drill hole approximately 200 metres north of LNDG001 to pierce the reef from above. A second step out hole to test strike extensions to the west is also planned.

Drilling is planned to commence as soon as The Program of Works submitted in early 2015 is approved.

Funding from the Department of Mines and Petroleum WA Co-funded Government - Industry Drilling Program of the Exploration Incentive Scheme ('EIS') will defray the cost of the program. Under the EIS, funds committed by MRG towards the approved drill programs will be matched by funds from the Western Australian Government, up to a maximum of \$108,000.

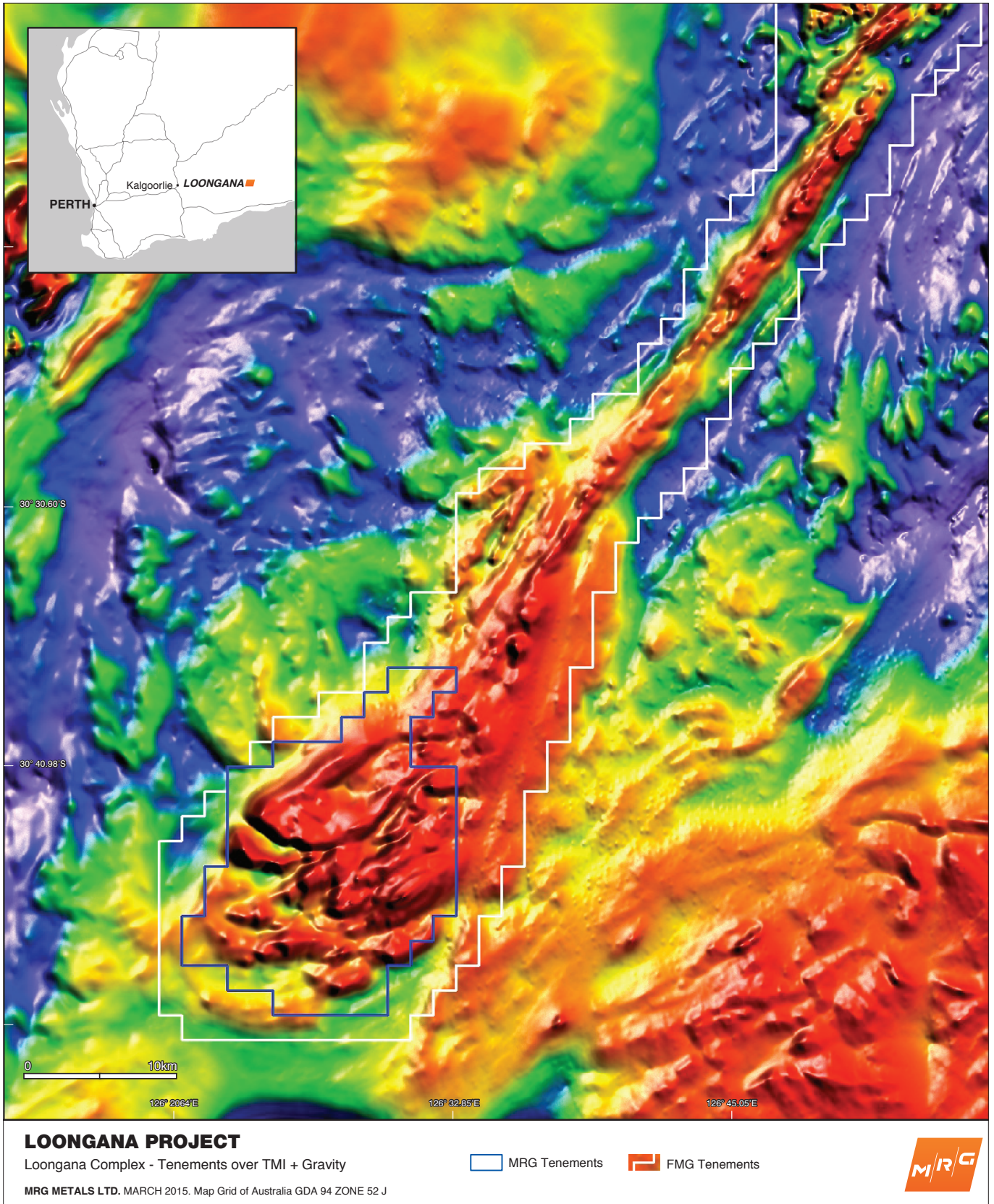


Figure 1. Loongana Complex - Tenements over TMI + Gravity.

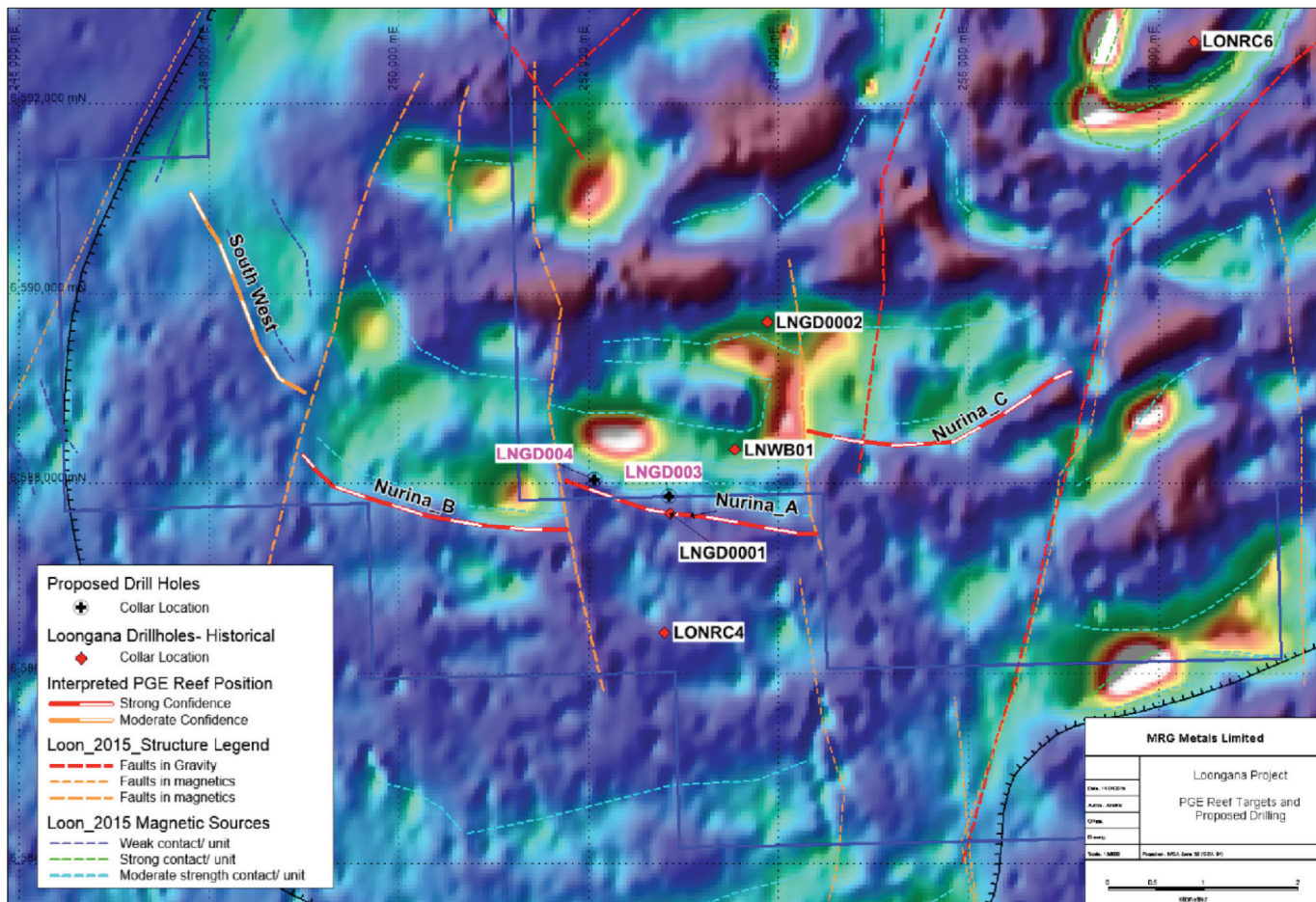


Figure 2. TMI Image of Southern Portion of the Loongana Complex Showing past drilling and position of prospective horizon.

**Keith Weston**  
Managing Director

The information in this summary report, as it relates to Exploration Results is based on information compiled and/or reviewed by Mr Keith Weston, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Mr Weston is an employee 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 Weston consents to the inclusion in the report of the matters based on the information in the form and context in which they appear.