Rock Chip Results Confirm Surface Mineralisation at Norrliden Södra

- **Norrliden Södra rock chip sampling completed in early July:**
  - **Assay results confirm poly-metallic (Pb-Zn-Ag-Au) mineralisation at surface.**
  - **Significant results include:**
    - **A24313: 1.08g/t Au, 18.9g/t Ag, 1040ppm Pb, 89ppm Zn,**
    - **A24314: 0.59g/t Au, 44.5g/t Ag, 6530ppm Pb, 9840ppm Zn.**
- **Follow-up exploration drilling to test surface mineralisation at depth:**
  - **All regulatory and stakeholder approvals anticipated to be received by mid-August for drilling to commence in September.**
  - **Joint Operating Committee has approved work program and budget.**

MRG Metals Limited (ASX: MRQ) ("MRG" or "the Company") is pleased to announce results from recent rock chip sampling from the Company's Norrliden Project located within the Skellefte Mining District of Northern Sweden (refer Figure 2).

A total of 14 rock chip samples (refer Figure 1) were collected from the Norrliden Södra prospect during June 2017 from sulphide-rich (mainly pyrite) mineralisation at surface. The samples collected included both outcropping mineralisation and also mullock dump samples from trenches completed during the early 1930's when the prospect was first discovered. The poly-metallic (Pb-Zn-Ag-Au) mineralisation is hosted within silica-sericite altered felsic to intermediate volcanic rocks and is similar to mineralisation located at the nearby (~200m NNE) Norrliden Norra deposit which contains an historic mineral resource estimate[1] of 1.497Mt @ 4.4% Zn, 0.8% Cu, 0.4% Pb, 0.8g/t Au, 59.9g/t Ag.

Figure 1: *Sulphide mineralisation (mostly pyrite) in outcropping rock at Norrliden Södra. June 2017.*

[1] North Atlantic Resources Limited (NAN) 2004

Whilst the mineralisation at Norrliden Södra appears very similar in both host rock sequence and mineral and alteration assemblage to that at Norrliden Norra, the two are in fact separated by a regional-scale shear (refer Figure 3). The mineralisation at Norrliden Södra is located approximately 1,500m along strike from the three Bjurfors poly-metallic deposits, the easternmost of which was mined between 1941-1945 and was copper-gold rich.

The Önusberget gold prospect (owned by S2 Resources Ltd) is located approximately 2.3km to the west-northwest of Norrliden Södra in a similar stratigraphic and structural setting. The gold mineralisation at Önusberget is hosted within 10-20cm wide quartz veins containing arsenopyrite and chalcopyrite and returned historic gold values of up to 7g/t Au (SGU). There are also a number of reported historic gold anomalous till samples from the area west-northwest of Norrliden Södra and towards Önusberget which, although unverified, are considered by MRG to be significant in a broader mineralisation prospectivity context and MRG will take this into consideration with the upcoming drilling activities and future targeting within the Norrliden Project.

The Swedish Geological Survey (SGU) drilled three diamond drillholes between 1957-1959 at Norrliden Södra. However, only DB3 intercepted a weak zone of mineralisation with trace amounts of sphalerite, pyrite and chalcopyrite noted in the drill logs and only one sample interval was assayed. All three drillholes collared in a fine-grained mafic volcanic before entering a variably altered felsic-intermediate volcaniclastic unit and ending in the distinctive footwall blue quartz porphyry unit. Despite only weak mineralisation having been intercepted in the historic drillholes, only a portion of the historic slingram geophysical anomaly and outcropping mineralisation has been drill tested to date.

MRG plans to drill test the outcropping poly-metallic mineralisation and co-incident slingram anomaly at Norrliden Södra with a series of short (<100m) diamond drillholes in September, once all regulatory and stakeholder approvals have been received. In addition to drill testing the known outcropping mineralisation at Norrliden Södra, MRG also plans to drill test a co-incident magnetic and airborne EM anomaly located approximately 200m to the south of the historic trenches (refer Figure 3). Final drill planning and procurement of a suitable drilling rig is now underway.

Project-wide drillhole database compilation and validation is currently underway and a full review of all available geophysical data will also commence shortly. MRG plans to complete 3D geological and geophysical modelling of the Norrliden Norra deposit ahead of drill testing at the deposit which is scheduled for November. No drilling will be completed at the Project during the month of October to enable the annual reindeer migration to occur.

Chairman and Non-Executive Director, Andrew Van Der Zwan, commented "**MRG is pleased to report promising geochemical results from rock chip sampling at Norrliden Sodra. This is clearly a deposit that has received minimal modern exploration. The potential is demonstrated by these results and MRG looks forward to the upcoming drilling programs both here and at Norrliden Norra"**.

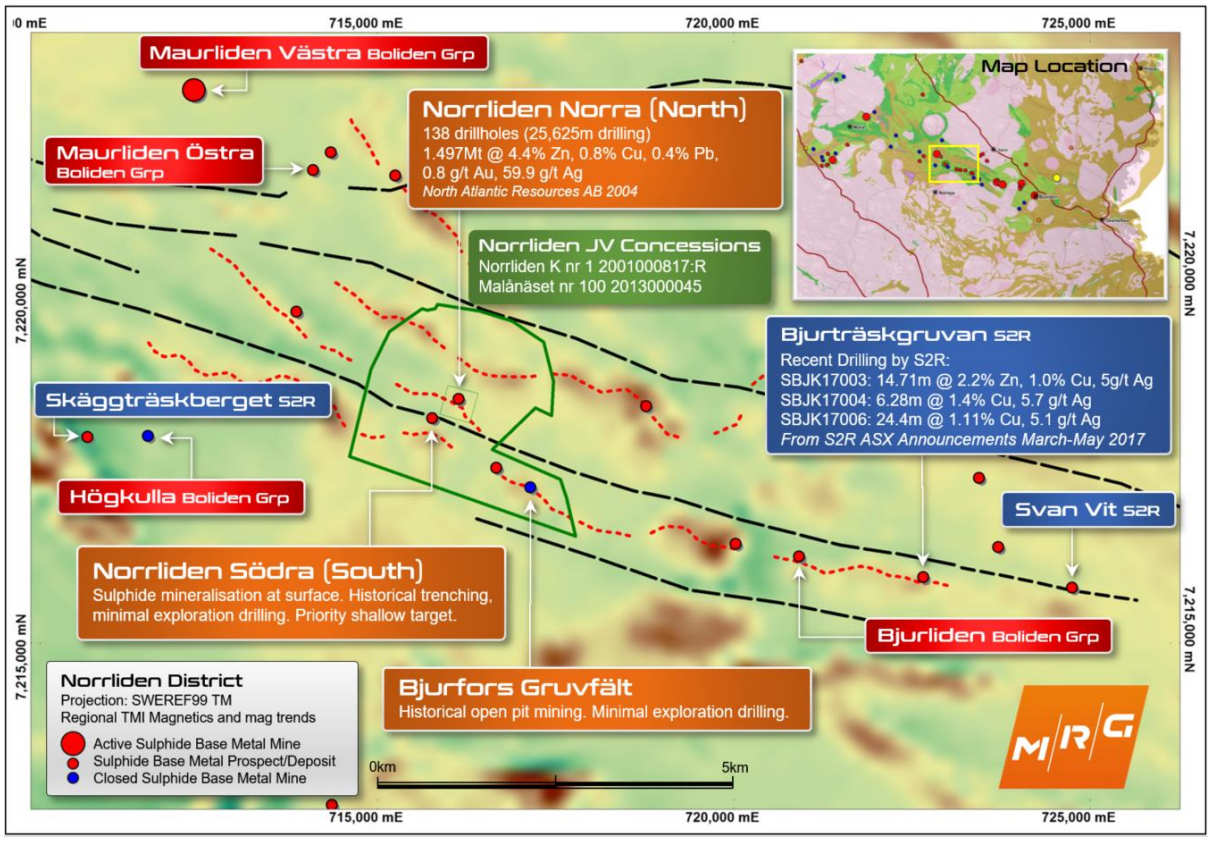

Figure 2: *Project location map showing the Norrliden JV concessions (green) and nearby mines and known sulphide deposits on regional TMI magnetics.*

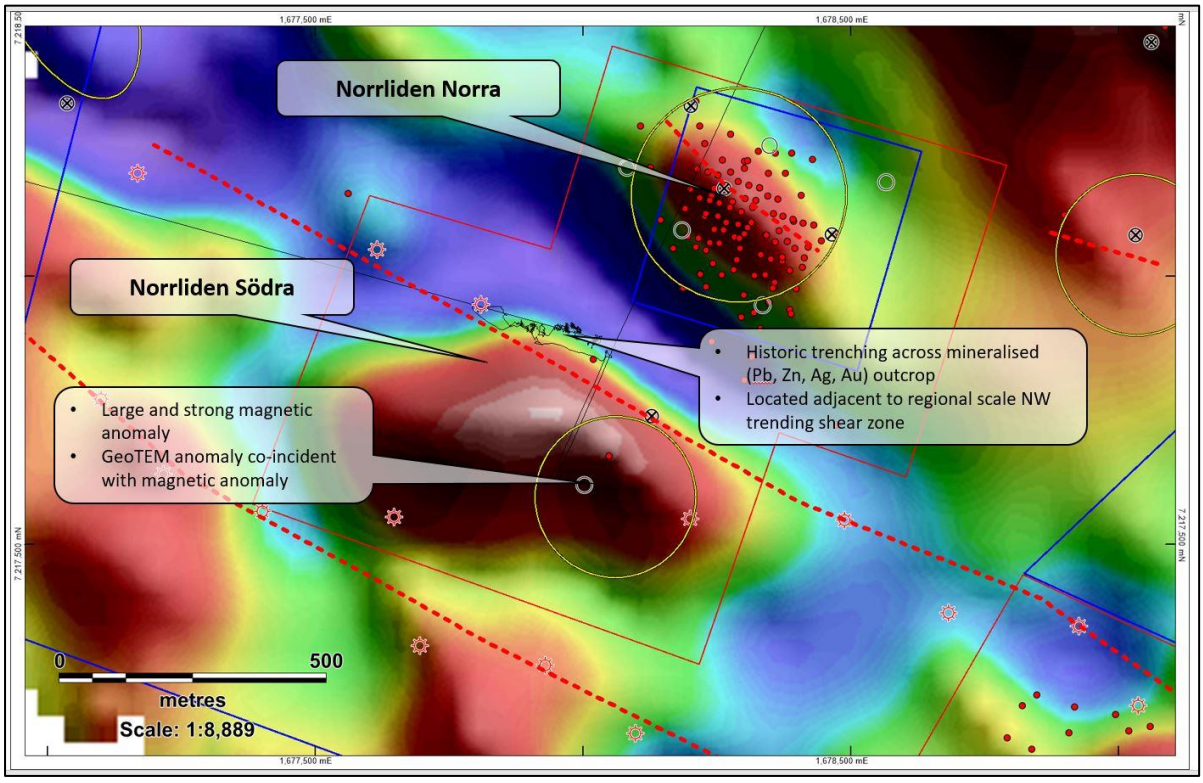

Figure 3: *Map showing airborne equalised TMI imagery over Norrliden Norra and Södra.*

Competent Persons Statement

The information in this document that relates to exploration results is based on information compiled by Amanda Scott, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (Membership No.990895). Amanda Scott is a full-time employee of Scott Geological AB. Amanda Scott has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been undertaken 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 (JORC Code). Amanda Scott consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

APPENDIX 1

Table 1: *Significant rock chip assay results from the Norrliden Södra Prospect, Norrliden Project.*

Sample	Northing (RT90)	Easting (RT90)	Sample Type	Description	Au (ppm)	Ag (ppm)	As (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)
A24303	7217880.30	1678022.72	Outcrop	Mafic volcanic	0.05	1.8	52	48	21	226
A24304	7217880.30	1678022.72	Outcrop	Mafic volcanic	0.03	0.6	17	36	6	129
A24305	7217899.50	1677990.58	Mullock	Felsic-intermediate volcanic with pyrite	0.12	2.7	203	4	37	40
A24306	7217901.94	1677982.87	Mullock	Felsic-intermediate volcanic with pyrite	0.02	1.4	40	44	24	77
A24307	7217901.53	1677968.53	Outcrop	Felsic-intermediate volcanic with pyrite	0.6	30.4	620	83	1610	1450
A24308	7217901.53	1677968.53	Outcrop	Felsic-intermediate volcanic with pyrite	0.16	1.4	161	2	36	19
A24309	7217903.22	1677968.67	?	Quartz with arsenopyrite	0.55	<0.5	>10000	<1	9	31
A24310	7217903.22	1677968.67	Outcrop	Mafic volcanic	<0.01	0.6	34	41	4	108
A24311	7217905.62	1677950.85	Outcrop	Felsic-intermediate volcanic with pyrite	0.45	3.4	103	10	9	102
A24312	7217895.93	1677925.30	Mullock	Felsic-intermediate volcanic with pyrite	<0.01	<0.5	68	70	41	200
A24313	7217900.32	1677905.10	Outcrop	Felsic-intermediate volcanic with pyrite	1.08	18.9	260	19	1040	89
A24314	7217900.32	1677905.10	Outcrop	Felsic-intermediate volcanic with pyrite	0.59	44.5	4910	452	6530	9840
A24315	7217907.62	1677881.56	Outcrop	Felsic-intermediate volcanic with pyrite	<0.01	<0.5	22	48	52	324
A24316	7217907.56	1677865.59	Mullock	Felsic-intermediate volcanic with pyrite	0.03	<0.5	41	9	91	111

JORC Code 2012 Edition

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Rock chip samples taken from both outcrop and historic trench mullock dumps. • Samples with mineralisation observed in hand specimen were preferentially sampled so some sample bias may have been introduced.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• N/A
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• N/A
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• A short geological description of each samples was taken at the time of collection. • The descriptions are qualitative: lithology, alteration, mineralisation etc.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples were hammered off outcrop and mullock dump material using a rock hammer. Sample size varied but averaged 1-2kg. • The samples are considered point samples and may be biased towards mineralised samples. • The size of the samples is considered appropriate for this type of work. • No field duplicates were taken.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory*	• The sample preparation for all samples followed industry best practice and was undertaken by ALS in Sweden. The samples were dried and pulverised to produce a sub-sample for analysis. Sample preparation involved oven drying, coarse crushing, followed by total pulverisation LM2 grinding mills to a grind size of 85% passing 75 microns. • All samples were assayed using a four-acid digest, multi-element suite (33 elements) with ICPOES or ICPMS finish. The acids used were hydrofluoric, nitric,

Criteria	JORC Code explanation	Commentary
	checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	hydrochloric and perchloric with the method approaching near total digest for most elements. • All samples were assayed for gold by firing a 30g sample with an AAS finish. • The analytical methods are considered appropriate for this style of mineralisation. • No geophysical tools or handheld instruments were utilised in the preparation of this release. • Lab repeat or duplicate analysis for samples showed that the precision of samples were within acceptable limits.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No independent third-party assaying or sampling has been undertaken at this stage. Results have been reviewed internally by the company's exploration manager Mr Ben McCormack and no issues have been identified. • Logging data was captured digitally and is stored on the company's data server. Laboratory data is also stored on the company's data server. • No adjustments or calibrations were made to any assay data used in this report.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• A Garmin handheld GPS unit with an accuracy of +/- 1m was used to locate each sample. • Sample locations are presented in Table 1 using the Swedish Coordinate System 'RT90 2.5 Standard'.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Samples were taken at non-regular intervals according to observations made at the time in the field. • The sampling was completed over a total strike length of 180m.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Samples were taken according to observations made at the time in the field. • No sample bias as a consequence of orientation based sampling has been identified.
Sample security	• *The measures taken to ensure sample security.*	• Samples were collected and transported to the laboratory by MRG representatives.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No independent audits or review of sampling have been completed to date. Results have been reviewed internally by the company's exploration manager Mr Ben McCormack and no issues have been identified.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Norrliden Project is located within exploration licences Norrliden K nr 1 and Malånäset nr 100 owned 100% by MRG's Joint Venture Partner's (Mandalay Resources Ltd) Swedish subsidiary, Björkdal Exploration AB. Details of the Joint Venture Agreement were released to the ASX by MRG on the 29th of May 2017. • The licences are wholly owned by Björkdal Exploration AB and are predominantly located in an area of pine and birch forest. The area is used for seasonal grazing by local indigenous Sami reindeer herders. • The licence is in good standing with no known impediments.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The mineralisation at Norrliden Södra was discovered by the Swedish Geological Survey (SGU) during the 1930's where they completed trenching and slingram geophysical measurements. SGU drilled three diamond drillholes close to the trenches in 1968 and reportedly intercepted sulphide-bearing volcanic rocks but only one sample interval across the three holes was submitted for assay which returned economic poly-metallic mineralisation. • More recent exploration was completed by North Atlantic Resources Ltd (NAN) during the 1990's and 2000's but work was limited to a ground magnetic survey and an airborne GeoTEM survey.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Norrliden Project is located within the central part of the Skellefte Mining District in Northern Sweden. The district is centred in the Paleoproterozoic Skellefte Greenstone Belt which is comprised of felsic to mafic arc-volcanic rocks. The district is host to more than 85 known poly-metallic massive sulphide deposits which have largely been classified as VMS-type deposits. • At Norrliden Norra the mineralisation is hosted by rhyolite, quartz-feldspar porphyry, felsite and greenstones. The mineralisation is often surrounded by a well-developed alteration halo characterised by chlorite-sericite-silica. The mineralisation is present as massive-banded pyrite-sphalerite ore, stringer-type pyrite-pyrrhotite-chalcopyrite ore, massive pyrite-chalcopyrite ore and silica-sericite altered pyrite-sphalerite-galena ore. • At Norrliden Södra the observed mineralisation is hosted by a silica-sericite altered felsic-intermediate volcanic unit that contains predominantly semi-massive to disseminated pyrite ore. The hangingwall unit appears to be a fine-grained mafic volcanic and the footwall unit appears to be a distinctive blue quartz porphyry. • Geological evaluation by MRG is ongoing.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• N/A

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and*	• No data aggregation methods, cut-off grades or metal equivalents have been applied to data reported in this document.

Criteria	JORC Code explanation	Commentary
	cut-off grades are usually Material and should be stated. • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• N/A
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate location plans have been included in this document.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All sample results have been reported. Whilst 33-elements have been analysed only elements related to the primary mineralisation style have been reported in this document.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All meaningful and material information has been reported in this document.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• A drilling program to follow-up the rock chip assay results has been planned by MRG and is scheduled to commence in September 2017.