



Drilling Success – first two holes at Norrliden Södra

- **NOR17001 and NOR17006 successfully tested underneath outcropping mineralisation sampled in June-July at Norrliden Södra.**
- **Both holes intersected intervals of sulphide mineralisation: pyrrhotite dominant with sphalerite and galena observed.**
- **Technical issues encountered with initial drilling of deep target at Norrliden Norra (NOR17007) well above target zone.**
- **Drilling to recommence early November to test deep target at Norrliden Norra using rig and equipment that will overcome issues.**

MRG Metals Limited (ASX: MRQ) has completed initial drilling at the Company's Norrliden Project for September, ahead of a planned break in operations over October to allow for seasonal movement of reindeer in the district. Drilling will recommence in the first week of November with prioritisation on the deep target at Norrliden Norra.

Holes NOR17001 and NOR17006 at Norrliden Södra have been drilled to depths of 85m and 100m respectively. Both holes intersected 10-15m wide zones of banded sulphide mineralisation dominated by pyrrhotite (Fe-sulphide), with pyrite (Fe-sulphide), sphalerite (Zn-sulphide) and galena (Pb-sulphides) observed in the core. These sulphide zones correspond well to outcropping mineralisation sampled at surface in June-July.

Sampling and assay of these intervals to be completed in the coming weeks, will provide a good initial test of the width and tenor of near-surface mineralisation at Södra. Holes designed to target the deeper extension of this zone and the corresponding geophysical targets will be completed when drilling resumes in November.



Figure 2. Pyrrhotite, pyrite, and sphalerite in intensely-altered felsic volcano-sedimentary rock. NOR17001, 46.5m.

Drilling at Norrliden Norra (NOR17007) encountered problems caused by significant deviation of the drillhole from its planned design, while still in hangingwall rocks well above the target zone. Despite perseverance it became apparent that strong foliation in the rock (identified in the core retrieved) was exacerbating the problem by leading the hole away from its intended target, compromising the effectiveness of the drillhole.

Due to the time-constraint imposed by the October break in operations, a decision was made to return again in early November, to drill NOR17007 using a larger diameter drill string and additional stabilising equipment to better control the direction of the hole. Oriented drillcore retrieved from these initial attempts to drill NOR17007 will not be sampled and assayed, but will contribute significantly to the structural understanding of the deposit.

The targeted down-dip extension of Norrliden Norra mineralisation in historical drillhole NNOR99040 remains to be tested.

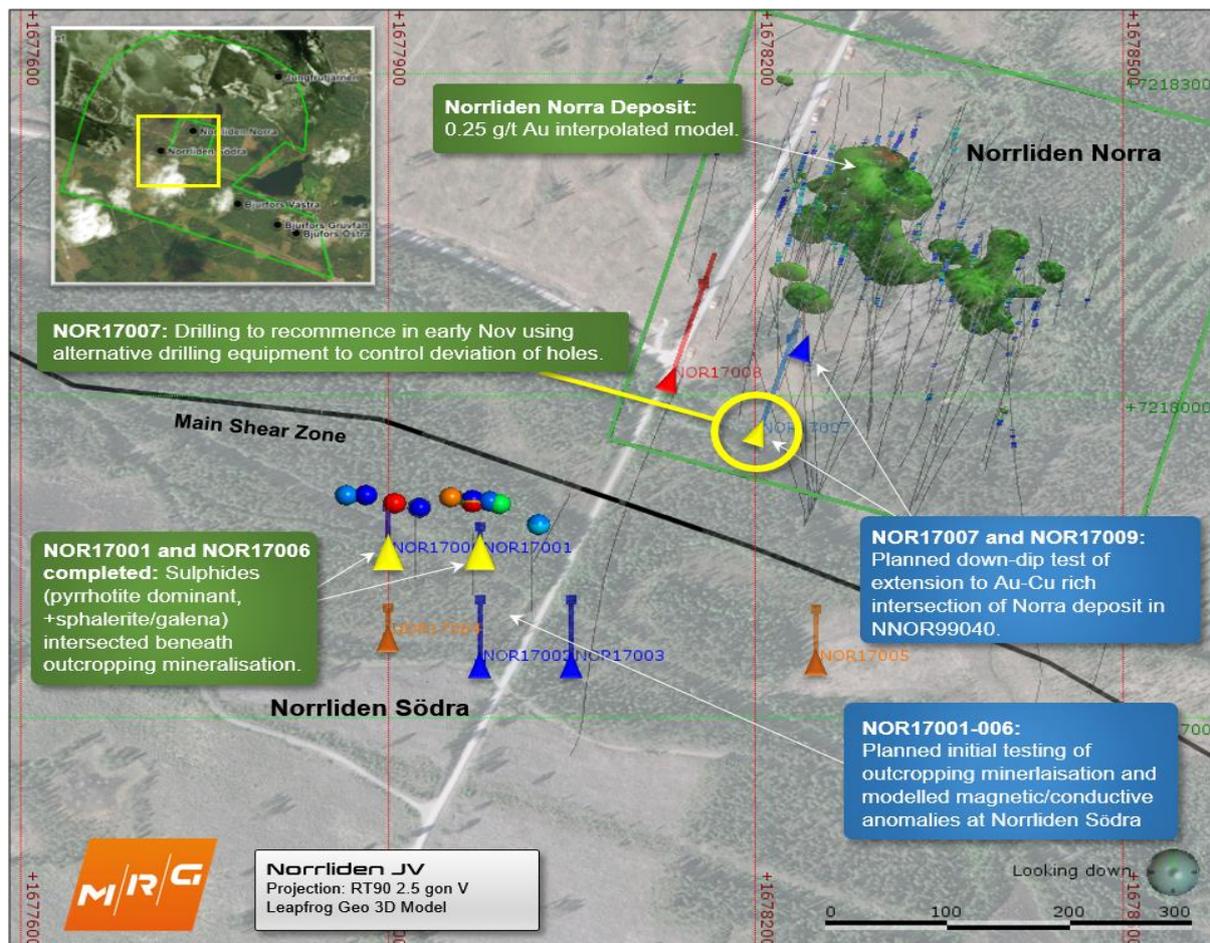


Figure 2. Drillholes completed at Norrliden Södra in September 2017 (yellow), and location of initial drillhole attempted at Norra. Deviation of the hole NOR17007 due to strong foliation in the rock was significant enough to compromise the effectiveness of the drillhole. Drilling equipment better suited to controlling the hole in these conditions will be brought in to recommence the hole in early November.

Chairman and Non-Executive Director, Andrew Van Der Zwan, commented “MRG is pleased with this early drilling success at Sodra, to be confirmed by assay results. With the deep target under the existing resource Norra, together with other targets like Burfors yet to be drill tested, MRG is confident the existing valuable resource at Norrliden can be added to.”

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.