Norrliden Södra Drilling: Additional Information

We provide additional information regarding intersection of sulphide mineralisation in initial drilling at Norrliden Södra:

NOR17001 intersected a zone of strong alteration and sulphide mineralisation from 44-55m downhole, with disseminated sulphides continuing down to 71m. NOR17006 intersected a similar zone of sulphide mineralisation at 57-68m with more limited continuity of disseminated sulphides downhole. Both holes targeted known outcropping mineralisation that was tested by rock chip sampling in June-July 2017.

The host rocks to the mineralisation are foliated basalt agglomerates with intervals of felsic to intermediate volcanic agglomerate-conglomerate and bedded tuffs. Sericite-silica alteration of both these broad rock types is apparent, but more strongly developed in the felsic rocks where the main intervals of sulphide occur.

Sulphide mineralisation in both holes is dominated by pyrrhotite and to a lesser extent pyrite (Fe-sulphides), it occurs disseminated throughout the rock as well as in a series of closely-spaced sub-parallel bands or veins that have been deformed and attenuated along the foliation planes. The concentration of total sulphides over the key intervals is estimated to range from around 5-25% of the rock; no massive sulphide intervals were observed. Sphalerite (Zn-sulphide) and to a lesser extent galena (Pb-sulphide) has been observed within these main sulphide intervals as intermittent stringer veins, and around the margins of pyrrhotite veins/bands. Due to the mineralogy of these sulphide intersections it is not possible to gauge metal-grade based on observation of the core, however sampling and assay of these intervals will be completed in the coming weeks.

These sulphide zones intersected in these two drillholes correspond well to both the south-dipping geometry, and to the observed mineralogy of outcropping mineralisation (in and adjacent to historical trenches) that was sampled at surface in June-July 2017. Sampling and multi-element assay of these recent intersections will provide a much better indication of the width and tenor of this mineralisation than was provided by historical trenching and drilling at Södra.

APPENDIX 1

Table 1: *Initial drillholes completed at the Norrliden Södra project.*

Sample	Northing (RT90)	Easting (RT90)	Total Depth	Azimuth (RT90)	Dip	Type	Diam.
NOR17001	7217850	1677975	99m	000	-75	DDH	NQ
NOR17006	7217850	1677900	85m	000	-60	DDH	NQ

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.*	• Sampling and assay yet to be undertaken. •
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.).*	• NQ diamond drill core from surface.
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.*	• Recovery of core reported by driller and checked for consistency during logging.
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.*	• Preliminary logging at rig and more detailed logging in core facility prior to sampling. • 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.*	• Sampling has yet to take place.
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*	• N/A

Criteria	JORC Code explanation	Commentary
	checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	
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.*	• N/A
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 +/- 3m was used to locate drill collars. • Drillhole 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.*	• N/A
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.*	• Observations from oriented core indicate that drilling is cutting across the foliation plane, and interpreted plane of mineralisation at around 60-70 degrees. • Sample bias as a consequence of drilling orientation will be minimal and controlled for.
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').*	• Observations from oriented core indicate that drilling is cutting across the foliation plane, and interpreted plane of mineralisation at around 60-70 degrees.
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 reported.
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.*	• N/A
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.*	• The drilling completed represents the initial holes of a more extensive planned program. • Drilling operations have been suspended during October 2017 to allow for animal migration in district as per local access agreements.

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.