



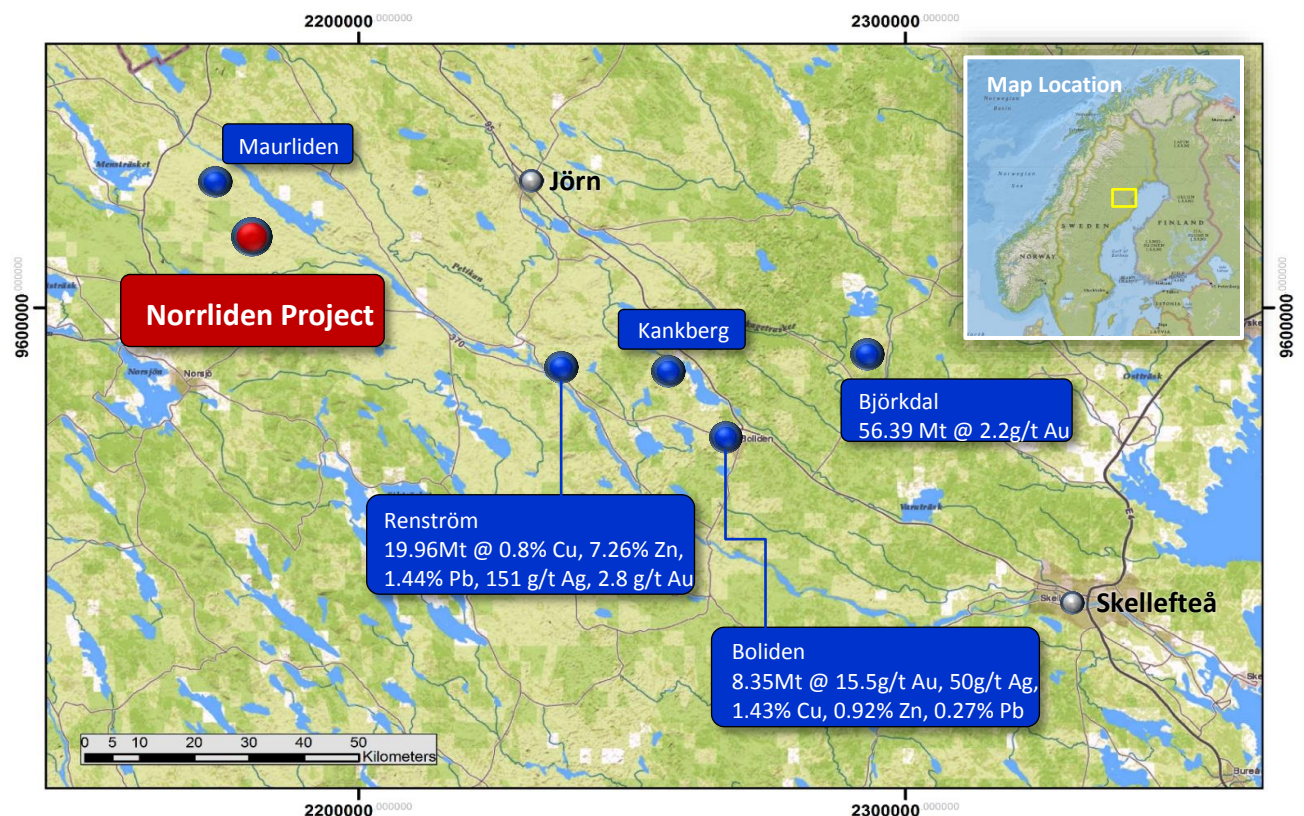
## MRG and Mandalay Resources Corporation enter a Heads of Agreement for MRG to farm in to the Norrliden VMS Project in Sweden

- Subject to formal documentation, MRG to Farm in to the Norrliden polymetallic volcanogenic massive sulphide (“VMS”) project in Sweden, partnering with the 100% owner, Mandalay Resources Corporation (“Mandalay”).
- Mandalay is a TSX listed (TSX:MND) resources company with a market capitalization of approximately \$266 Million CAD.
- The Norrliden deal provides MRG the opportunity to apply Sasak’s next generation predictive modelling technology to a highly prospective brownfield exploration environment covered by glacial till. The project is underpinned by an existing, centrally located, JORC compliant VMS resource.
- Norrliden Norra deposit: JORC Resource (Indicated and Inferred):
  - 1.5 million tonnes @ 4.4%Zn, 0.4%Pb; 0.8%Cu; 0.8 g/tAu and 59.9 g/tAg, of which approximately 40% of the tonnes Indicated and 60% Inferred.
  - Preliminary economic study was undertaken in 2004.
  - Located within an approved Mining Concession.
- Norrliden Sodra and at least 4 other exploration targets identified within a surrounding Exploration Licence. Minimal exploration undertaken to date.
- MRG will expend a minimum \$250,000 USD on exploration during the upcoming Swedish summer field season with the additional earn in expenditure occurring in the following seasons.
- 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 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 favourable terms to MRG, should a major discovery be made.
- ASX listed S2 Resources has enjoyed recent exploration success at nearby Bjurtraskgruvan VMS deposit in Sweden, now planning follow up drilling.

## **Background:**

MRG Metals (MRG) is pleased to have entered into a non-binding Heads of Agreement with Mandalay Resources Corporation (Mandalay) at the Norrliden project in Sweden. Mandalay acquired the Norrliden project as part of the Elgin acquisition in 2014. Mandalay has chosen not to develop the project further themselves due to the currently limited size of the Norrliden Norre deposit in hand (small relative to Mandalay-sized operations) and the incompatible metallurgical character of Norrliden mineralisation discovered to date as mill feed for Mandalay's existing Björkdal processing facility. However, Mandalay will retain the right to claw-back the project should a significantly larger stand-alone discovery be made.

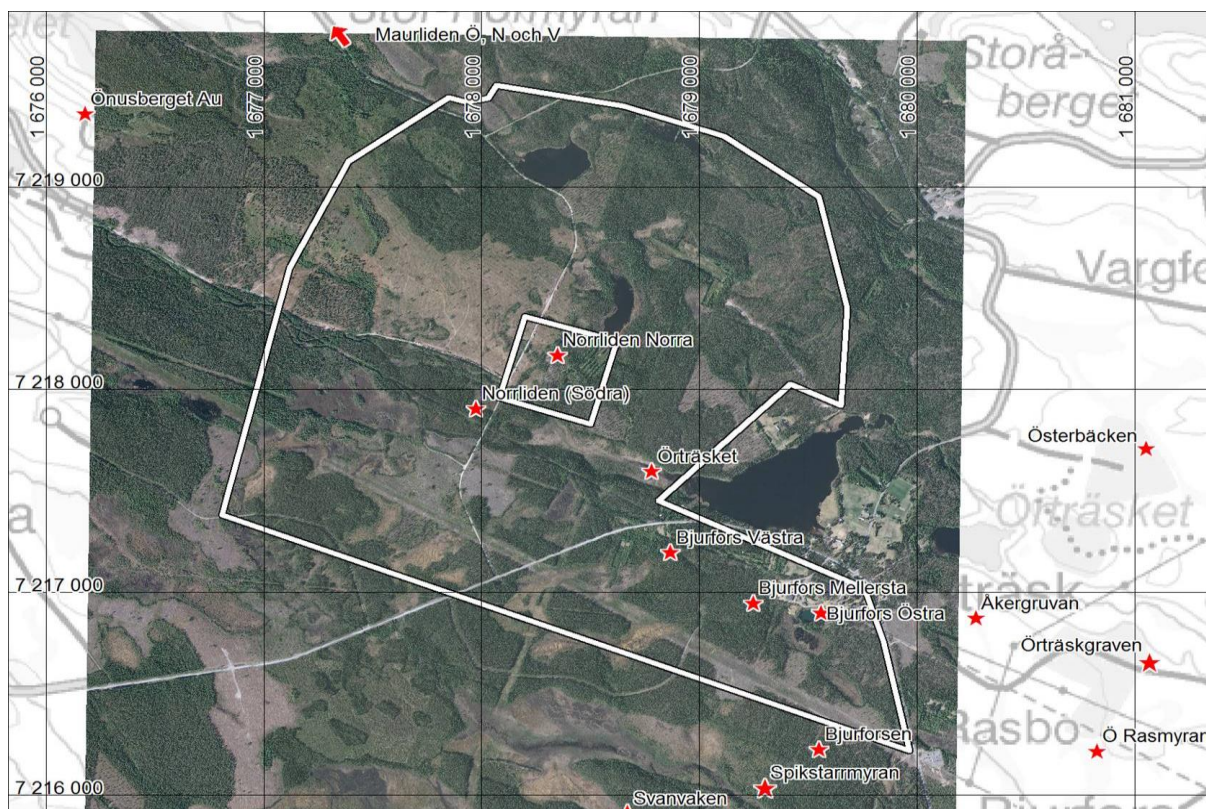
## **The Norrliden Project:**



**Fig 1 Location Map of Norrliden Project**

Norrliden is a base metal exploration project located in central Skellefteå belt of Northern Sweden. The project comprises a central Mining Concession measuring 18.51Ha surrounded by an Exploration Licence measuring 591.84 Ha and centred approximately on coordinates 1678000mE, 7218000mN (Fig 2, Table1)





**Fig 2 Localised Map of Norrliden Project**

**APPROVED CONSESSION (MINING)**

NAME	DIARYNR	LICENCEID	AREA	APPL_DATE	DEC_DATE	VALIDFROM	VALIDTO
Norrliden		Jörn					
K nr 1	2001000817:R		18.51	18/10/2001	22/12/2006	1/01/2007	1/01/2032

**VALID  
LICENCES (EXPLORATION)**

NAME	DIARYNR	LICENCEID	AREA [ha]	APPL_DATE	DEC_DATE	VALIDFROM	VALIDTO
Malånäset							
nr 100	2013000045	2013:41	591.8365	10/01/2013	13/05/2016	20/03/2013	20/03/2019

**Table 1: Norrliden Exploration and Mining Concession Details**

Chairman and Non-Executive Director , Andrew Van Der Zwan, says “Our Farm in to the Norrliden project provides MRG with a valuable opportunity to apply Sasak’s next generation predictive modelling technology to explore beneath the till cover in search of more VMS deposits in the brownfields environment around the Norrliden Norra foundation resource. MRG is looking to fast track this project leveraging our access to technology to enhance the resource and find additional VMS resources in an area with multiple existing and previous mines. We appreciate the opportunity to participate in this project and we are focussed on achieving extraordinary outcomes from the partnership.”

Andrew Van Der Zwan  
Chairman

*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.*