BOT DRILLING ASSAYS

- **Bottom of Till (BOT) sampling extensional to Norra deposit and Södra was successful in generating high calibre drill targets to further grow the resource base.**
- **Södra mineralised trend successfully identified across at least four drill traverses for a total strike length of 650m - anomalous in Au, Ag, As, Pb, Zn and S.**
- **Three new areas of multi-element (base and precious metals) anomalism identified.**
- **Correctly identified Norra deposit in the eastern-most traverse.**
- **Follow-up drilling plans have been developed to grow the current global resource base of 5.2Mt @ 2.1% Zn, 0.4% Cu, 0.2% Pb, 0.3 g/t Au, 29 g/t Ag.**

MRG Metals Limited ("MRG" or "Company") is pleased to provide an update on assay results received from bottom-till exploration drilling completed at the Company's Norrliden Project located in northern Sweden.

Bottom-Till Geochemistry (BOT) Drilling

Late in the northern hemisphere winter MRG completed a 58-hole bottom-till geochemical drilling programme at Norrliden. The drilling was designed to test the previously untested structural corridor between Norra and Södra westwards towards the permit boundary with S2 Resources Ltd who had previously identified an ~800m long gold-in-soil anomaly.

The drilling utilised a drill rig with a top-hammer sampling system that systematically collected chip samples from the upper-till, bottom-till and from the bedrock with each sample averaging between 2-3kg. The approach to bottom-till drilling is analogous to RAB or aircore drilling used in Australia as an early-stage reconnaissance geochemical drilling method.

The bedrock samples from Norrliden have been logged and comprised largely mafic volcanics and the distinctive blue quartz porphyry which are seen in both the Norra and Södra diamond drillholes. Several bedrock samples contained trace pyrite and chalcopyrite.

Assay results from the BOT drilling have now been received after a lengthy delay at the laboratory during the summer vacation period in Sweden. Although the upper-till, bottom-till and bedrock samples were collected during the drilling only the bedrock samples have been submitted for assay at this stage.

The BOT drilling has successfully identified the Södra mineralised trend (refer Figure 1) across at least four drill traverses for a total strike length of ~650m; this mineralised trend is anomalous in Au, Ag, As, Pb, Zn and S. The western end of the Södra trend was inadequately tested due to a swamp restricting rig access but the westernmost traverse did pick up multi-element anomalism across the interpreted structure.

In addition to the Södra mineralised trend anomaly, the BOT drilling has also identified three single-point, multi-element anomalies (refer Figure 1). One anomaly lies immediately due west of the Norra deposit, one lies on the northern end of the western-most traverse and the third is located at the southern end of the orientation line. All three single-point anomalies showed elevated levels of Au, Ag, As, Pb, Zn and S and have been recommended for follow-up drilling in due course.

A single drill traverse served as an orientation line that passed directly over the known mineralisation at Södra and at Norra. On the orientation line, the upper-till, bottom-till and bedrock samples were assayed using a combination of assaying methods (Four-acid, Aqua Regia, Ionic Leach) to determine which horizon and which assay technique works best to identify the base and precious metals mineralisation at Norrliden. Pleasingly, the mineralisation at Norra was easily identified in all fractions and in all assay methods, albeit in a single drillhole. The peak assays for this single drillhole were:

- Four-acid Bedrock: 0.95% Cu, 0.05g/t Au, 4.23g/t Ag, 119.5ppm As, 23.9ppm Pb, 374ppm Zn and 8.6% S.
- Aqua Regia Bedrock: 0.93% Cu, 0.05g/t Au, 4.21g/t Ag, 133ppm As, 22.8ppm Pb, 365ppm Zn and 9% S.

- Aqua Regia Upper-Till: 0.92% Cu, 0.16g/t Au, 5.63g/t Ag, 138.5ppm As, 27.2ppm Pb, 152ppm Zn and 5.01% S.
- Ionic Leach Upper-Till: 98400ppb Cu, 27.3ppb Au, 4.2ppb Ag, 32.2ppb As, 9.1ppb Pb, and 40ppb Zn.

Whilst the anomalies generated through this first phase of BOT reconnaissance drilling still need to be followed-up with additional drilling, BOT does appear to be an effective screening method in a glaciated terrain. The orientation line data has provided valuable information and shows bedrock samples appear to be the most consistent medium although the most anomalous samples generally appeared to be anomalous across all three sample horizons. MRG is looking forward to utilising this drilling technique across wider areas of the project to delineate additional anomalies for follow-up.

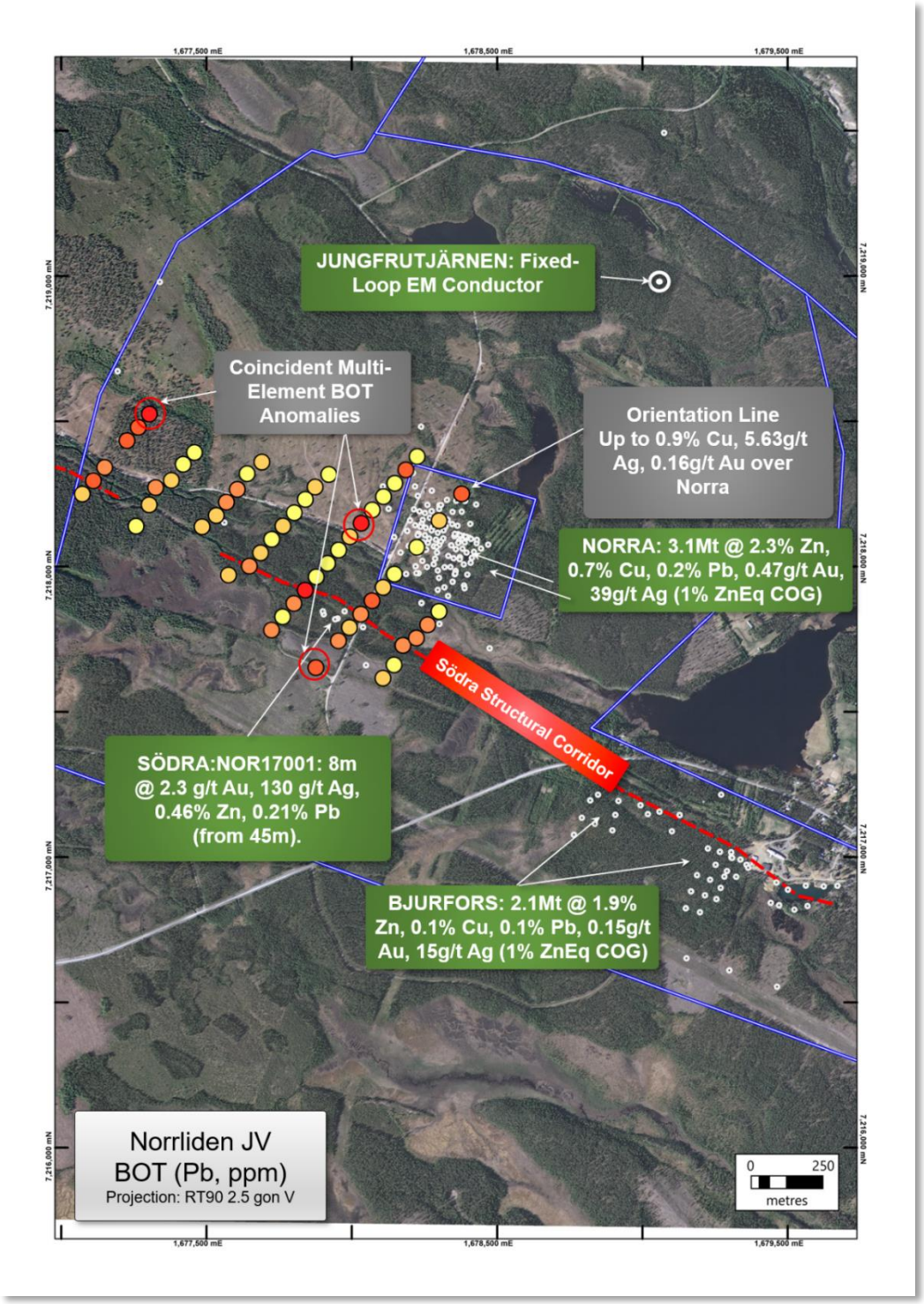

***Figure 1**: Location map showing the recently completed bottom-till geochemical drilling at the Norrliden Project, Sweden.*

Figure 2: *Photos from the recently completed bottom-till geochemical drilling at the Norrliden Project, Sweden.*

Andrew Van Der Zwan

Chairman

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.

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.*	• Bottom of Till (BOT) drilling has been undertaken by Drill-X, Sweden utilising a top-hammer drill rig. Samples are collected from the upper-till, bottom-till and bedrock. • Sampling was carried out using MRG's sampling protocols and QAQC procedures as per industry best practice. • 2-3kg samples were submitted to ALS Laboratories for gold and multi-element analysis.
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.).*	• Bottom of Till (BOT) drilling has been undertaken by Drill-X, Sweden utilising a top-hammer drill rig.
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.*	• Sample recoveries are monitored by the drillers at every meter and inspected to assess whether bedrock has been reached or not. • No additional measures have been taken to maximise sample recovery. • A sampling bias has not been determined.
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.	• All samples have been sieved, washed and geologically logged by Amanda Scott (Scott Geological AB) who has significant experience in this style of exploration and mineralisation. • The lithological, alteration and mineralisation (if any) characteristics were recorded. • All samples were logged.
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.*	• All samples delivered to ALS Laboratories in Malå, Sweden for prep. • The sample preparation follows industry best practice sample preparation. Four Acid/ Aqua Regia: the samples are finely crushed with 70% passing <2mm then reduced in a splitter whereby a reject sample and a 250g sample is produced. The 250g sample is then pulverised with 85% passing <75 microns which completely homogenises the sample. A sub-sample of pulp is taken for digestion in a four-acid digest or aqua regia digest followed by ICP-MS for multi-element analysis and fire assay for gold. For Ionic Leach samples no pre-treatment is carried-out prior to leaching and the leachate is then assayed via ICP-MS. • No duplicate or reference material was utilised in this sampling. • The sample sizes are considered appropriate for the type of mineralisation under consideration.
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*	• A combination of assay methods was used for the orientation line sampling including Four-Acid, Aqua Regia and Ionic Leach. All other samples were assayed by Four-Acid followed by ICP-MS for multi element and fire assay for Au. • 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.

Criteria	JORC Code explanation	Commentary
	checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• Laboratory QAQC methods include the insertion of certified reference material standards, blanks, and duplicates.
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.*	• All samples have been inspected by Amanda Scott (Scott Geological AB). • No twin-hole drilling completed to date. • All geological and location data is currently stored in Excel spreadsheets. Data entry has been by manual input and validation of the small amount of data has been done by checking input on screen prior to saving. • 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.*	• Drillhole locations have been planned using a combination of GIS software packages. • Drillhole locations have been determined using a Garmin handheld GPS unit with an accuracy of +/- 1m. • Grid system is Swedish Coordinate system RT90 2.5. • Topographic control has been established by handheld GPS and cross-correlation with digital laser topographic imagery and is considered and is adequate for the greenfields exploration completed.
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.*	• The drill traverse separation for this BOT programme was 200x60m. • The data spacing and distribution is considered sufficient to establish a relatively good degree of geological and grade continuity which is considered adequate for the greenfields exploration completed. • No sample compositing has been applied.
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.*	• The drillhole orientation is considered appropriate for the sampling completed, with the drill holes drilled perpendicular to the interpreted strike of the geophysical anomalies and the outcropping mineralisation at Norrliden Södra. • A single orientation line was drilled over *known* mineralisation to determine if this drilling/sampling method could detect the mineralisation which it did.
Sample security	• *The measures taken to ensure sample security.*	• Sample custody was managed by Amanda Scott (Scott Geological AB).
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.

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, Malånäset nr 100-101 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 polymetallic 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.*
		• BOT drillhole locations and appropriate information are shown in the figures in the text of this announcement.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and 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*	• No drillhole aggregation, top or bottom cuts or metal equivalent values have been applied to data reported in this announcement

Criteria	JORC Code explanation	Commentary
	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').*	• BOT drilling method utilised. No widths or intercept lengths reported.
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.*	• An appropriate map has been included in this announcement.
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.*	• Due to the multi-element nature of the results only Pb has been indicated on the accompanying map. • The peak assay values for the orientation line have been highlighted to show the success of the drilling and sampling method across the known mineralisation. • The report provides the total information available to date and is considered to represent a balanced report.
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 announcement.
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.*	• Follow-up diamond drilling is planned to tests a number of targets across the project area including Södra, Norra, Bjurfors and the newly generated BOT anomalies.