YARDILLA PROJECT - OMMANEY RC DRILLING RESULTS

- **Second round of drilling succeeds with increased mineralisation.**
- **30m and 10m intervals of anomalous gold (> 0.1 g/t Au) in YRRC-001 including 5m @ 0.603 g/t Au.**
- **Wide intervals (35m +) of extremely anomalous tungsten (W) indicative of Ommaney alteration system intersected in holes YRRC-006, YRRC-007, and YRRC-008; up to 2km from original intersection. This demonstrates the potential for a large mineralised system.**
- **Detailed analysis of multielement geochemical results using AGLADS® underway - will allow vectoring in search of economic mineralisation.**

Multi-element assay results have now been received and are reported for the RC drilling program at Ommaney, Yardilla Project (Figure 1). These results mostly comprise 5m composite samples of RC chips submitted for comprehensive 51 element geochemical analysis including gold (fire assay).

YRRC-001 drilled as part of a two hole fence designed to test the surface multi-element anomlay southwest of the existing diamond drilling (YRDH-003A, YRDH-003B), intersected numerous quartz veins with visible pyrite and rare galena (lead sulphide) from 50m-150m downhole, in intermediate sedimentary to volcanoclastic host rock. **Assay results show zones of anomalous gold (> 0.1 g/t Au) across wide intervals from 50m-95m and from 120m-150m downhole, associated with these quartz veins (see Table 1).** While these assays do not represent economic intersections they are extremely encouraging for the Yardilla Project in providing evidence and support for the likelyhood that a gold-rich part of the alteration system remains to be found there. **YRRC-002** in contrast to YRRC-001 was weakly altered and intersected minimal quartz veins.

A decision was made during the drilling program to not drill the RC hole at **YRRC-005** based on the lithology (broad siliciclastic metasedimentary package) and weak alteration intersected in holes **YRRC-003** and **YRRC-004**, on the same line. An additonal hole (YRRC-008) was added to the program at a location to the south of the intial intersection of favourable alteration in YRDH-003A (Dec 2016), and aimed back towards the north (60° Dip, 350° Azimuth). This hole was designed to intersect the projected alteration zone almost perpendicular to the plunge of parasitic folds and stretching lineations measured from the oriented drill core, where dilation of the rock and fluid flow would likely have been at a maximum during the alteration/mineralisation phase.

YRRC-008 suceeded in intersecting strong to intense sericite-albite-biotite alteration with disseminated pyrite up to 5%, across two wide zones from 100m-135m and from 150m-190m downhole. Logging of RC chips and subsequent multi-element analysis indicates this comparably

wider zone is analogous to the interval of altered rock first identified in YRDH-003A; the same extremely anomlous metal content (particulalry tungsten) occurs across the sulphide-rich zone but levels of gold mostly remain below 10ppb.

YRRC-007 was designed to intersect and test the favourable alteration zone identified in YRDH-003A (Dec 2016) projected down-dip around 150m-200m. Although drilling intersected rock comparable to the host litholgy in the YRDH-003A (felsic and quartzo-feldspathic gneiss to granodiorite), alteration was less intense and dominated by chlorite (+/- sericite) and apple-green zones of epidote; disseminated pyrite was also not as abundant. **Initial analysis of multi-element assays indicates from elevated metals (tungsten) that a zone from 170m-200m down hole still reflects the anomalous geochemistry of the alteration first drilled in YRDH-003A.**

The combination of holes at different depths and orientations around YRDH-003A will now provide an exceptionaly good 3D distribution of high-quality geochemical data for analysis and intepretation by Sasak Techical Services and MRG geologists.

Hole_ID	MGA_51_E	MGA_51_E	Dip	Azi	Intersection	From	Comments
YRRC-001	475114	6481991	60	300	**30m @ 0.147 g/t Au**	50m	*Pyrite and quartz veining*
YRRC-001	475114	6481991	60	300	**5m @ 0.603 g/t Au**	70m	*Included in previous interval*
YRRC-001	475114	6481991	60	300	**10m @ 0.166 g/t Au**	135m	
YRRC-004	475953	6482519	60	300	**5m @ 0.165 g/t Au**	85m	
YRRC-006	476791	6483127	60	300	**15m @ 0.125 g/t Au**	200m	*felsic schist/shear zone*
YRRC-006	476791	6483127	60	300	**35m @ 43 ppm W**	170m	*alteration zone defined by tungsten anomaly*
YRRC-007	475882	6482132	60	300	**65m @ 56 ppm W**	195m	*alteration zone beneath YRDH-003A*
YRRC-008	475671	6482162	60	350	**45m @ 174 ppm W**	150m	*alteration zone adjacent YRDH-003A*

Table 1: Significant intersections reported in initial multi-element assay of RC chips from drilling at Ommaney in March-April 2017. Selected 5m composite samples may be re-assayed at 1m (Au only) where further gechemical analysis indicates this is warranted.

Hole **YRRC-006** was drilled into a target identified during planning of the first drill program at Yardilla (Dec 2016) that was not completed at the time. It intersected felsic igenous rock (granodiorite) that had undergone significantly more strain than seen in surrounding drillholes at Yardilla. The repeated zones of felsic schist in YRRC-006 contained significant amounts of disseminated pyrite and assay results indicate that narrow intervals of anomalous gold are also present, particualry at 200m-215m downhole (see Table 1). **Of particular interest is the 35m wide zone from 170m downhole of highly anomolous tungsten (W) suggesting that alteration with similar characteristics to YRDH-003A is still present at around 2km northeast of the original intersection.**

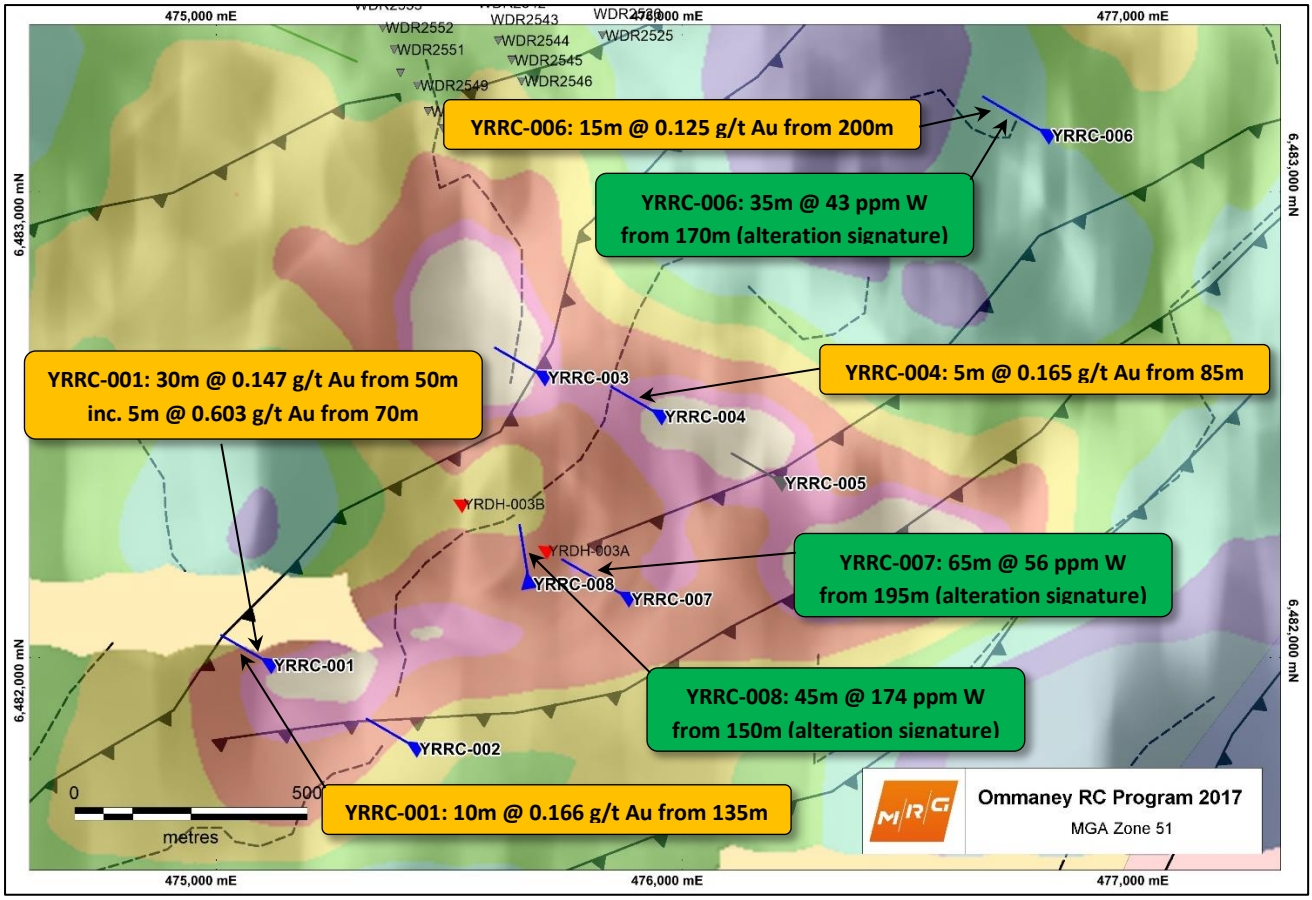

Figure 1. Plan of drillholes completed at the Ommaney Prospect in March-April 2017 over multi-element surface anomaly that is the target of drilling at the prospect: Blue traingles indicate drilled RC holes incluing the field-planned and completed YRRC-008, with projected drillhole traces. Red triangles show location of diamond drill holes from December 2016 program including YRDH-003A.

More detailed analysis of the recently returned multielement assays data by Sasak Technical Services, will shed more light on the significance of the initial observations presented here. Categorisation of the geochemical signatures of drilling intervals and comparison to known Archean-aged gold deposits using the **AGLADS®** model will be undertaken in conjuction with a 3D analysis and modeling of the newly aquired drillhole logging data.

The success of the first two drilling programs at Yardilla in identifying and defining the parameters of a mineralised alteration system is tempered by the lack of an economic intersection of gold to date in the early stages of MRG's exploration here. MRG remains committed to the search for economic mineralisation at Yardilla. The findings and implications of the detailed technical analysis will be presented in a release shortly.

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.