MRG and Mandalay Resources Corporation sign contract for MRG to farm in to the Norrliden VMS Project in Sweden

- **Mandalay is a TSX listed (TSX:MND) resources company with a market capitalisation of approximately $280 Million CAD.**

- **The Norrliden transaction provides MRG the opportunity to apply Sasak's next generation predictive modelling technology to a highly prospective 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 are identified within a surrounding Exploration Licence. Minimal exploration undertaken to date.**
  - **Opportunity identified to test for previously unassayed gold at Sodra.**
  - **Low cost trenching to test outcropping geology.**

- **Exploration to commence shortly during the Swedish summer field season:**
  - **Local Team support now in place.**
  - **Data analysis commenced.**
  - **Sasak analysis underway.**
  - **Joint Operating Committee meeting early June.**
  - **Detailed program planning to be completed in June.**
  - **First ground work to commence in Q3.**

- **ASX listed S2 Resources is currently reporting on exploration success at their adjacent Bjurtraskgruvan VMS deposit.**

Background:

MRG Metals (MRG) is pleased to have entered into an Agreement with Mandalay Resources Corporation (Mandalay) to farm in to 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 (small relative to Mandalay-sized operations) and the incompatible metallurgical character of Norrliden mineralisation discovered to date as mill feed for Mandalay's existing Bjorkdal processing facility. However, Mandalay will retain the right to claw-back the project under joint venture should a significantly larger stand-alone discovery be made.

The Norrliden Project:

Norrliden is a base metal exploration project located in central Skelleftea 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 1, Table1)

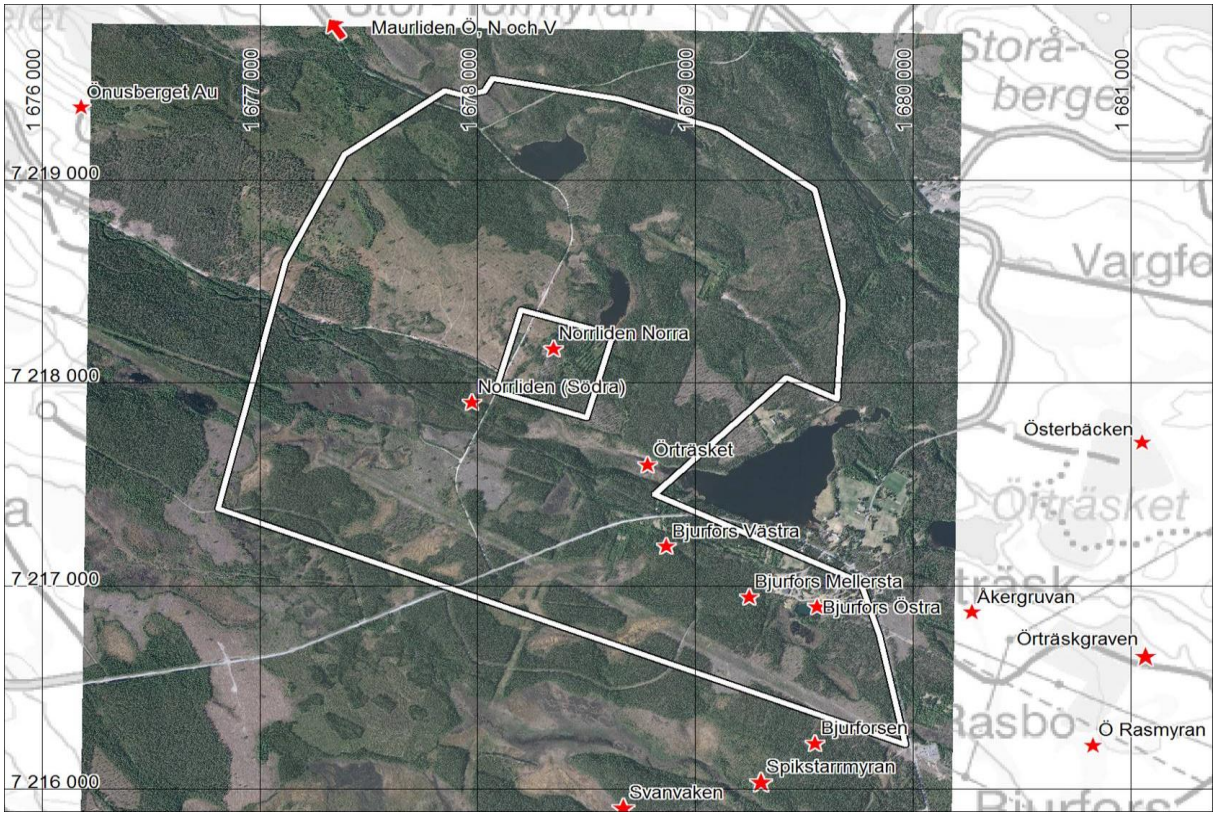


Fig 1 Localised Map of Norrliden Project (red star indicates exploration target)

APPROVED CONSESSION (MINING)

NAME	DIARYNR	LICENCEID	AREA	APPL_DATE	DEC_DATE	VALIDFROM	VALIDTO
Norrliden 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

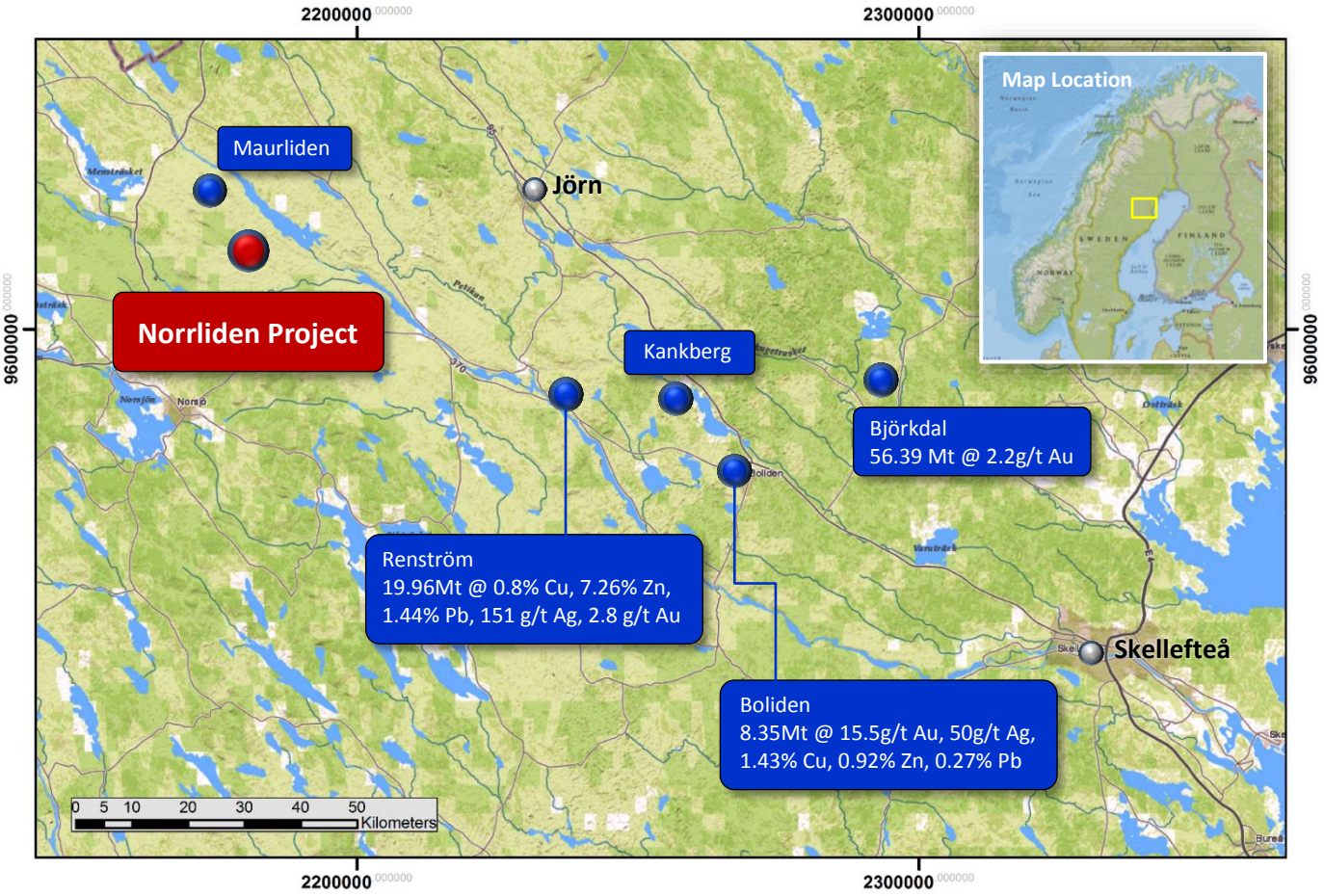


Fig 2 Location Map of Norrliden Project

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.

Chairman and Non-Executive Director, Andrew Van Der Zwan, says “We are pleased to formalize our Farm in to the Norrliden project. It is encouraging to know we are involved in a project with a known resource, in a province of proven potential and significant upside. MRG is looking to fast track this project, leveraging our access to technology to enhance the resource and find additional VMS resources in an tenement area. We appreciate the opportunity to participate in this project and we are focussed on achieving extraordinary outcomes from the partnership. A detailed announcement will be released shortly, further describing the Norrliden Project and planned Work Program.”

Andrew Van Der Zwan
Chairman