OMMANEY RC DRILLING RESULTS – Table 1

We refer to the ASX Announcement of 18 May 2017 re initial drilling results and provide a supplementary announcement with a complete Table 1 Report.

As stated in the previous release the reported intervals of anomalous Gold (Au) and Tungsten (W) in recent drilling at Ommaney are initial results from multi-element analysis of 5m composites that do not represent economic intersections of metal but are indicative of the alteration system that MRG is pursuing at the prospect in its exploration for gold mineralisation. Further analysis of the multi-element results from this program will determine if any of these wider intervals of drilling are assayed in more detail (at 1m intervals), or if the multi-element assay results reported to date are sufficient for MRG to vector future exploration programs at the prospect.

TABLE 1 REPORT – OMMANEY REVERSE CIRCULATION DRILLING

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 down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The sampling has been carried out using Reverse Circulation drilling (RC), using a Schramm T685WS drilling rig. 5m spear composites of material from cyclone in addition to 1m cone split samples (and archives) were collected for each drill hole. Rock chips were logged onsite by a geologist and a record of chips was collected and stored. A total of 7 holes were drilled in the program, at depths ranging from of 132m to 366m below surface.
	Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems	The drill hole collars were located by handheld GPS. Sampling was carried out under MRG Metals Ltd protocols and QAQC procedures as per current industry practice. See further details below.
	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 30 g 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.*	RC chips were sampled by two methods: 1) A cone splitter was used to generate one, 3kg sample per metre of RC drilling. 2) The remaining sample piles were composited to 5metre intervals (3kg samples) using a plastic spear. All 5m composites were submitted to the laboratory for full multi-element assay (including fire assay for Au,Pt,Pd), while 1m samples were stored. Results of these assays determine anomalous intervals and are considered only indicative of metal content. Where 5m composite assays indicate that Au may be elevated to economic levels, the 1m cone split samples will be submitted for fire assay. None of the intervals reported indicate Au grades that could be considered economic and the corresponding 1m samples have not been submitted for assay.
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).*	A Schramm T685WS Reverse Circulation drilling rig, operated by Drilling Australia Pty Ltd using a face sampling bit was used to complete the program.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Recoveries were assessed by visual estimate of the sample volume recovered for each metre interval drilled. Recovered sample volumes were within industry expectations. Samples recovery was reduced for the first 6 metres of each hole due to losses from the hole annulus, and occasionally when the sample was wet due to water inflows at drill rod changes. These reduced volume intervals are recorded but are not considered to have significant effect on sampling over at critical intervals.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Sampling was undertaken using a combined cyclone and cone splitter. All of the sample recovered but not split to 1m samples was captured and used to generate 5m composites for multi-element assay.
	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.	None identified.
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*	RC chips were geologically logged by MRG geologists at the drill site.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Qualitative logging of RC chips (lithology, alteration mineralogy, sulphides, weathering, etc) is designed to be supported by multi-element assay analysis. A record of chips at 1m intervals has been collected and stored for future reference.
	The total length and percentage of the relevant intersections logged.	All holes were logged in full.

	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No diamond core was generated by this drilling program.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC chips were sampled by two methods: 1) A cone splitter was used to generate one, 3kg sample per metre of RC drilling. 2) The remaining sample piles were composited to 5metre intervals (3kg samples) using a plastic spear. 5m composites were submitted to the laboratory for full multi-element assay (including fire assay for Au,Pt,Pd), while 1m samples were stored. Results of these assays determine anomalous intervals and are considered only indicative of metal content. Where 5m composite assays indicate that Au may be elevated to economic levels, the 1m cone split samples will be submitted for fire assay.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Samples were prepared at the ALS laboratory in Perth. Samples were dried, and the whole sample crushed and pulverised to 85% passing 75um, and a reference sub-sample of approximately. 200g retained. A nominal 30g was used for the analysis.
	Quality control procedures adopted for all sub-sampling stages to maximise representation of samples.	RC cone splits and spear composite weights monitored at the rig to ensure consistent sample sizes. At the laboratory entire samples were pulverised to 85% passing 75um, a sample of the pulverised portion is sent for assay.
	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.	Field duplicate samples were taken at a rate of approximately 1 in 100 samples. For each 1m cone split interval a corresponding archive sample was collected.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate to give an indication of mineralisation given the particle sizes present in the rock and the practical requirement to maintain manageable sample weights.
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.*	Samples submitted to ALS laboratories were crushed and pulverised. Near total digestion by multi-acid (including HF) followed by ICPAES and ICPMS analysis of ALS's ME-MS61 element suite. Au, Pt, Pd analysis by 30g fire assay with ICP-AES finish.
	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.	No geophysical tools were used in this program.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	MRG QA/QC protocol for drilling is for Field Standards (Certified Reference Materials) and Blanks inserted at a rate of 5 Standards and 4 Blanks per 100 single metre samples. Field duplicates were inserted at a rate of approximately 1 in 100. For this program the relevant samples were part of a total batch of 384 samples were submitted including QC samples. This batch included 14 Blanks, 16 Standards, and 3 field duplicates. At the Assay Laboratory additional Repeats, Lab Standards, Checks and Blanks are analysed concurrently with the field samples. Results of the field and Lab QAQC samples were checked on receipt of the assays. All assays met QAQC protocols, showing no levels of contamination or sample bias.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	
	The use of twinned holes.	Twin holes were not employed during this part of the program.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Field logging was carried out on a Panasonic Toughbook computer. Logging data is submitted electronically to the MRG Metals Ltd Victorian office. Assay files are received electronically from the Laboratory. All data is stored in a Company database system.
	Discuss any adjustment to assay data.	No assay data was adjusted. The lab's primary Au field is the one used for analysis purposes.

	JORC Code explanation	Commentary
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.*	Drill hole collars locations were determined by hand-held GPS, with an accuracy of 5m in Northing and Easting. Down hole surveys were completed every 30m where practicable during drilling. No follow-up down hole directional surveying is planned for these holes.
	Specification of the grid system used.	Grid projection is GDA94, Zone 51.
	Quality and adequacy of topographic control.	Relative Levels are allocated to the drill hole collars using current Digital Terrain Model's for the area. The accuracy of the DTM is estimated to be better than 10m.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Drilling was exploratory and designed to test anomalies identified at surface and from previous drilling. No grid based drilling was undertaken.
	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.	This drilling was exploratory in nature and there are no current plans to utilise the results for Mineral Resource estimation purposes.
	Whether sample compositing has been applied.	5m sample compositing using a spear method was used to generate samples for multi-element analysis during this drilling program.
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.*	Drilling orientation was designed to intersect structures and dominant foliation in the rock at as high angle as possible as determined from structural analysis of oriented core in previous drilling nearby. The reliability of this analysis of drilling orientation is reduced with distance from diamond drill holes.
	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 orientation of any mineralisation is not known at this stage of exploration. Holes were designed to intersect zones of anomalous geochemistry and alteration identified in previous drilling. The effect of drill hole orientation on sampling bias cannot be determined with reliability at this stage.
Sample security	*The measures taken to ensure sample security.*	Samples were sealed in appropriate containers and transported by company vehicle to the Centurion Transport Depot in Kalgoorlie, WA. They were then forwarded by ALS to their Laboratory in Perth for assaying.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No specific audits or reviews have been undertaken at this stage in the program.

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 drilling occurred within tenements E28/2338 held by MRG Metals (Australia) Pty Ltd, a wholly owned subsidiary of MRG Metals Ltd. The tenement is subject to Native Title granted to the Ngadju Group.
	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 tenement subject to this report are in good standing with the Western Australian Department of Mines & Petroleum.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Previous exploration over the Project area has been undertaken by Sipa Resources and Newmont. Where relevant, data from these earlier surveys has been incorporated into MRG databases.
Geology	*Deposit type, geological setting and style of mineralisation.*	Exploration is targeting orogenic gold deposits in the Albany-Fraser Belt and re-worked margin of the Yilgarn.
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*	Refer to tables included in the body of report.
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.*	Intervals are reported as down-hole length-weighted averages of grades. No top cuts have been applied to the reporting of the assay results.
	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.	No high-grade results were reported. Standard aggregation is indicative of drilling intervals with anomalous elements (Au and W) from background levels.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used.
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*	The geometry of any mineralisation is not known at this stage. All assay results are based on down-hole lengths.
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.*	No significant discovery is being reported. Anomalous multi-element geochemistry in assay results is being 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.*	Intervals of anomalous multi-element geochemistry (including Au) are reported. No samples returned high-grades of Au

Criteria	JORC Code explanation	Commentary
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.*	Intervals of anomalous W are established to be correlated with strong sericite-biotite (+/- albite and pyrite) alteration zones first identified in diamond drilling. These intervals typically do not have Au elevated from background levels. Intervals of anomalous Au identified in RC drilling have a loose association with quartz veining but not with the strong alteration observed in core.
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.*	Review of the multi-element geochemistry may be followed by assay of 1m intervals considered to be of interest. Further exploration work at project is planned but the details of future programs is still to be determined

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.