AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

& MEDIA RELEASE

13 December 2017

MRG METALS TO REPRIORITISE WORK PROGRAMS AND PURSUE NEW OPPORTUNITIES WHICH MAY INCLUDE LITHIUM & COBALT, FOLLOWING SUCCESSFUL CAPITAL RAISE AND UPCOMING NON-RENOUNCEABLE RIGHTS ISSUE

HIGHLIGHTS

- **$432,000 raised, before costs through successful 48 million share placement at 0.5c per share and an additional 32 million share placement at 0.6c per share.**
- **Shares issued under the placement shall have an attaching 1:1 option exercisable at 1c, with an expiry date of 20 December, 2020, subject to Shareholder approval.**
- **PEAK Asset Management Pty Ltd (PEAK), Melbourne engaged as Lead Manager, to provide Corporate and Financial Advice to the Company and to identify growth opportunities, which may include Lithium and Cobalt.**
- **MRG's existing portfolio to be streamlined, while facilitating the potential AU Venture and Norrliden Joint Venture opportunities.**
- **A proposed one for two (1:2) non renounceable entitlements issue at the issue price of 0.5c to raise a further ~$1.0 m, before costs.**
- **Shares issued under the entitlement offer shall have an attaching 1:1 option exercisable at 1c, with an expiry date of 20 December, 2020.**

Successful capital raising

- MRG Metals Limited (ASX: MRQ) ("MRG" or "the Company") is pleased to announce that it has successfully raised $0.432 million, before costs via a share placement. The share placement was undertaken at both an issue price of 0.5c cents per share (48 million shares), via its existing 15% placement capacity under ASX Listing Rule 7.1 and at an issue

price of 0.6 cents per share (32 million shares), via its additional 10% placement capacity as per ASX Listing Rule 7.1A, to sophisticated investors and retail private clients of PEAK ("share placement"). The 0.6 cents issue price was determined to meet the requirements of ASX Listing Rule 7.1A.3 where the issue price must not be less than 75% of the 15 trading day VWAP. Shares issued under the share placement shall have an attaching 1:1 option exercisable at 1c, with an expiry date of 20 December, 2020, subject to Shareholder approval. The share placement will be completed in one tranche only. The issue of the attaching options will be subject to Shareholder approval, anticipated to occur soon after the closing of the rights issue.

MRG Chairman, Mr Andrew Van Der Zwan, said we are pleased to have the involvement and support of PEAK as we look to new opportunities to grow MRG. With both the ongoing Due Diligence process being undertaken by AU Ventures on our Australian portfolio and our progress towards 10% equity at Norrliden, Sweden providing MRG with an excellent platform for long term value; the Board of MRG has recognised that other opportunities to accelerate capital appreciation exist in the market today. The Board has deemed it the best course of action to focus new money from the capital raise and non-renounceable rights issue on such opportunities as they arise.

To facilitate this new focus, the MRG Board is pleased to have mandated the services of PEAK, who will work with the Board to identify new opportunities as they arise, while optimising the existing portfolio.

Use of Funds

The funds raised via the share placement will be used for the following purposes:

- To provide funds for:
  - The continued facilitation of the AU Venture Due Diligence process with the aim of moving to Farm In arrangements on some of the Australian portfolio. (Due Diligence period has commenced at Yardilla on 10 December 2017).
  - Completion of the current work program at Norrliden to reach the initial 10% equity hurdle. (Market Update anticipated prior to year-end).
  - Review and optimisation of the remaining Australian portfolio.
- To Review and formalise new opportunities with the assistance of PEAK.
- To provide general working capital on a reduced basis post portfolio optimisation.

Non- Renounceable Rights Issue

MRG further announces a proposed one for two (1:2) non-renounceable entitlements issue of ordinary fully paid shares in the Company ("Offer").

Pursuant to the Offer, the Company will offer one (1) new fully paid ordinary share for two (2) fully paid ordinary shares held by eligible Shareholders at the Record Date at an issue price of $0.005 (0.5 cents) per share to raise up to $1,001,949 before costs (**New Shares**).

Shareholders who hold shares in the Company at the Record Date and have a registered address in Australia and New Zealand will be eligible to participate in the Offer.

New Shares issued under the Offer, will have a 1:1 attaching option, exercisable at 1c per share, with an expiry date of 20 December 2020.

It is the intent, subject to ASX approval to have the options issued under both the Offer and the share placement, quoted on the ASX after the issue of New Shares and options pursuant to the Offer.

The entitlements to New Shares and options under the Offer ("**Entitlements"**) are non-renounceable and will not be tradable on the ASX. The Offer will not be underwritten.

The Rights Issue is being undertaken pursuant to section 708AA(2)(f) of the *Corporations Act* 2001 (Cth). An Appendix 3B in relation to the Rights Issue and a notice under section 708AA(2)(f) of the *Corporations Act* 2001 (Cth) will be lodged with ASX Limited (**ASX**). The Company intends to use the proceeds of the Rights Issue for the same purposes set out above.

MRG has engaged PEAK as Lead Manager to the Offer.

Subject to ASX approval, the anticipated timetable for the Offer is as follows:

Event	Date*
Announcement of Rights Issue Offer	13 December 2017
Lodgement of Prospectus with ASIC / ASX and Appendix 3B and Cleansing Notice with ASX	19 December 2017
Notice sent to Shareholders	21 December 2017
Ex Entitlement Date	22 December 2017
Record Date for determining Entitlements	27 December 2017
Prospectus despatched to Shareholders	29 December 2017
Rights Issue Offer Opens for receipt of applications	7pm EST on 29 December 2017
Closing Date of Offer	18 January 2018
Securities quoted on a deferred settlement basis	19 January 2018
ASX notified of under subscriptions	23 January 2018
Issue date	25 January 2018
Despatch date of holding statements	25 January 2018
Trading commences for New Shares on a normal basis	25 January 2018

**The dates are indicative only and the Company reserves the right to vary the dates including the right to extend the Closing Date or to withdraw the Rights Issue (subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules).*

Further Investor updates shall be provided with details regarding the upcoming Rights Issue and Investors are encouraged to visit the MRG website and review the Company's Update presentation.

Corporate Advisory Mandate

MRG has engaged PEAK to assist MRG with executing its growth strategy and general corporate and financial advice.

Trading Halt

This is the announcement that was referred to in the Company's request for a Trading Halt on 11 December 2017 and that Trading Halt can now be lifted.

-ENDS-

On behalf of:

Mr Andrew Van Der Zwan
Chairman
MRG Metals Ltd