MRG Metals Limited ACN 148 938 532

Notice of Annual General Meeting

and

Explanatory Statement

and

Proxy Form

Annual General Meeting of MRG Metals Limited to be held at

RSM Australia, Level 21, 55 Collins Street, Melbourne, Victoria

on 21 November 2018 commencing at 12.00pm (AEDST).

This Annual Notice of General Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in any doubt as how to vote, they should seek advice from their own independent financial, taxation or legal adviser without delay.

MRG Metals Limited ACN 148 938 532

General information

This notice of meeting (**Notice**) relates to the annual general meeting (**Meeting**) of the shareholders of the Company (**Shareholders**).

The Meeting will take place at RSM Australia, Level 21, 55 Collins Street, Melbourne, Victoria on 21 November 2018 commencing at 12.00pm (AEDST).

The following documents accompany this Notice and are designed to assist Shareholders' understanding of the resolutions under consideration (**Resolutions**):

- **Explanatory Statement**: provides an explanation of the Resolutions and the disclosures required by law and has been prepared with the assistance of the Company's legal adviser, Moray & Agnew; and

- **Proxy form**: to be used by Shareholders to appoint a proxy to vote on their behalf at the Meeting.

Shareholders should read the above documents carefully and if they are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Defined term

Defined terms used in this Notice of Meeting have the same meanings given to them in the Glossary section accompanying this Notice of Meeting.

Key dates for Shareholders

Event	Date*
Dispatch of Notice to Shareholders	19 October 2018
Deadline for lodging proxy form for Meeting	12.00pm (AEDST) on 19 November 2018
Record date for eligibility to vote at Meeting	7.00pm (AEDST) on 19 November 2018
Annual General Meeting	21 November 2018

* Shareholders should note the above timetable is indicative only and may be varied in consultation with ASX. Any changes to the above timetable will be released to the ASX.

Annual General Meeting: Agenda

The business to be transacted at the Meeting is set out below:

Ordinary Business

1. **Receipt and consideration of accounts and reports**

To receive and consider the Financial Report, Director's Report and Auditor's Report on the Company and its controlled entities for the financial year ended 30 June 2018.

To receive Shareholders' questions and comments on the management of the Company.

2. **Resolution 1 - Adoption of Remuneration Report**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"*That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Company's Annual Report for the financial year ended 30 June 2018 be approved by Shareholders.*"

Shareholders should note that this resolution is advisory only and does not bind the Directors or the Company. Shareholders should refer to the Explanatory Statement accompanying this Notice for more information.

Voting exclusion statement on Resolution 1:

The Company will disregard any vote cast on Resolution 1 by, or on behalf of:

(a) a member of the key management personnel, details of whose remuneration are included in the remuneration report (**KMP**); or

(b) a Closely Related Party of such KMP.

However, a person (**Voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(c) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(d) the Voter is the chair of the Meeting and the appointment of the chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; or

(ii) expressly authorises the chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company.

3. **Resolution 2 - Re-election of Andrew Van Der Zwan as a Director of the Company**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"*That Andrew Van Der Zwan, who retires by rotation as a Director of the Company at this Annual General Meeting in accordance with clause 15.3 of the Company's Constitution, be re-elected as a Director of the Company.*"

Special Business

4. **Resolution 3 - Ratification of prior issue of Shares and Options**

To consider and if thought fit, to pass the following Resolution as an ordinary resolution:

"*That for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to the prior issue of 60,000,000 Shares at an issue price of $0.01 per Share and attaching 30,000,000 MRQOB Options to acquire Shares on 17 April 2018 in connection with a Placement as set out in the Explanatory Statement.*"

Voting exclusion statement on Resolution 3:

The Company will disregard any votes cast in favour of this Resolution by:

(a) any person who participated in the issue of the Shares and the attaching MRQOB Options under the Placement; and

(b) any Associates of those persons.

However, the Company need not disregard a vote if:

(c) it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or

(d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

5. Resolution 4 - Approval of additional placement capacity

To consider and if thought fit, to pass the following Resolution as a special resolution:

"*That for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Shares to 10% of the Company's issued share capital at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and as further described in the Explanatory Statement.*"

Voting exclusion statement on Resolution 4:

The Company will disregard any votes cast in favour of Resolution 4 by:

(a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely in their capacity as a security holder; and

(b) an Associate of that person (or those persons).

However, the Company need not disregard a vote if:

(c) it is cast by a person as proxy for a person who is entitled to vote in accordance with the direction on the proxy form; or

(d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Other Business

To transact any business which may legally be brought forward in accordance with the Constitution.

By order of the board:



.....
Andrew Van Der Zwan
Chairman
16 October 2018

Notes

Who may vote?	The Directors have determined, in accordance with Regulation 7.11.37 of the *Corporations Regulation (Cth) 2001*, that any person registered as the holder of Shares at 7.00pm AEDST on 19 November 2018 is entitled to attend and vote at the Meeting in respect of those Shares. If you are not the registered holder of a Share at that time, you will not be entitled to vote at the Meeting in respect of that Share.
How to vote	You may vote in one of two ways: • attending the Meeting and voting in person (if a corporate shareholder, by representative- see below on how to vote by representative); or • voting by proxy (see below on how to vote by proxy).
Proxies: appointment	In accordance with section 249L of the Corporations Act, Shareholders are advised that: • A Shareholder of the Company who is entitled to attend and vote at the Meeting has a right to appoint a person as their proxy to attend and vote for the Shareholder at the Meeting; • A proxy need not be a Shareholder of the Company; and • A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's vote, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes. Shareholders and their proxies should be aware that: • If proxy holders vote, they must cast all directed proxies as directed; and • Any directed proxies which are not voted will automatically default to the Chairman of the Meeting, who must vote the proxies as directed. Further details on the appointment of a proxy are set out below. *Proxy vote if appointment specifies way to vote:* Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does: • the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and • if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and • if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and • if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed). *Transfer of non-chair proxy to chair in certain circumstances* Section 250BC of the Corporations Act provides that, if:

	• an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of Company's members; and • the appointed proxy is not the chair of the meeting; and • at the meeting, a poll is duly demanded on the resolution; and • either of the following applies: o the proxy is not recorded as attending the meeting; or o the proxy does not vote on the resolution, the chair of the meeting is taken, before voting on the resolution, closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting. To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out in the Proxy Form.
Proxies: lodgement	To be valid, a Proxy Form must be received by the Company by no later than 12.00pm AEDST on 19 November 2018 (**Proxy Deadline**). Proxy Forms may be submitted by: (a) hand delivery to: MRG Metals Limited, 12 Anderson Street West, Ballarat VIC; (b) post to: MRG Metals Limited, PO Box 237, Ballarat VIC 3353, Australia; or (c) facsimile: +61 3 5330 5890. The Proxy Form must be signed by the Shareholder or the Shareholder's attorney, or where the Shareholder is a body corporate, by its corporate attorney or otherwise in accordance with its constitution or the Corporations Act. Where the Proxy Form is signed by the appointor's attorney, a certified copy of the authority, or the authority itself, must be lodged with the Company in one of the above ways by the Proxy Deadline. If facsimile transmission is used, the authority must be certified.
Body corporate representative	A Shareholder of the Company who is a body corporate and who is entitled to attend and vote at the Meeting, or a validly appointed proxy who is a body corporate and who is appointed by a Shareholder of the Company entitled to attend and vote at the Meeting, may appoint an individual to act as its representative at the Meeting by providing that individual with: (a) a letter or certificate, executed in accordance with the body corporate's constitution, authorising the person as the representative; or (b) a copy of the resolution, certified by the secretary or a director of the body corporate, appointing the representative.
Voting procedure	Every question arising at the Meeting will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Constitution. On a show of hands, every Shareholder entitled to vote who is present in person or by proxy, representative or attorney, will have one vote. Upon a poll, every person entitled to vote who is present in person or by proxy, representative or attorney will have one vote for each voting Share held by that person.
Enquiries	For all enquiries, please contact the Company Secretary, Mr Shane Turner, on +61 (03) 5330 5800 or +61 (0) 404 033 450.

Explanatory Statement

Introduction

The Explanatory Statement has been prepared for the purposes of the Corporations Act and the Listing Rules. The purpose of this Explanatory Statement is to provide Shareholders with all the information known to the Company that is material to Shareholders in deciding whether or not to approve the Resolutions as set out in the Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full and in conjunction with the Notice before making any decisions in relation to the proposed Resolutions.

Items of Ordinary Business

1. Financial Statements and Reports

Shareholders can now elect to receive the Company's Annual Report via a variety of means. Shareholders who opted to access the Annual Report electronically should have received the email link to the electronic document. Shareholders who opted to continue to receive a printed copy of the Annual Report should now have received it. Shareholders who took no action are advised that they can now access the electronic copy of the Annual Report online at the Company's website.

The 2018 Annual Report includes the Directors' Reports, the Auditors' Report and the Financial Report (which includes the financial statements and Directors' declaration).

Copies of the Company's Financial Report, the Directors' Reports and the Auditors' Report for the financial year ended 30 June 2018 will also be tabled at the Meeting.

The purpose of tabling the Financial Report of the Company at the Meeting and the reports of the Directors and the Auditor is to provide Shareholders with a reasonable opportunity to ask questions or discuss matters relevant to the management of the Company. The Auditor has been invited to be present at the Meeting and Shareholders will have a reasonable opportunity to ask the Auditor questions relevant to the conduct of the audit and the preparation and content of the Auditor's Report. Apart from the matters involving remuneration which are required to be voted upon under section 250R of the Corporations Act, it is not the purpose of the Meeting, nor a requirement of the Corporations Act or the Constitution, that the Financial Report be approved or rejected.

Under section 250PA(1) of the Corporations Act, a shareholder must submit the question to the Company no later than the fifth business day before the day on which the AGM is held.

Shareholders are requested to submit any written questions relating to the content of the audit report or the conduct of its audit of the Company's financial report for the year ended 30 June 2018 to the Company by no later than 14 November 2018. A representative of the Auditor will provide answers to the questions at the Meeting.

2. Resolution 1 - Approval of Remuneration Report

As required by the Corporations Act, the Board presents the Remuneration Report to Shareholders for consideration and adoption as a non-binding vote.

Among other things, the Remuneration Report contains:

» information about the Board's policy for determining the nature and amount of remuneration of the Directors and other key management personnel; and

» remuneration details for key management personnel.

The Remuneration Report, which is set out in the Directors' Report, can be found on the Company's website or can be obtained by contacting the Company's share registrar, Link Market Services.

The Resolution is an ordinary resolution.

Voting consequences

In accordance with the Corporations Act, the vote on this Resolution is advisory only and does not bind the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

If 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGM's, Shareholders will be required to vote at the second of those AGM's on a resolution (a "spill resolution") that another meeting be held at which all of the Company's Directors other than the Managing Director stand for election. If more than 50% of shareholders vote in favour of the spill resolution the Company must convene an extraordinary general meeting within 90 days of the second AGM.

Voting exclusion: A voting exclusion applies to this item of business, as set out in the Notice of Meeting.

Recommendation: The Board considers that the remuneration policies set out in the Remuneration Report are appropriate and reasonable. On this basis, the Board recommends that Shareholders eligible to vote do so **in favour** of Resolution 1.

The Chairman will vote all undirected proxies in favour of this Resolution, subject to compliance with the Corporations Act. If you wish to vote "against" or "abstain" you should mark the relevant box in the attached proxy form.

3. Resolution 2 - Re-election of Andrew Van Der Zwan as a Director of the Company

Resolution 2 seeks approval for the re-election of Mr **Andrew Van Der Zwan** who is retiring by rotation, to be a director of the Company.

The Constitution of the Company requires that at every annual general meeting, one-third of the previously elected directors must retire and are eligible for re-election.

Mr Van Der Zwan has been a director since February 2011 (soon after the Company's incorporation). He retires by rotation and, being eligible, offers himself for re-election.

Mr Van Der Zwan has over 30 years engineering and commercial experience, both local and international. He was a Non Executive Director of Gulfx Ltd for 11 years and was employed in various senior positions within the worldwide operations of Exxon Mobil for 17 years.

Recommendation: The Board (with Mr Van Der Zwan abstaining) recommends that Shareholders vote **in favour** of this Resolution.

The Chairman will vote all undirected proxies in favour of this Resolution.

Items of Special Business

4. Resolution 3 - Ratification of prior issue of Shares and Options

On 17 April 2018, the Company announced that it had successfully completed the placement of 60,000,000 Shares at a price of $0.01 per Share, with 30,000,000 free attaching MRQOB Options to institutional and sophisticated investors of Peak, to raise in aggregate a total of approximately $600,000 before costs (**Placement**).

Resolution 3 seeks Shareholder approval to ratify, in accordance with Listing Rule 7.4, the prior issue of 60,000,000 Shares at an issue price of $0.01 per and 30,000,000 free attaching MRQOB Options on 17 April 2018 pursuant to the Placement.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions under Listing Rule 7.2, issue or agree to issue securities during any 12 month period in excess of 15% of the number of ordinary shares on issue at the commencement of that 12 month period (**15% Placement Capacity**), without shareholder approval.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1 by permitting the ratification of a previous issue of securities which was not made under a prescribed exception to Listing Rule 7.1 or with prior shareholder approval, provided that the issue did not breach the 15% threshold set out by Listing Rule 7.1.

If shareholders of a company approve the ratification of a previous issue of securities at a general meeting, those securities will be deemed to have been issued with shareholder approval for the purposes of Listing Rule 7.1.

The effect of passing Resolution 3 is the reinstatement of the Company's maximum capacity to issue further securities up to its 15% Placement Capacity, if required, in the next 12 months without requiring Shareholder approval (subject to the Corporations Act and the Listing Rules).

The Directors believe that it is in the best interests of the Company that the Company maintains its ability to issue up to its 15% Placement Capacity.

For the purposes of Listing Rule 7.5, which contains the requirements as to the contents of a notice sent to shareholders for the purposes of Listing Rule 7.4, the following information is provided to Shareholders:

<table>
<tr><td>Number of securities issued</td><td>60,000,000 Shares and 30,000,000 attaching MRQOB Options were issued on 17 April 2018 pursuant to the Placement (referred to as “Placement Shares” and “Placement Options” respectively).</td></tr>
<tr><td>Price</td><td>Issue price per Placement Share was $0.01 and the Placement Options were issued for nil consideration on a 1 for 2 free-attaching basis pursuant to the Placement. However, the Placement Options will be exercisable at $0.01 each.</td></tr>
<tr><td>Terms</td><td>The Placement Shares rank pari passu with all existing securities in their class.

The Placement Options are issued on the following high level terms:

<table><tr><td>Exercisable price</td><td>$0.01 each</td></tr><tr><td>Expiry date</td><td>20 December 2020</td></tr></table>
The complete terms of the Placement Options are detailed in Annexure A.</td></tr>
<tr><td>Names of persons to whom securities were issued</td><td>The Placement Shares and the Placement Options were allotted and issued to sophisticated investors and professional of Peak, who are not Related Parties of the Company.</td></tr>
<tr><td>Use of funds raised</td><td>Funds raised (after costs) were used to pursue a new Project and general working capital purposes</td></tr>
<tr><td>Voting exclusion statements</td><td>Voting exclusion statements are contained in the Notice.</td></tr>
</table>

The Directors consider it appropriate and prudent for approval to be sought at the Meeting, in respect of the relevant issue of Shares and Options made by the Company in the last 12 months. The Directors believe this approval will enhance the Company's flexibility to finance its operations through raising equity capital, should the Directors consider it to be in the best interests of the Company to do so.

In particular, the Directors note that, if this approval is not obtained at the Meeting, the Company may be required to incur additional costs and delays, if the Directors subsequently propose to issue securities which do not fall under an exception in Listing Rule 7.2 to the 15% Placement Capacity in Listing Rule 7.1.

Recommendation: The Board recommends that Shareholders vote **in favour** of this Resolution 3.

5. Resolution 4 - Approval of additional placement capacity

Under Listing Rule 7.1A, an "eligible entity" may, subject to shareholder approval by way of special resolution, issue Equity Securities (as defined below) shares comprising up to 10% of its issued share capital over a 12-month period commencing after the annual general meeting. An "eligible entity" for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of $300 million or less. The Company confirms that it is an "eligible entity" for the purposes of Listing Rule 7.1A and is seeking shareholder approval to create an ability for the Company to issue up to an additional 10% of the issued share capital of the Company under Listing Rule 7.1A (**10% Placement Capacity**).

Resolution 4 is a special resolution and requires approval of 75% of the votes cast by Shareholders present and eligible to vote. The only securities that the 10% Placement Capacity can cover are ordinary fully paid shares.

The 10% Placement Capacity is in addition to the normal 15% Placement Capacity under Listing Rule 7.1. Therefore, if the 10% Placement Capacity is approved, the Directors will be allowed to issue Equity Securities of up to 25% (Up to 10% pursuant to Listing Rule 7.1A and up to 15% pursuant to Listing Rule 7.1) of the Company's issued share capital. If the 10% Placement Capacity is not approved, the Directors will still be allowed to issue Equity Securities of up to 15% of the Company's issued capital pursuant to Listing Rule 7.1.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has three (3) classes of quoted Equity Securities on issue, being the Shares (ASX Code: MRQ) and quoted Options (ASX Code: MRQOA an MRQOB).

If Shareholders approve Resolution 4, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

Formula for calculating 10% Placement Capacity

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of ordinary shares on issue 12 months before the date of issue or agreement to issue:

a) plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;

b) plus the number of partly paid ordinary shares that became fully paid in the 12 months;

c) plus the number of fully paid ordinary shares issued in the 12 months with approval of shareholders under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval;

d) less the number of fully paid ordinary shares cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%; and

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

(a) Minimum issue price

In accordance with Listing Rule 7.1A, Equity Securities issued by the Company under a 10% Placement Capacity can only be issued at a price that is not less than 75% of the VWAP (volume weighted average price) for the Equity Securities calculated over the 15 trading days on which trades in that class of Equity Securities were recorded immediately before:

- the date on which the issue price of the Equity Securities is agreed; or
- the date on which the Equity Securities are issued (if the Equity Securities are not issued within five trading days of the date on which the issue price is agreed).

(b) Placement period

Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- 12 months after the date of this Meeting; and
- the date of approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

The 10% Placement Capacity under Listing Rule 7.1A will not lapse if the Company's market capitalisation subsequently exceeds $300 million or if it is included in the S&P/ASX 300 Index at some time during that period provided that the Company meets those criteria on the date of the Meeting.

(c) Dilution to existing shareholdings

If Resolution 4 is approved by Shareholders and the Company issues shares under the 10% Placement, there is a risk of economic and voting dilution to existing shareholders as a result, including the risk that:

- the market price of the Company's Equity Securities may be significantly lower on the issue date than on the date of the Meeting; and

- the Equity Securities may be issued at a price that is at a discount to the market price on the issue date,

and in either case, there is a further risk that the 10% Placement capacity may raise less funding than it would based on current market prices for the Equity Securities.

As required by Listing Rule 7.3A.2, the table below shows:

- two examples where variable "A" in the formula in Listing Rule 7.1A.2 (representing the Company's share capital) has increased by either 50% or 100%; and
- two examples of whether the share price of ordinary securities has decreased by 50% or increased by 100% from the current share price,

and is prepared on the basis that:

- Variable “A” is based on the number of ordinary securities the Company has on issue as at 12 October 2018. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval under Listing Rule 7.1 (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and

- The current share price of the Shares is the closing price of the Shares as at 12 October 2018.

Dilution table

Share Capital (Variable 'A' in Listing Rule 7.1A.2)	Dilution table			
	Issue Price	**$0.002** **50% decrease in Issue Price**	**$0.004** **Issue Price**	**$0.008** **100% increase in Issue Price**
Current 667,169,639 Shares	Number of Shares issued (10% voting dilution)	66,716,964	66,716,964	66,716,964
	Funds raised	$133,434	$266,868	$533,736
50% increase in Variable A 1,000,754,458 Shares	Number of Shares issued (10% voting dilution)	100,075,446	100,075,446	100,075,446
	Funds raised	$200,151	$400,302	$800,604
100% increase in Variable A 1,334,339,278 Shares	Number of Shares issued (10% voting dilution)	133,433,928	133,433,928	133,433,928
	Funds raised	$266,868	$533,736	$1,067,471

The dilution table has been prepared on the following hypothetical assumptions. The Company does not represent that they will necessarily occur:

- There are currently 667,169,639 Shares on issue;
- The issue price set out above is the closing price of the Shares on the ASX on 12 October 2018;
- the Company issues the maximum number of shares available under the 10% Placement Capacity
- any increase in Variable A (being the issued share capital at the time of issue) is due to an issue of Shares which is an exception in Listing Rule 7.2, for example a pro-rata rights issue. However, a 15% Placement Capacity under Listing Rule 7.1 does not increase variable "A" for the purposes of calculating the 10% Placement Capacity under Listing Rule 7.1A;
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1;
- The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised before the date of issue of the Equity Securities;
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- the table shows only the effect of issues of shares under Listing Rule 7.1A, not under the 15% Placement Capacity under Listing Rule 7.1; and

- the table does not show the dilution that may be caused to any particular Shareholder by reason of placements under Listing Rule 7.1A, based on that Shareholder's holding at the date of the Meeting. For instance, Shareholders will have different outcomes depending on whether or not they participate in a pro-rata issue which has the effect of increasing variable "A".

(d) Purpose of the 10% Placement Capacity

The Company may seek to issue Equity Securities under the 10% Placement Capacity for either:

- a cash issue price. In this case, the Company may use the funds raised for a new asset or investment acquisition and/or for general working capital purposes; or

- non-cash consideration, such as for the acquisition of new assets or investments or in consideration for services rendered to the Company, subject to any applicable Listing Rules and ASX requirements. Where Equity Securities are issued under the 10% Placement for non-cash consideration, the Company will provide for release to market a valuation of the non-cash consideration that demonstrates that the issue price of the securities complies with Listing Rule 7.1A.3.

In either case, the cash issue price or the value of the non-cash consideration must comply with the minimum issue price noted above.

(e) Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the 10% Placement. The identity of the allottees under the 10% Placement Capacity will be determined on a case by case basis having regard to the factors including the following:

- the methods of raising funds that are available to the Company, including a rights issue or other issue in which existing shareholders can participate;

- the effect of the issue of the shares on the control of the Company;

- the financial situation and solvency of the Company; and

- advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice and may include existing substantial shareholders and/or new shareholders, but the allottees cannot include any directors, Related Parties or Associates of a Related Party of the Company without a further specific shareholder approval.
Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement will be vendors of the new resources, assets or investments.

(f) Compliance with Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- the information required by Listing Rule 3.10.5A for release to the market.

(g) Voting exclusion

A voting inclusion statement is included in this Notice. In accordance with Listing Rule 14.11.1 and the relevant Note under that rule concerning Listing Rule 7.1A,

As at the date of this Notice of Annual General Meeting, the Company has not approached or invited any particular existing Shareholder or an identifiable class of existing Shareholders to participate in the issue of Equity Securities under the 10% Placement Capacity. No existing shareholder's vote will therefore be excluded from voting on Resolution 4 at the Meeting.

(h) Previous approval

The Company has previously obtained shareholder approval under Listing Rule 7.1A at the AGM held on 28 November 2017 (**Previous 10% Placement Approval**).

The Company has issued 60,000,000 Shares pursuant to the Previous 10% Placement Approval, subject to the Shares approval to ratify the issue of the Placement Shares at the Meeting.

During the 12 month period preceding the date of the Meeting, being on and from **21 November 2017**, the Company otherwise issued a total of 346,389,880 Shares and 321,389,880 MRQOB Options which represents **approximately** 208**%** of the total diluted number of Shares on issue in the Company on 21 November 2017, which was 320,779,759. Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

Recommendation

The Directors believe that Resolution 4 will provide the Company with flexibility to raise capital quickly if advantageous terms are available and is in the best interests of the Company. The Directors recommend that shareholders vote in favour of this resolution.

Other information

The Board is not aware of any other information which is relevant to the consideration by Shareholders of the proposed Resolutions which are detailed in the Notice. Prior to making any decision, Shareholders may wish to seek advice from their own independent accountant, solicitor or other financial adviser as to the effect of the proposed Resolution

Directors' approvals and recommendations

To the extent permitted by law, it is the intention of the Chairman of the Meeting to vote all undirected proxies granted to him in favour of the Resolutions.

Glossary

Capitalised terms used in this Notice and the Explanatory statement have the following meanings:

$ means Australian Dollars;

AEDST means Australian Eastern Daylight Savings Time;

Annual Report means the Directors' Report, the Financial Report and Auditor's Report, in respect of the financial year ended 30 June 2018;

ASIC means the Australian Securities and Investments Commission;

Associate has the meaning given to that term in sections 12 and 16 of the Corporations Act;

ASX means the Australian Securities Exchange or ASX Limited as the context requires;

Auditor means the auditor of the Company, Tim Jackman of Grant Thornton Audit Pty Ltd;

Auditor's Report means the auditor's report on the Company's Financial Report;

Board means the board of Directors;

Closely Related Party (of a member of KMP of an entity) has the definition given to it by section 9 of the Corporations Act, and means:

(a) a spouse or child of the member;

(b) a child of the member's spouse;

(c) a dependant of the member or of the member's spouse;

(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;

(e) a company the member controls; or

(f) a person prescribed by the regulations for the purposes of this definition (nothing at this stage);

Company means MRG Metals Limited ACN 148 938 532;

Constitution means the constitution of the Company;

Corporations Act means the *Corporations Act 2001 (Cth)*;

Director(s) means the directors of the Company from time to time;

Directors' Report means the directors' report prepared in accordance with Chapter 2M of the Corporations Act for the Company;

Equity Security has the meaning given to it in the Listing Rules;

Explanatory Statement means the explanatory statement that accompanies this Notice;

Financial Report means the annual financial report of the Company prepared in accordance with Chapter 2M of the Corporations Act;

Key Management Personnel or **KMP** means those persons having authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including any director (whether executive or otherwise) of that entity;

Listing Rules means the Listing Rules of the ASX;

Meeting means the meeting of the Company to be held at RSM, Level 21, 55 Collins Street, Melbourne, Victoria on 21 November 2018 at 12.00pm AEDST;

MRQOB Option means an Option issued by the Company on the terms set out in Annexure A and quoted on ASX under code 'MRQOB';

Notice means the notice convening the Meeting;

Peak means 'Peak Asset Management', an authorised representative of Arrow Securities Group Pty Ltd (AFSL #448218);

Placement has the meaning given to it in section 4 of the Explanatory Statement;

Proxy Form means the proxy form accompanying this Notice;

Related Party has the meaning given to it in the Corporations Act;

Remuneration Report means the remuneration report which forms part of the Directors' Report of the Company for the financial year ended 30 June 2018 and which is set out in the 2018 Annual Report;

Resolution means a resolution to be voted on at the Meeting, the details of which are set out in the Notice;

Share means a fully paid ordinary share in the capital of the Company;

Shareholder means a holder of a Share;

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

VWAP means volume weighted average price.

Schedule 1

Additional Disclosure under Listing rule 7.3A
See below details of issues of equity securities made in the previous 12 months:

Date of issue	**Quantity and Class of Equity Securities**	**Recipients**	**Issue price and discount to market price (if applicable)**	**Form of consideration**
15 December 2017	80,000,000 Shares	Issued top sophisticated and professional Investors of Peak pursuant to a placement	$0.005 per Share for 48,000,000 shares representing a discount of **37%** $0.006 per Share for 32,000,000 Shares representing a discount of **24%**.	**Amount raised and used**: $432,000 **Use of funds**: all funds raised (after costs) were used to pursue a new Project and general working capital.
23 January 2018	130,838,298 Shares	Shareholders pursuant to the entitlement offer announced in December 2017	$0.005 Per Share representing a discount of 17%	**Amount raised and used** = $654,191 **Use of funds:** funds raised from the entitlement offer (after costs) were used to pursue a new Project and general working capital purposes. However, at the date of this Notice, the majority of funds raised are on hand to pursue a new Project and for general working capital purposes.
23 January 2018	130,838,298 Quoted Options[1]	Issued to Shareholders on the basis of 1 Option for every 1 Share subscribed for under	Nil	**Consideration**: nil, attaching Quoted Options[1]

		the entitlement offer announced in December 2017		**Current value**[2] is $261,676
23 January 2018	69,551,582 Shares	Issued to professional and sophisticated investors of Peak pursuant to the placement of shortfall under the entitlement offer announced in December 2017	$0.005 Per Share representing a discount of 45%	**Amount raised and used** = $347,758 **Use of funds:** all funds raised from the placement of shortfall under the entitlement offer (after costs) are on hand to pursue a new Project and general working capital purposes
23 January 2018	69,551,582 Quoted Options[1]	Issued professional and sophisticated investors of Peak on the basis of 1 Option for every 1 Share subscribed for pursuant to the placement of shortfall under the entitlement offer announced in December 2017	Nil	**Consideration**: nil, attaching Quoted Options[1] **Current value**[2] is $139,103
12 February 2018	80,000,000 Quoted Options[1]	Issued to various sophisticated and professional Investors of Peak pursuant to the Placement on 15 December 2018 and after approval by Shareholders at General Meeting on 9 February 2018.	Nil	**Consideration**: nil, attaching Quoted Options[1] **Current value**[2] is $160,000
12 February 2018	5,000,000 Quoted Options[1]	Peak Asset Management Pty Ltd	No issue price Non-cash consideration	Options issued as consideration for provision of corporate advisory services **Current value**: $10,000
12 February 2018	6,000,000 Shares	Issued to Directors of the Company after approval by Shareholders at General Meeting on 9	$0.005 Per Share representing a discount of 29%	**Amount raised and used** = $30,000 **Use of funds:** all funds raised are on hand to pursue

		February 2018 (Share Issuance)		a new Project and general working capital purposes.
12 February 2018	6,000,000 Quoted Options[1]	Issued to Directors of the Company, on the basis of 1 Option for every 1 Share subscribed for under the Share Issuance	Nil	**Consideration**: nil, attaching Quoted Options[1] **Current value**[2] is $12,000
17 April 2018	60,000,000 Shares	Issued to sophisticated and professional Investors of Peak via the Placement	$0.010 per Share representing a discount of 0%	**Amount raised and used** = $600,000 **Use of funds:** all funds raised (after costs) are on hand to pursue a new Project[3] and for general working capital purposes
17 April 2018	30,000,000 Quoted Options[1]	Issued to sophisticated and professional Investors of Peak, on the basis of 1 Option for every 2 Shares subscribed for under the Placement	Nil	**Consideration**: nil, attaching Quoted Options[1] **Current value**[2] is $60,000

Note: 1

1. Quoted Options, exercisable at $0.01 each, on or before 20 December 2020, ASX code: MRQOB – see full terms of these options in Annexure A.

2. In respect of the quoted Equity Securities, the value is based on the closing price of the Shares (ASX code: MRQ) ($0.004) or bid price of the Options (ASX code: MRQOB) ($0.002) as the context requires on the ASX on 12 October 2018.

3. The Project was the proposed acquisition of the high potential heavy material sands projects in Mozambique as announced by the Company on 11 April 2018. The funds raised were used to finance the costs of the Project, including any incidental legal costs and general working capital purposes. Please refer to the Company's ASX announcements between 11 April 2018 and 30 August 2018 for the details of the progress of this Project. However, if this Project is not acquired, then funds raised will be used to pursue another Project and general working capital purposes.

Annexure A – Terms of issue of the MRQOB Options

The terms and conditions of the options are as follows:

1. Each option entitles the optionholder to subscribe for 1 fully paid ordinary share (**Share**) in the capital of MRG Metals Limited (ACN 148 938 532) (the **Company**) at $0.01 ("exercise price").

2. All Shares issued upon exercise of the options will rank equally in all respects with the then issued Shares.

3. Except as permitted by clause 9(c), there are no participating rights or entitlements conferred on the options and the optionholder will not be entitled to participate with respect to the options in new issues offered to shareholders during the term of the options without exercising the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the relevant record date will be at least 10 Business Days (being a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria) after the optionholder is notified of the relevant issue. This will give the holder the opportunity to exercise the options prior to the date for determining entitlements and to participate in any such issue as a shareholder.

4. In the event of any reorganisation of capital of the Company, prior to the expiry date for exercise of the options, the number of options to which the optionholder is entitled or the exercise price of the options or both shall be changed to comply with the Listing Rules of the Australian Securities Exchange (**ASX**) applying to a reorganisation of capital at the time of reorganisation.

5. The number of options held will appear on an option holder statement which will be accompanied by a Notice of Exercise of Options that is to be completed when exercising options as follows:

> Notice of Exercise of Options
>
> To the Directors of MRG Metals Ltd ACN 148 938 532 (the "Company"),
> I, ……..
> of …….
> being the registered holder of options in the capital of the Company hereby exercise …… such options to subscribe for fully paid ordinary shares in the Company ("Shares") and enclose application monies payable of one (1) cent per option exercised.
>
> I authorise you to register me as the holder of the Shares to be issued to me and agree to accept such Shares subject to the constitution of the Company.
> Dated the day of 20__
> Signed by)
> the holder of the options) ……

6. The options can be exercised at any time prior to their expiry date by completing the Notice of Exercise of Options form (similar to the one in paragraph 5) and delivering it to the Company with the exercise monies payable to the Company.

7. The Company shall, within 10 Business Days after the receipt of a valid Notice of Exercise of Options, issue Shares in respect of the options exercised and arrange for a holding statement for the Shares to be despatched to the optionholder. The Company will, within 10 Business

Days after the date of allotment of those Shares, apply for official quotation by the ASX of all Shares issued upon the exercise of the options. Any option that has not been exercised prior to the relevant expiry date automatically lapses on the expiry date.

8. The Company will advise optionholders at least 20 Business Days before the impending expiry of their options and will advise such other details as the ASX Listing Rules then prescribe, so as to enable optionholders to determine whether or not to exercise their options.

9. If, prior to the expiry date, the Company makes a bonus issue of shares to shareholders of the Company, then, upon the exercise of the options, the options holders would be entitled to have issued to them, in addition to the shares which would otherwise be issued to them upon exercise of their options, the shares which would have been issued under that bonus issue (**Bonus Shares**). If, on the record date applicable to the Bonus Shares, they had been registered as the holder of the shares to be issued to them upon exercise of the options, such Bonus Shares will be paid by the Company out of profits or reserves in the same manner as was applied in relation to the bonus issue and upon issue will rank equally in all respects with the Bonus Shares.

10. The optionholder may exercise any number of the options without prejudice to the optionholder's ability to subsequently exercise any remaining options.

11. Subject to any escrow conditions, the options are freely transferable.

12. The Company will apply for official quotation by the ASX of the options in accordance with ASX Listing Rules.

13. Each option will expire on 20 December 2020 (“expiry date”).

14. There is no right to vary the expiry date, the exercise price or the underlying securities over which the options can be exercised.

15. The parties agree that, in so far as the ASX Listing Rules are applicable to the options, the parties shall do all acts, matters and things necessary to comply with the ASX Listing Rules in respect of the treatment of the options and the rights of the optionholder.

MRG Metals Limited
ACN 148 938 532

LODGE YOUR VOTE

BY MAIL
MRG Metals Limited
PO Box 237
Ballarat VIC 3353

BY FAX
+61 3 5330 5890

BY HAND
delivering it to
MRG Metals Limited,
12 Anderson Street West,
Ballarat, VIC 3350

X99999999999

PROXY FORM

I/We being a member(s) of MRG Metals Limited and entitled to attend and vote hereby appoint:

STEP 1 APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **12:00pm (AEDT) on Wednesday, 21 November 2018 at RSM Australia, Level 21, 55 Collins Street, Melbourne, Victoria** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 2 VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions	For	Against	Abstain*
1 Adoption of Remuneration Report	☐	☐	☐
2 Re-election of Andrew Van Der Zwan as a Director of the Company	☐	☐	☐
3 Ratification of prior issue of Shares and Options	☐	☐	☐
4 Approval of additional placement capacity	☐	☐	☐

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

MRQ PRX1801C

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **12:00pm (AEDT) on Monday, 19 November 2018,** being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

BY MAIL
MRG Metals Limited
PO Box 237
Ballarat VIC 3353

BY FAX
+61 3 5330 5890

BY HAND
delivering it to MRG Metals Limited*
12 Anderson Street West
Ballarat, VIC 3350

* During business hours (Monday to Friday, 9:00am–5:00pm)

COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.

ONLINE
www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.