10 December 2019

Markets Announcement Platform
Australian Securities Exchange

Issue of Shares, Options and Performance Rights and Cleansing Notice under Section 708(5)(e) of the Corporations Act

MRG Metals Limited (ASX:MRQ) ("**MRG Metals**" or "**Company**") advises it has today:

(a) issued 125,000,000 fully paid ordinary shares ("**Placement Shares**") and 62,500,000 free attaching listed options to acquire fully paid ordinary shares (MRQOB – exercise price of $0.01 and expiring on 20 December 2020) ("**Placement Options"**) to institutional and sophisticated investors at the issue price of $0.01 per share pursuant to a placement (referred to in the Company's ASX announcement dated 4 December 2019), raising a total of $1,250,000 before costs ("**Placement**");

(b) issued 6,875,000 fully paid ordinary shares ("**Corporate Advisors Shares**") and 3,437,500 free attaching listed options to acquire fully paid ordinary shares (MRQOB – exercise price of $0.01 and expiring on 20 December 2020) ("**Corporate Advisors Options**") to Pinnacle Equities Pty Ltd (or its nominee) in partial satisfaction of capital raising fees for capital services provided; and

(c) issued a total of 12,000,000 Class C Performance Rights and 12,000,000 Class D Performance Rights to the Directors of the Company (namely, Mr Andrew Van Der Zwan, Mr Christopher Gregory and Mr Shane Turner) (or their nominees), in accordance with the shareholder approval at the Annual General Meeting of the Company held on 28 November 2019 (refer Notice of Annual General Meeting issued on 28 October 2019 for terms of rights); and

(d) issued a 4,000,000 Class C Performance Rights and 4,000,000 Class D Performance Rights to Mr Mark Alvin (or his nominee), in accordance with the shareholder approval at the Annual General Meeting of the Company held on 28 November 2019 (refer Notice of Annual General Meeting issued on 28 October 2019 for terms of rights).

The issue of the Class C Performance Rights and the Class D Performance Rights referred to in paragraphs (c) and (d) above was approved by Shareholders at the Company's Annual General Meeting held on 28 November 2019. Refer further details in announcements on 28 November 2019 and the Notice of Annual General Meeting issued on 28 October 2019.

Notice under section 708A(5)(e) of the Corporations Act 2001 (Cth)

In connection with the issue of the Placement Shares, the Placement Options, the Corporate Advisors Shares and the Corporate Advisors Options ("**Relevant Securities**"), MRG Metals hereby gives notice for the purposes of section 708A(6) of the *Corporations Act 2001* (Cth) (the **Act**), MRG Metals advises that:

(a) the Relevant Securities were issued without a prospectus pursuant to Part 6D.2 of the Act;

(b) this notice is being given pursuant to section 708A(5)(e) of the Act.

(c) as at the date of this notice, MRG Metals has complied with:

(i) its financial reporting and auditing obligations under Chapter 2M of the Act; and

(ii) its continuous disclosure obligations under section 674 of the Act; and

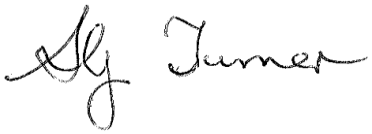
(d) as at the date of this notice, there is no excluded information of the type referred to in section 708A(7) or 708A(8) of the Act to be disclosed under section 708A(6)(e) of the Act.

Information disclosed under ASX Listing Rules 7.1A.4 and 7.1B.5(b)(i)

Pursuant to ASX Listing Rules 7.1A.4 and 7.1B.5(b)(i), the Company confirms that 89,240,000 Placement Shares are being issued pursuant under ASX Listing Rule 7.1A.

An Appendix 3B for the issue of new securities is attached.

Yours faithfully



Shane Turner
Company Secretary

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

MRG Metals Ltd

ABN

83 148 938 532

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Ordinary shares MRQOB Listed options Class C Performance Rights Class D Performance Rights
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	131,875,000 ordinary shares 65,937,500 MRQOB listed options 16,000,000 Class C Performance Rights 16,000,000 Class D Performance Rights

+ See chapter 19 for defined terms.

3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	(a) Fully paid ordinary shares (b) Listed options with an exercise price of $0.01 and an expiry date of 20 December 2020 (MRQOB). (c) Class C Performance Rights, subject to performance milestones being met, convertible into Ordinary Shares on a 1 for 1 basis – refer to the attached Annexure A for details of the terms of the Class C Performance Rights (including performance milestones). (d) Class D Performance Rights, subject to performance milestones being met, convertible into Ordinary Shares on a 1 for 1 basis – refer to the attached Annexure B for details of the terms of the Class D Performance Rights (including performance milestones).

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	**(a) Fully paid ordinary shares** Yes **(b) Listed options (MRQOB)** Not applicable. Any ordinary shares issued upon exercise of options will rank equally with the existing fully paid ordinary shares in the Company. **(c) Class C Performance Rights and Class D Performance Rights** These performance rights do not rank equally with existing ordinary shares. Ordinary shares issued upon conversion will rank equally with existing ordinary shares. To participate in a dividend, the ordinary shares must be issued prior to the record date for the dividend.
5	Issue price or consideration	(a) 125,000,000 fully paid ordinary shares issued pursuant to a placement announced on 4 December 2019 ("**Placement**") - $0.01 per share. (b) 62,500,000 MRQOB listed options issued pursuant to the Placement - Nil, free attaching listed options to fully paid ordinary shares referred to in paragraph (a) above. (c) 6,875,000 fully paid ordinary shares and 3,437,500 MRQOB Listed Options issued to Pinnacle Equities Pty Ltd (or its nominee) ("**Corporate Advisors**") in satisfaction of $68,750 of the total GST inclusive capital raising fee of $82,500. (d) Class C Performance Rights and Class D Performance Rights - Nil

+ See chapter 19 for defined terms.

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	**Fully paid ordinary shares and 62,500,000 MRQOB listed options** (a) Funds received from the issuance of 125,000,000 fully paid ordinary shares and 62,500,000 MRQOB listed options pursuant to the Placement are to fund: (i) the exploration activities at the Heavy Mineral Sands (HMS) projects in Mozambique; and (ii) for general working capital requirements. (b) 6,875,000 fully paid ordinary shares and 3,437,500 MRQOB Listed Options issued to the Corporate Advisors in satisfaction of $62,500 of the total GST inclusive capital raising fee of $82,500 **Class C Performance Rights and Class D Performance Rights issued to Directors of the Company (or their nominee)** • 12,000,000 Class C Performance Rights and 12,000,000 Class D Performance Rights are issued to the directors of the Company (namely, Mr Christopher Gregory, Mr Andrew Van Der Zwan and Mr Shane Turner) (or their nominees) for the purpose of aligning the interests of the directors to the Company's performance (for Class C Performance Rights) and strategic objectives (for Class D Performance Rights). • 4,000,000 Class C Performance Rights and 4,000,000 Class D Performance Rights are issued to Mr Mark Alvin (or his nominee) for the purpose of providing competitive incentives to Mr Alvin in relation to the delivery of his geological services to the Company.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	Yes

+ See chapter 19 for defined terms.

6b	The date the security holder resolution under rule 7.1A was passed	28 November 2019
6c	Number of +securities issued without security holder approval under rule 7.1	• 35,760,000 fully paid ordinary shares issued pursuant to the Placement on 10 December 2019 • 6,875,000 issued pursuant to the Corporate Advisors on 10 December 2019 • 65,937,500 MRQOB options
6d	Number of +securities issued with security holder approval under rule 7.1A	89,240,000 fully paid ordinary shares issued pursuant to a placement on 10 December 2019
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	16,000,0000 Class C Performance Rights and 16,000,000 Class D Performance Rights are issued as approved by Shareholders under Listing Rules 7.1 and 7.3 at the Company's Annual General Meeting held on 28 November 2019
6f	Number of +securities issued under an exception in rule 7.2	Nil
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes Issue Date – 10 December 2019 Issue Price - $0.01 per share 15 trading day VWAP as calculated under ASX Listing Rule 7.1A.3 - $0.0103 per share Source of the VWAP calculation – Orient Capital
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 – 25,288,496 Rule 7.1A - 664
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	10 December 2019

+ See chapter 19 for defined terms.

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	934,281,639	Ordinary shares
		526,564,380	Listed options, exercisable at $0.01 and expiring 20 December 2020 (ASX code: MRQOB)
		72,978,404	Listed options, exercisable at $0.15 and expiring on 31 August 2020 (ASX code: MRQOA).

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	90,000,000	Ordinary shares (escrowed for a period of 12 months from 22 January 2019)
		90,000,000	Listed options – MRQOB (escrowed for a period of 12 months from 22 January 2019)
		160,000,000	Class A Performance Rights
		320,000,000	Class B Performance Rights
		16,000,000	Class C Performance Rights
		16,000,000	Class D Performance Rights
		12,000,000	Unlisted performance rights to acquire ordinary shares – issued to the directors of the Company namely, Shane Turner, Andrew Van Der Zwan and Christopher Gregory) with shareholders approval at the Annual General Meeting on 22 November 2016
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No dividend envisaged at present	

Part 2 - Pro rata issue

+ See chapter 19 for defined terms.

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements *in full* through a broker?	
31	How do security holders sell *part* of their entitlements through a broker and accept for the balance?	

+ See chapter 19 for defined terms.

32	How do security holders dispose of their entitlements (except by sale through a broker)?	
33	+Issue date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(*tick one*)

(a) ☒ +Securities described in Part 1 (**excluding** the Class c Performance Rights and the Class D Performance Rights)

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	
39	+Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	

42	Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)	Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ..... Date: 10/12/2019
(Director/Company secretary)

Print name: SHANE TURNER

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	667,169,639
Add the following: • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	 34,500,000 (8 October 2019) 90,000,000 (22 January 2019) 94,500,000 (issued on 14 August 2019 and ratified by shareholders under Listing Rule 7.4 at General Meeting on 2 October 2019) 6,237,000 (8 October 2019) Nil
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
"A"	892,406,639

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	133,860,996
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	35,760,000 fully paid ordinary shares issued pursuant to the Placement on 10 December 2019 6,875,000 fully paid ordinary shares issued to the Corporate Advisors on 10 December 2019. 65,937,500 MRQOB listed options issued on 10 December 2019
"C"	108,572,500
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	133,860,996
Subtract "C" *Note: number must be same as shown in Step 3*	108,572,500
Total ["A" x 0.15] – "C"	25,288,496 *[Note: this is the remaining placement capacity under rule 7.1]*

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	892,406,639
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	89,240,664
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	89,240,000 fully paid ordinary shares issued pursuant to a placement on 10 December 2019
"E"	89,240,000

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	89,240,664
Subtract "E" *Note: number must be same as shown in Step 3*	89,240,000
Total ["A" x 0.10] – "E"	664 *Note: this is the remaining placement capacity under rule 7.1A*

+ See chapter 19 for defined terms.

ANNEXURE A – TERMS OF ISSUE OF CLASS C PERFORMANCE RIGHTS

The terms of the Class C Performance Rights are set out as follows:

1. (**Conversion**) Subject to paragraph 3 below, each Performance Right will automatically convert into one fully paid ordinary share in the Company (**Share**) upon satisfaction of the following Performance Condition:

item	Performance Condition	Performance Period
1	The Company achieving a share price that is equal to or greater than a 5-day VWAP of $0.02 per Share at any time during the Performance Period	5 years from the date of the grant of the Performance Right

2. (**Consideration**) no consideration will be payable upon the conversion of the Performance Rights into Shares.

3. (**Expiry Date**) The Performance Rights will automatically expire and lapse on the Expiry Date if the Performance Conditions are not satisfied before that date. Upon lapsing, the Performance Rights will not be convertible into Shares.

4. (**Share Ranking**) All Shares issued upon the vesting of the Performance Rights will upon issue rank pari passu in all respects with other Shares.

5. (**Listing of shares on ASX**) the Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of the Performance Rights on ASX within the period required by ASX.

6. (**Timing of issue of Shares on Conversion**) upon conversion of the Performance Rights in accordance with clause 1, the Company will:

   (a) Issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted:

      (i) either in one lump sum or in tranches, on such date or dates as may be mutually agreed between the Company and the Holder; or

      (ii) failing agreement under clause 6(a)(i) within 30 days after the date of conversion of the Performance Rights, in one lump sum within 14 Business Days after the expiration of that 30 day period;

   (b) If required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASX a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the

Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(c) If admitted to the Official List at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights within 5 Business Days after each issuance of Shares under clause 6(a).

If a notice delivered under paragraph 6(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

7. (**Transfer of Performance Rights**) A Performance Right is not transferrable.

8. (**Participant in new issues**) There are no participating rights or entitlements inherent in the Performance Rights and the Holders will not be entitled to participate in new issues of capital offered to shareholders of the Company (such a bonus issues and entitlement issues) during the currency of the Performance Rights.

9. (**Adjustment for Reorganisation**) if, at any time, the issued capital of the company is reorganised (including subdivision, reduction or return), all rights of a Holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.

10. (**No Dividend and Voting Rights**): A Performance Right does not confer on the Holder an entitlement:

(a) to notice of, or to vote or attend at, a meeting of shareholders of the Company; or

(b) to receive dividends declared by the Company.

11. (**No Right on Winding Up**) A Performance Right does not entitle a Holder to participant in the surplus profits or assets of the Company upon winding up of the Company.

12. (**No other rights**) A Performance Right does not give a holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

13. In this Annexure:

(a) **ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as the context requires).

(b) **Bad Leaver** is a person who ceases to be an employee or consultant of the Company on termination by the Company as a result of:

(i) any dishonesty or fraud;

(ii) having found to have been involved in any unlawful harassment, discrimination or act which in the reasonable opinion of the Board, has or is likely to bring the Company into disrepute; or

(iii) any other circumstance which provides the Company with the right to summarily terminate the employment of the person under the person's terms of employment, other than solely due to the occurrence of a Special Circumstance.

(c) **Board** means board of directors of the Company.

(d) **Business Day** means a day on which banks are open for business in Melbourne, Victoria or such other place where the notice or other communication is received or where an act is to be done, excluding a Saturday, Sunday or a public holiday.

(e) **Company** means MRG Metals Ltd ACN 148 938 532.

(f) **Corporations Act** means *Corporations Act* 2001 (Cth).

(g) **Expiry Date** means the earliest of:

(i) the day immediately after the last day of the Performance Period for the Performance Condition in item 2 of the table in paragraph 1 of this Annexure; or

(ii) the date when the Holder or any of his, her or its Associates is or becomes a Bad Leaver after the second anniversary of the date of the grant of the Performance Right; or

(iii) the date when the Holder or any of his, her or its Associates (**person**) ceases to be an employee or consultant of the Company for any reason (other than due to retirement as a director of the Company by rotation at the annual general meeting of the Company, if that person is re-elected at that meeting), within 2 years from the date of the grant of the Performance right.

(h) **Holder** means any holder of a Performance Right.

(i) **Listing Rules** means the official listing rules of the ASX, as amended, added to or replaced from time to time.

(j) **Official List** means the official list of the ASX.

(k) **Performance Condition** means either of the Performance Conditions set out in the table in paragraph 1 of this Annexure.

(l) **Performance Period** means, in respect of a Performance Condition, the period specified in the table in paragraph 1 of this Annexure opposite that Performance Condition.

(m) **Performance Right** means a Class C Performance Right.

(n) **Share** means a fully paid ordinary share issued in the capital of the Company.

(o) **Special Circumstances** means, in relation to a person:

(i) death or TPD of that person; and/or

(ii) any other circumstances determined by the Board at any time and notified to the person.

(a) **TPD** means, in relation to a person, that the person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the person unlikely ever to engage in any occupation with the Company for which she is reasonably qualified by education, training or experience.

ANNEXURE B – TERMS OF ISSUE OF CLASS D PERFORMANCE RIGHTS

The terms of the Class D Performance Rights (each a **Performance Right**) are set out as follows:

1. (**Conversion**) Subject to paragraph 3 below, each Performance Right will automatically convert into one Share in the Company upon satisfaction of either of the following Performance Conditions:

item	Performance Conditions	Performance Period
1	The publication of a JORC 2012-compliant Mineral Resource suitable for a scoping study of greater than 350,000,000 tonnes at a minimum of 5% Total Heavy Mineral (THM) within the Performance Period	5 years from the date of the grant of the Performance Right
2	The HMS Projects are sold at a valuation greater than A$100 million cash or based on consideration that is valued by an Independent Expert's Report during the Performance Period	5 years from the date of the grant of the Performance Right

2. (**Consideration**) no consideration will be payable upon the conversion of the Performance Rights into Shares.

3. (**Expiry Date**) The Performance Rights will automatically expire and lapse on the Expiry Date if the Performance Conditions are not satisfied before that date. Upon lapsing, the Performance Rights will not be convertible into Shares.

4. (**Share Ranking**) All Shares issued upon the vesting of the Performance Rights will upon issue rank pari passu in all respects with other Shares.

5. (**Listing of shares on ASX**) the Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of the Performance Rights on ASX within the period required by ASX.

6. (**Timing of issue of Shares on Conversion**) upon conversion of the Performance Rights in accordance with clause 1, the Company will:

   (a) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted:

(i) either in one lump sum or in tranches, on such date or dates as may be mutually agreed between the Company and the Holder; or

(ii) failing agreement under clause 6(a)(i) within 30 days after the date of conversion of the Performance Rights, in one lump sum within 14 Business Days after the expiration of that 30 day period;

(b) If required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASX a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(c) If admitted to the Official List at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights within 5 Business Days after each issuance of Shares under clause 6(a).

If a notice delivered under clause 6(b)(i)(A)6 for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

7. (**Transfer of Performance Rights**) A Performance Right is not transferrable.

8. (**Participant in new issues**) There are no participating rights or entitlements inherent in the Performance Rights and the Holders will not be entitled to participate in new issues of capital offered to shareholders of the Company (such a bonus issues and entitlement issues) during the currency of the Performance Rights.

9. (**Adjustment for Reorganisation**) if, at any time, the issued capital of the company is reorganised (including subdivision, reduction or return), all rights of a Holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.

10. (**No Dividend and Voting Rights**): A Performance Right does not confer on the Holder an entitlement:

(a) to notice of, or to vote or attend at, a meeting of shareholders of the Company; or

(b) to receive dividends declared by the Company.

11. (**No Right on Winding Up**) A Performance Right does not entitle a Holder to participant in the surplus profits or assets of the Company upon winding up of the Company.

12. (**No other rights**) A Performance Right does not give a holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

13. In this Annexure:

    (a) **ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as the context requires).

    (b) **Bad Leaver** is a person who ceases to be an employee or consultant of the Company on termination by the Company as a result of:

        (i) any dishonesty or fraud;

        (ii) having found to have been involved in any unlawful harassment, discrimination or act which in the reasonable opinion of the Board, has or is likely to bring the Company into disrepute; or

        (iii) any other circumstance which provides the Company with the right to summarily terminate the employment of the person under the person's terms of employment, other than solely due to the occurrence of a Special Circumstance.

    (c) **Board** means board of directors of the Company.

    (d) **Business Day** means a day on which banks are open for business in Melbourne, Victoria or such other place where the notice or other communication is received or where an act is to be done, excluding a Saturday, Sunday or a public holiday.

    (e) **Company** means MRG Metals Ltd ACN 148 938 532.

    (f) **Corporations Act** means *Corporations Act* 2001 (Cth).

    (g) **Expiry Date** means the earliest of:

        (i) the day immediately after the last day of the Performance Period for the Performance Condition in item 2 of the table in paragraph 1 of this Annexure;

        (ii) the date when the Holder or any of his, her or its Associates is a Bad Leaver after the second anniversary of the date of the grant of the Performance Right; or

(iii) the date when the Holder or any of his, her or its Associates (**person**) ceases to be an employee or consultant of the Company for any reason (other than due to retirement as a director of the Company by rotation at the annual general meeting of the Company, if that person is re-elected at that meeting), within 2 years from the date of the grant of the Performance right.

(h) **Holder** means any holder of a Performance Right.

(i) **Listing Rules** means the official listing rules of the ASX, as amended, added to or replaced from time to time.

(j) **Official List** means the official list of the ASX.

(k) **Performance Condition** means either of the Performance Conditions set out in the table in paragraph 1 of this Annexure.

(l) **Performance Period** means, in respect of a Performance Condition, the period specified in the table in paragraph 1 of this Annexure opposite that Performance Condition.

(m) **Performance Right** means a Class D Performance Right.

(n) **Share** means a fully paid ordinary share issued in the capital of the Company.

(o) **Special Circumstances** means, in relation to a person:

(iii) death or TPD of that person; and/or

(i) any other circumstances determined by the Board at any time and notified to the person.

(b) **TPD** means, in relation to a person, that the person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the person unlikely ever to engage in any occupation with the Company for which she is reasonably qualified by education, training or experience.

+ See chapter 19 for defined terms.