9 January 2020

Markets Announcement Platform
Australian Securities Exchange

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

MRG Metals Limited (ASX:MRQ) ("**MRG Metals**" or "**Company**") is pleased to advise that as at 31 December 2019, the Company has satisfied the Performance Condition for the conversion of the 16,000,000 Class C Performance Rights into ordinary shares in the Company ("**Shares**"). These Class C Performance Rights were issued on 10 December 2019 in accordance with the Shareholder approval obtained by the Company at its Annual General Meeting on 28 November 2019.

As detailed in the Notice of Annual General Meeting released to the ASX on 28 October 2019, the Performance Condition for the conversion of the Class C Performance Rights is 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 a period of 5 years from the date when those Performance Rights were granted.

The Company's Share price was equal to or exceeded a 5-day VWAP of $0.02 per Share as at 31 December 2019. Consequently, the Company has today issued 16,000,000 Shares to the holders of the Class C Performance Rights as a result of the conversion (**Relevant Securities**).

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

In connection with the issue of the 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.

An Appendix 3B for the issue of Relevant 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
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	16,000,000 ordinary shares
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)	Fully paid ordinary shares

+ 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	Yes
5	Issue price or consideration	Issued on conversion of Class C Performance Rights – Nil consideration
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Issued on conversion of Class C Performance Rights
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
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	Nil

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	16,000,000 ordinary shares
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.	Not applicable
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 – 45,144,746 Rule 7.1A – 13,238,164
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.	9 January 2020

+ 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)	950,281,639	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 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	

+ See chapter 19 for defined terms.

balance?	

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

(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: 9/01/2020
(Director/Company secretary)

Print name: SHANE TURNER

== == == == ==

+ See chapter 19 for defined terms.

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) 131,875,000 (10 December 2019) Nil
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil

+ See chapter 19 for defined terms.

"A"	1,024,781,639

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	153,717,246
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*	153,717,246
Subtract "C" *Note: number must be same as shown in Step 3*	108,572,500
Total ["A" x 0.15] – "C"	45,144,746 *[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*	1,024,781,639
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	102,478,164
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*	102,478,164
Subtract "E" *Note: number must be same as shown in Step 3*	89,240,000
Total ["A" x 0.10] – "E"	13,238,164 *Note: this is the remaining placement capacity under rule 7.1A*

+ See chapter 19 for defined terms.