NON-RENOUNCEABLE ENTITLEMENT ISSUE OF OPTIONS

- **2 FOR 3 ENTITLEMENT OFFER OF OPTIONS TO RAISE UP TO A$904k**
- **PROCEEDS TO ADVANCE EXPLORATION AT THE XANADU PROJECT AND FUND HIGH IMPACT MT ISA IOCG DRILLING PROGRAM**

The Directors of MRG Metals Limited (ASX: MRQ, the "**Company**") are pleased to announce a pro rata non-renounceable entitlement issue of options (the "**Offer**") to holders of shares in the Company as at 5:00pm AEST on Monday, 24 August 2015 ("**Record Date**"). New investors seeking to participate in the Offer can do so by purchasing shares in the Company before Thursday, 20 August 2015 ("**Ex Date**").

Pursuant to the Offer, the Company will offer two (2) new options ("**Options**") for every three (3) fully paid ordinary shares held on the Record Date. The Options will be issued at an offer price of A$0.01 per Option to raise approximately A$904,081 before transaction costs. Each Option is exercisable at A$0.15 per share and will have a 5 year term, expiring on 31 August 2020. Under the Offer, the Company will issue up to 90,408,077 Options.

The Company will apply for each Option to be quoted on the Official List. All fully paid ordinary shares issued upon the future exercise of the Options will rank equally with the fully paid ordinary shares in the Company currently on issue. The Offer is being extended to shareholders with registered addresses in Australia and New Zealand ("**Eligible Shareholders**").

The entitlements are non-renounceable and will not be tradable on the ASX.

Eligible Shareholders who accept their entitlement in full can also apply for additional options in excess of their entitlement ("**Additional Options**"). The allocation of Additional Options will be at the discretion of the Board and subject to scale back. Long term holders of shares and options issued may be given some preference in the allocation of Additional Options.

Options offer significant value to investors, particularly in smaller resource companies where exploration success leads to high price volatility. Using a standard Black Scholes valuation method, the Options are conservatively assessed as having a theoretical value well in excess of the offer price of A$0.01, noting that, the value achieved for the Options will ultimately depend on future Share price performance.

The Company undertakes rigorous prioritisation within its portfolio in deciding where to invest exploration funding. Based on current exploration results, the funds raised from the Offer will be applied to further drilling at Xanadu, and Mt Isa geophysics and IOCG drilling.

All Directors of the Company who own Shares have indicated that they will be taking up their full Entitlement. The Company has also received indications from major shareholder, Ottawa Resources Pty Ltd, that it intends to take up its full entitlement.

USE OF FUNDS:

The net proceeds received from the Offer will be used to progress the Xanadu and Queensland IOCG targets as follows:

- **Xanadu follow-up drilling – A$200k**
- **Queensland IOCG geophysics – A$150k**
  Detailed geophysical and/or geochemical surveying over one or more of Davenport Downs, Pulchera and Squirrel Hill
- **Queensland IOCG drilling – A$250k**
  Initial drill testing of one or more of Davenport Downs, Pulchera and Squirrel Hill
- **Working capital and expenses of the offer – A$304k**

The Offer has been structured to reward the Company's existing shareholders for their ongoing support as the exploration of Sasak-powered targets accelerates.

INDICATIVE TIMETABLE:

The indicative timetable for the Offer is as follows:

Event	Date
Lodgement of Prospectus with the ASIC	17 August 2015
Lodgement of Prospectus and Appendix 3B with ASX	17 August 2015
Notice sent to Shareholders	18 August 2015
Ex Date	20 August 2015
Record Date for determining Entitlements	24 August 2015
Prospectus despatched to Shareholders and Company announces despatch has been completed	27 August 2015
Closing Date*	7 September 2015
Securities quoted on a deferred settlement basis	8 September 2015
ASX notified of under subscriptions	11 September 2015
Issue date	14 September 2015

**The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. In this regard, the date the Options are expected to commence trading on ASX may vary.*

A copy of the Prospectus, lodged with ASIC and ASX on 17 August 2015, is available on the Company's website at www.mrgmetals.com.au or on the ASX website at www.asx.com.au.

Andrew Van Der Zwan
Non-Executive Chairman
MRG Metals Limited

Keith Weston
Managing Director
MRG Metals Limited