

21 July 2014

## **Placement Under Listing Rule 7.1A and Notification under section 708A(5)(e) of the Corporations Act 2001 (Cth)**

Merah Resources Limited ("Merah" or "Company") is pleased to announce it has completed a placement of \$123,000 via an issue of 4,100,000 Shares at \$0.03 per Share to an existing substantial shareholder of the Company and Sophisticated Investor pursuant to s708(8) of the Corporations Act. As part of this placement the Company issued 1,450,500 shares pursuant to Listing Rule 7.1 and 2,649,500 shares pursuant to Listing Rule 7.1A.

The funds raised from this placement will be used by the Company to facilitate the acquisition of Oresearch Limited and to enter into the initial stage of the Joint Venture with Pacific Ridge Exploration Ltd in respect of the Fyre Lake Project in the Watson Lake district of the Yukon, Canada. Further details of the transaction are contained within the ASX Announcement dated 18 July 2014, entitled "Merah Resources To Acquire Copper Project in the Yukon, Canada".

The following information is provided in accordance with Listing Rule 7.1A4 (b) with respect to the above placement:

**(a) Detail of the dilution to shareholders of ordinary securities caused by the issue;**

Dilution to existing shareholders as a result of the issue under Listing Rule 7.1A is detailed below:

Issued Capital prior to issue	28,495,001
Issue under LR 7.1	1,450,500
Issue under LR 7.1A	2,649,500
New Issued Capital	32,595,001
Dilutionary Effect of LR 7.1A share issue	8.13%

**(b) A statement of the reason why the securities were issued as a placement pursuant to Listing Rule 7.1A;**

The Company issued shares to a sophisticated investor as part of a proposed capital raising activity which will also include a subsequent pro-rata non renounceable entitlements issue of shares on a 2 for 3 basis at the same issue price as the placement shares, at \$0.03 per share. The Company considered a placement to be a more efficient and expedient method of initially raising funds to achieve its stated objectives.

**(c) Details of any underwriting agreements;**

No underwriting agreements were in place for the placement.

**(d) Any other fees and costs incurred in connection with the issue**

None other than internal costs.

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Accordingly, the Company gives notice under section 708A(5)(e) of the Corporations Act 2001 (Cth) (the "Corporations Act") that:

1. On 18 July 2014, Merah issued 4,100,000 fully paid ordinary shares at \$0.03 per Share to a sophisticated investor without disclosure to investors under Part 6D.2 of the Corporations Act.
2. As at the date of this notice:
  - a. Merah has complied with the provisions of Chapter 2M of the Corporations Act as they apply to Merah;
  - b. Merah has complied with section 674 of the Corporations Act; and
  - c. there is no "excluded information" within the meaning of sections 708A(7) and 708A(8) of the Corporations Act which is required to be disclosed under section 708A(6)(e) of the Corporations Act.

An Appendix 3B will follow this notification.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Suzie', written over a horizontal line.

Suzie Foreman  
Company Secretary