



8 September 2015

Lodged by ASX Online

The Manager
Company Announcements Office ASX
Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

SHARE PURCHASE PLAN

Attached is a copy of the Chairman's letter and terms and conditions of the share purchase plan that was announced by MRL Corporation Limited on 4 September 2015, which documents have been mailed to shareholders today.

Yours faithfully,

Peter R. Youd
Executive Director
Chief Financial Officer
& Company Secretary

Business & Corporate Office

MRL Corporation Limited
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9 Hampden Road
Nedlands WA 6009

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Subsidiaries:

Sri Lanka

MRL Investments (Pvt) Ltd
PV 92247
Level 14
World Trade Centre
Echelon Square
Colombo – 01
Sri Lanka

Sri Lanka

MRL Graphite (Pvt) Ltd
PV92009
Level 33
World Trade Centre
Echelon Square
Colombo – 01
Sri Lanka

7 September 2015

Dear Shareholder

Share Purchase Plan

Following the successful placement of fully paid ordinary shares to sophisticated investors on 13 May 2015 which raised \$1 million ("**Placement**"), MRL Corporation Limited ("**MRL**" or the "**Company**") is pleased to offer Eligible Shareholders an opportunity to subscribe for fully paid ordinary shares in the Company ("**New Shares**") through a Share Purchase Plan ("**SPP**").

Under the SPP, the Company is offering Eligible Shareholders the opportunity to purchase a minimum \$1,000 and up to \$15,000 worth of New Shares irrespective of the size of their shareholding, without incurring brokerage or transaction costs ("**Offer**").

The Offer opens on Monday, 7 September 2015 and remains open for subscription until 5.00 pm (Perth time) on Thursday, 24 September 2015 ("**Closing Date**").

The issue price of the New Shares under the SPP will be \$0.055, being a discount of 7% to the volume weighted average market price (**VWAP**) for the New Shares over the last 5 days on which sales in the shares were recorded before the day on which the issue was announced ("**Issue Price**").

The VWAP of Shares traded on the ASX during the 5 trading days immediately prior to the announcement date of the Offer was \$0.059.

Eligible Shareholders will receive one free attaching option ("**New Option**"), for every two New Shares subscribed for and issued. The New Options are exercisable at \$0.10 on or before 21 May 2017. The New Options will be issued on the same terms and conditions as the existing option series (ASX:MRFAI). The Company is currently seeking quotation of the option series ASX:MRFAI and accordingly, the Company will apply to the ASX for official quotation of the New Options.

The New Shares are offered under the SPP and the associated Terms and Conditions, while the Company intends to offer the New Options by a prospectus shortly after the Offer closes ("**Prospectus**"). The SPP is attached and will be delivered to Eligible Shareholders by post shortly (together with an Application Form). The Prospectus will be sent to each shareholder who accepts the Offer and to each investor who subscribes for New Shares under the shortfall (if applicable).

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The Offer will raise up to \$1,595,000 from the issue of up to 29,000,000 New Shares on the terms and conditions attached to this letter ("**Terms and Conditions**") with the potential for further funds to be raised if the New Options are exercised. The Company will seek to issue up to 14,500,000 New Options under the Prospectus.

Participation in the SPP is voluntary and is open to all shareholders registered on the Company's share register at 7.00pm (Perth time) on Thursday, 3 September 2015 and who are residing in Australia or New Zealand, Singapore or Hong Kong ("**Eligible Shareholder**"). The Company has determined that it is not practical for investors with registered addresses outside these jurisdictions to participate in the SPP.

Full details of the SPP are set out in the Terms and Conditions and Application Form.

Purpose of the SPP

It is intended that the proceeds from the SPP (and any funds raised on the exercise of New Options) will be used:

- to enable the Company to fund development of mining shafts;
- to expand the Company's drilling activities;
- to meet the costs of marketing the Company's graphite and graphene products; and
- for working capital purposes.

Important details of the SPP

The SPP opens on Monday, 7 September 2015 and closes at 5.00 pm (Perth time) on Thursday, 24 September 2015.

The Issue Price per New Share under the SPP will be \$0.055. Eligible Shareholders will receive one New Option for every two New Shares subscribed for and issued. The New Options are exercisable at \$0.10 on or before 21 May 2017.

The SPP is subject to scale back at the Company's absolute discretion (**Scale Back**). If the Company undertakes a Scale Back, the Company reserves the discretion to scale back applications to the extent and manner which it sees fit, including having regard to the size of the applicant's investment in the Company. Decisions made by the Company about scaling back will be final.

- The SPP is not underwritten.
- Any shortfall from the Offer may be placed at the discretion of the Directors in consultation with our corporate advisors, Far East Capital Limited, subject to compliance with the appropriate legal requirements.
- You may subscribe for a minimum parcel of New Shares valued at \$1,000, and thereafter in multiples of \$1,000 up to \$15,000.

Applicants will not incur any brokerage or other transaction costs on allocations received pursuant to the SPP.

New Shares issued under the SPP will rank equally with existing MRL Shares. The Offer is non-renounceable.



How to participate in the SPP

If you wish to participate in the SPP, please read the attached Terms and Conditions before completing and returning the enclosed Application Form in the reply paid envelope provided.

You should seek your own financial and taxation advice in relation to the SPP before you decide whether to participate. Acceptances and payment must be received by our registrar, Automic Registry Services, before **5.00 pm (Perth time) on Thursday, 24 September 2015 (Closing Date)**. New Shares are expected to be issued on Wednesday, 30 September 2015 and are expected to commence trading on Friday, 2 October 2015. Investors who have validly accepted the Offer will be sent transaction confirmation statements on or around Thursday, 1 October 2015.

Should you have any queries regarding the SPP, you can contact the Company's share registry, Automic Registry Services, on 08 9324 2099 (from within Australia) or +61 8 9324 2099 (from outside Australia).

On behalf of the board of directors of the Company, I thank you for your continued support.

Yours faithfully

Peter Hepburn-Brown
Chairman



MRL Corporation Limited Share Purchase Plan

SPP Frequently Asked Questions

1. What is the SPP?

The SPP provides each Eligible Shareholder (as defined in **Question 2** below) with an opportunity to acquire New Shares (subject to any Scale Back at MRL's absolute discretion, as defined and detailed in **Section 5** of the Terms and Conditions), without paying any brokerage fees, commissions or other transaction costs, at the Issue Price for a total application price not less than \$1,000 and not exceeding \$15,000.

2. Who is an Eligible Shareholder?

You are eligible to apply to participate in the SPP if you are a shareholder of MRL and:

- you were registered as a holder of fully paid ordinary shares in MRL (**MRL Shares**) at 7.00pm (Perth time) on Thursday 3 September 2015 (**Record Date**); and
- your registered address is in Australia or New Zealand, Singapore or Hong Kong; and
- you are not a US Person or acting on behalf of a US Person (within the meaning of the *US Securities Act 1933* (**US Securities Act**)),

(**Eligible Shareholder**).

Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold MRL Shares in more than one capacity) may not apply for New Shares with an aggregate value of not less and \$1,000 and no more than \$15,000. MRL reserves the right to reject any application for New Shares where it believes there has not been compliance with this rule.

MRL will not issue New Shares to an Eligible Shareholder, if that issue would contravene any law or the Listing Rules of the Australian Securities Exchange (**ASX**).

3. How will custodians, trustees and nominees be treated under the SPP?

Please refer to **Section 1** in the Terms and Conditions for information on eligibility for custodian, trustee and nominee shareholders and their underlying beneficial owners.

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4. What are the key dates?

Record Date 3 September 2015

The date on which MRL determined the identity of Eligible Shareholders.

Opening Date 7 September 2015

The date on which the SPP opens.

Closing Date 24 September 2015

The date on which the SPP closes. Applications must be received by 5.00pm (Perth time).

Scale Back 28 September 2015

The date on which any Scale Back is announced

Issue Date 30 September 2015

The date on which New Shares are issued.

Despatch Date 1 October 2015

The date when transaction confirmations are expected to be sent to shareholders.

Trading Date 2 October 2015

The date when New Shares issued under the SPP are expected to begin trading on the ASX.

This timetable is indicative only, and subject to change. MRL reserves the right to alter the above dates at its discretion and without notice to you, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth).

5. How much can you invest?

You may apply for New Shares under the SPP up to a maximum amount of \$15,000. You may apply in parcels in multiples of \$1,000, each, up to \$15,000 (a “Parcel”).

Fractional entitlements will be rounded down to the nearest whole New Share.

MRL has the absolute discretion to Scale Back applications (as detailed in **Section 5** of the Terms and Conditions). If this happens, the balance of any application monies that are not applied to acquire New Shares under the SPP will be refunded, without interest. See **Sections 2** and **5** of the Terms and Conditions for an explanation of how any refunded amounts will be paid.

6. What are the costs?

If you buy New Shares through the SPP, all you pay is the Issue Price of the New Shares. There are no additional transaction costs (such as brokerage or commissions).

7. What is the Issue Price?

The price per New Share payable under the SPP will be \$0.055, being a discount of 7% to the volume weighted average market price (**VWAP**) for the New Shares over the last 5 days on which sales in the shares were recorded before the day on which the issue was announced ("**Issue Price**").

You should note that the market price of MRL Shares may rise or fall between the date of the SPP and the date when MRL issues the New Shares, therefore it is possible that the Issue Price may exceed the price of MRL Shares trading on ASX at that time. There also can be no certainty that New Shares will trade at or above the Issue Price following the issue of New Shares under the SPP.

8. Shortfall Placement

In the event that less than \$1,595,000 is applied for, the full amount of the shortfall may be placed at the discretion of the Board in consultation with our corporate advisors, Far East Capital Limited subject to compliance with the necessary legal requirements.

9. What rights attach to the New Shares?

All New Shares issued under the SPP will rank equally with existing MRL Shares quoted on the ASX and will carry the same voting rights, dividend rights and other entitlements from date of issue.

10. What is my entitlement to attaching options?

Eligible Shareholders will receive one free attaching option ("**New Option**"), for every two New Shares subscribed for and issued. The New Options are exercisable at \$0.10 on or before 21 May 2017.

The New Options will be issued for nil consideration on the same terms and conditions as the existing option series (ASX:MRFAI). The option holder will have the right to subscribe for one ordinary share in the capital of the Company upon exercise.

The Company is currently seeking quotation of option series MRFAI and accordingly, the Company will apply to the ASX for official quotation of the New Options.

The offer of New Shares under this SPP is made in accordance with ASIC Class Order CO 09/425 and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act. However, given that ASIC Class Order [CO 09/425] does not provide relief for an offer of options, MRL intends to offer the New Options by a prospectus shortly after the Offer closes ("**Prospectus**"). The Prospectus will be sent to each shareholder who accepts the Offer and to each investor who subscribes for New Shares under the shortfall (if applicable).

11. Do you have to participate in the SPP?

Participation in the SPP is optional. If Eligible Shareholders do not wish to participate in the SPP, no action is required. The Offer is non-renounceable. This means Eligible Shareholders cannot transfer their right to purchase New Shares under the SPP to anyone else.

12. When do you receive the New Shares and New Options?

It is anticipated that the New Shares will be issued under the SPP on or around 30 September 2015. Eligible Shareholders participating in the SPP should receive holding statement or confirmation advice shortly after this date.

The New Options will be issued in accordance with the terms that will be set out in Prospectus.

See **Question 4** above for further details of the key dates.

13. How do you apply?

(a) Option 1: Pay by BPAY

You can make a payment by BPAY. To do this, you must use your unique Reference Number printed on your Application Form. If you make your payment by BPAY, you do not need to return your Application Form.

(b) Option 2: Use the accompanying Application Form

You can complete the Application Form, attach a cheque or money order and submit your application in accordance with the instructions on the Application Form. Cheques and money orders should be made payable to "MRL Corporation Limited" and crossed "Not Negotiable".

Do not forward cash. Receipts for payments will not be issued. Payments must be made in Australian dollars. You will not be able to withdraw or revoke your application or BPAY payment once you have submitted it or made it or reduce the number of New Shares you have applied for.

Application Forms together with application monies equal to the Parcel of New Shares you wish to acquire should be submitted in the reply paid envelope enclosed to:

Automic Registry Services,
PO Box 223, West Perth
WA 6872 Australia

All payments and applications must be received by no later than **5.00 pm (Perth time) on Thursday, 24 September 2015, ("Closing Date")**. Investors who have validly accepted the Offer will be sent transaction confirmation statements on or around Thursday 1 October 2015.

14. Need help?

If you have any questions about the Terms and Conditions or how to make an application, you can contact MRL's share registry, Automic Registry Services, on 08 9324 2099 (from within Australia) or + 61 8 9324 2099 (from outside Australia).

We recommend that you consult your stockbroker, accountant or professional financial adviser before participating in the SPP.



MRL Corporation Ltd Share Purchase Plan

Terms and Conditions

Important notice:

If you apply to participate in the SPP by completing and returning the Application Form or making a BPAY payment, you are accepting the risk that the market price of New Shares may change between the Record Date, the date on which you send in an Application Form or make a BPAY payment and the Issue Date. This means it is possible that, up to or after the Issue Date, you may be able to buy MRL Shares at a lower price than the Issue Price of New Shares under the SPP.

The offer to purchase New Shares under the SPP is not a recommendation to acquire New Shares. We encourage you to seek your own professional advice regarding your participation in the SPP.

The Terms and Conditions of the SPP set out in this section ("**Terms and Conditions**"), together with the accompanying Letter from the Chairman and SPP Frequently Asked Questions, comprise the offer booklet for the SPP.

The offer of New Shares under this Share Purchase Plan is made in accordance with ASIC Class Order [CO 09/425] and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act. However, given that ASIC Class Order [CO 09/425] does not provide relief for an offer of options, MRL will issue the Prospectus for the offer of New Options. The Prospectus will contain further information regarding the offer of New Options.

Please read all of these materials carefully.

1. Eligible Shareholders

1.1 You are an Eligible Shareholder and may participate in the SPP if you were a registered holder of fully paid ordinary shares in MRL at 7.00pm (Perth time) on Thursday, 3 September 2015 (**Record Date**),

whose address on the share register is in Australia, New Zealand, Singapore or Hong Kong] unless:

- (a) you hold Shares on behalf of another person who resides outside Australia, New Zealand, Singapore or Hong Kong; or
- (b) you are in the United States, or acting for the account or benefit of a person in the United States,

in which case you will not be eligible to participate in respect of the New Shares of that person. Directors and employees of MRL may be Eligible Shareholders.

MRL has determined that it is not practical for holders of MRL Shares with registered addresses in jurisdictions outside Australia, New Zealand, Singapore or Hong Kong to participate in the SPP.

1.2 The New Shares offered under the SPP are not being offered or sold to the public within New Zealand other than to existing shareholders of the

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Company with registered addresses in New Zealand and to whom the SPP Offer is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (NZ). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

- 1.3** For the purposes of determining eligibility, joint holders of MRL Shares are taken to be a single registered holder of MRL Shares and the certification on the Application Form is taken to have been given by all joint holders.
- 1.4** If you are a custodian (as defined in the Australian Securities and Investments Commission (ASIC) Class Order [CO 09/425] ("**Custodian**") and hold MRL Shares on behalf of one or more persons (each a "**Participating Beneficiary**"), or on behalf of a "downstream custodian" (as defined in ASIC Class Order [CO 09/425]) who holds the beneficial interest in MRL Shares on behalf of a Participating Beneficiary, you may apply for a minimum \$1,000 and up to a maximum of \$15,000 worth of New Shares for each Participating Beneficiary, provided that each Participating Beneficiary is not in the United States and is not acting for the account or benefit of a person in the United States.

This is subject to you providing MRL with a notice in writing certifying the matters set out in paragraph 9 of ASIC Class Order [CO 09/425] (the **Custodian Certificate**). If a Custodian applies for New Shares on behalf of a Participating Beneficiary, MRL will not issue New Shares unless the Custodian Certificate is received before the Closing Date. Custodians

should request a pro forma Custodian Certificate when making an application on behalf of Participating Beneficiaries.

To request a Custodian Certificate, and for further information on how to apply, please contact MRL's registrar, Automic Registry Services, on 08 9324 2099 (from within Australia) or +61 8 9324 2099 (from outside Australia).

- 1.5** If you are not a Custodian, the rules for multiple single holdings apply and you may only contribute a maximum of \$15,000 in applying for New Shares. Custodians may only participate on behalf of persons who are resident in[Australia, New Zealand, Singapore or Hong Kong or such other country as MRL may permit. Shareholders who hold MRL Shares on behalf of persons who reside outside Australia, New Zealand Singapore or Hong Kong are in the United States, or are acting for the account or benefit of a person in the United States, are not entitled to participate in the SPP on behalf of those persons. A trustee, nominee or Custodian must not participate in the SPP on behalf of, nor distribute this document or any other document relating to the SPP to, any person in the United States. Failure to comply with these restrictions may result in violations of applicable securities laws.
- 1.6** If you are an Eligible Shareholder, your rights under the SPP are personal to you and non-renounceable, so you may not transfer them.

1.7 Hong Kong investors

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

1.8 Singapore Investors

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of MRL's Shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

2. Applications for New Shares Limitations on applications

2.1 If you are an Eligible Shareholder, you may apply to subscribe for the Parcel amount you select on the Application Form, being a minimum \$1,000 up to \$15,000 to purchase New Shares, which may be subject to rounding and a Scale Back (see Section 5 for the definition and further details).

2.2 Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold MRL Shares in more than one capacity or under separate holder numbers) may apply on different Application Forms for more than one Parcel, but must not apply for more than \$15,000 of New Shares.

Completing the Application Form and paying for New Shares

2.3 Participation in the SPP is optional. The number of New Shares allocated to you will be the cost of the Parcel you apply and pay for divided by the Issue Price and rounded down to the nearest whole number, subject to any Scale Back (see Section 5 for further details).

2.4 If you would like to participate in the SPP, you must, by 5.00 pm (Perth time) on Thursday, 24 September 2015 (**Closing Date**):

(a) make payment by BPAY equivalent to the dollar amount of the Parcel of New Shares you wish to apply for (including providing the unique Reference Number printed on your personalised application form provided to you for the purpose of the SPP only); or

(b) complete the accompanying Application Form and provide a cheque or money order, in accordance with the instructions on the Application Form. Payments must be made in Australian dollars.

Please note that:

- (a) faxed or emailed Application Forms will not be accepted; and
- (b) no other form or letter containing instructions will be accepted.

- 2.5** Cheques and money orders must be made payable to "**MRL Corporation Limited**" and sent with an Application Form in the pre-addressed envelope enclosed to:

Automic Registry Services
PO Box 223
West Perth, WA 6872, Australia

- 2.6** All payments and applications must be received by no later than 5.00 pm (Perth time) on Thursday, 24 September 2015 (**Closing Date**). Applications received after the Closing Date may not be accepted.

3. MRL's discretion regarding applications

- 3.1** MRL may accept or reject applications to buy New Shares under the SPP, including (but not limited to) cases where:

- (a) an Application Form is incorrectly completed, incomplete or otherwise determined by MRL to be invalid;
- (b) a cheque is dishonoured or has not been completed correctly;
- (c) a cheque or money order is not made out for the exact amount selected on the Application Form;
- (d) a BPAY payment is not received, or is incomplete or invalid;
- (e) an applicant appears to be buying more than \$15,000 of New Shares (in aggregate) at the Issue Price;
- (f) an Application Form is received after the Closing

Date. While MRL has discretion to accept late BPAY payments, Application Forms and cheques or money orders, there is no assurance that it will do so. Late BPAY payments may be refunded and Application Forms with payments, if not processed, may be returned to you at your registered address; or

- (g) MRL believes an applicant is not an Eligible Shareholder (subject to compliance with any applicable ASIC or ASX requirements).

- 3.2** If MRL receives an amount that is not equal to any of the Parcel sizes noted in the Chairman's letter and shown on the Application Form, MRL will round down the dollar amount of New Shares that you are applying for to the next lowest Parcel or, if MRL receives less than \$1,000, reject your application and refund any monies that are not used to purchase New Shares, without interest.

4. Interest

No interest will be paid on any application money returned to you.

5. Effect of sending in an application

- 5.1** If you apply to participate in the SPP by submitting a BPAY payment or completing and returning the Application Form, you will be deemed to have represented, warranted and agreed as follows:

- (a) you acknowledge that you, and each person for whose account or benefit you are acting, are an Eligible Shareholder, and represent and warrant that you are not in the United States and are not acting for the account or benefit of a person in the United States, or otherwise a person to whom it would be illegal to make an offer or issue New Shares under the SPP, and agree to provide

- (and direct your nominee or Custodian to provide) any requested substantiation of your eligibility to participate in the SPP and of your holding of MRL Shares on the Record Date;
- (b) unless you are a Custodian, and you have or will submit a Custodian Certificate before the Issue Date, you confirm that you have not applied for less than \$1,000 or more than \$15,000 of New Shares under the SPP and any similar arrangement in the 12 months prior to your application, even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
 - (c) you agree that your application is made on the Terms and Conditions set out in this booklet and in accordance with the Application Form;
 - (d) you accept that you will not be able to withdraw or revoke your application or BPAY payment once you have sent it and it is received;
 - (e) you authorise MRL (and its officers or agents) to correct any minor error or omission in your Application Form and to complete the Application Form by the insertion of any missing details;
 - (f) you acknowledge that MRL may at any time determine that your Application Form is valid, in accordance with the SPP Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
 - (g) you accept the risk associated with any refund that may be sent to you by direct credit to your nominated account or cheque to your address shown on MRL's register;
 - (h) you are responsible for any dishonour fees or other costs MRL may incur in presenting a cheque for payment which is dishonoured;
 - (i) you acknowledge that neither MRL nor Computershare Investor Services Pty Limited has provided you with taxation, investment advice or financial product advice, and that neither has any obligation to provide this advice concerning your decision to apply for and buy New Shares under the SPP;
 - (j) you acknowledge that MRL is not liable for any exercise of its discretions referred to in the SPP Terms and Conditions;
 - (k) you understand and acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, and accordingly that the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
 - (l) you have not sent, and you agree not to send, any materials relating to the SPP to any person in the United States;
 - (m) you irrevocably and unconditionally agree to (and to be bound to) the SPP Terms and Conditions, the Application Form, MRL's

constitution (as amended from time to time) and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the SPP; and

- (n) you authorise MRL to register you as the holder(s) of New Shares issued to you.

6. Issue Price

6.1 You agree to pay the Issue Price per New Share for the amount of New Shares you have selected on the Application Form, or if there is a Scale Back (as defined in Section 5 below), the number of New Shares calculated under Section 5.

6.2 The Issue Price under the SPP will be \$0.055, being a discount of 7% to the volume weighted average market price (**VWAP**) for the New Shares over the last 5 days on which sales in the shares were recorded before the day on which the issue was announced ("**Issue Price**").

Eligible Shareholders will receive one free attaching option ("**New Option**"), for every two shares subscribed for and issued. The New Options are exercisable at \$0.10 on or before 21 May 2017. The New Options will be issued on the same terms and conditions as the existing option series (ASX:MRFAI).

The option holder will have the right to subscribe for one ordinary share in the capital of the Company upon exercise.

The Company is currently seeking quotation of the option series ASX:MRFAI and accordingly, the Company will apply to the ASX for official quotation of the New Options.

The New Options will be issued in accordance with the terms that will be set out in Prospectus. The Prospectus will be sent to each shareholder who accept the Offer and to each investor who subscribed for New Shares under the shortfall (if applicable).

6.3 You should note that the MRL Share price may rise or fall between the Record Date, the date of the SPP, the date on which you make a BPAY payment or send in an Application Form and the date when New Shares are issued to you under the SPP. This means that the price you pay per New Share under the SPP may be either higher or lower than the prevailing MRL Share price, up to or after the date the New Shares are issued to you under the SPP and you therefore may be able to buy MRL Shares at a lower price on market than the ultimate issue price under the SPP.

6.4 MRL recommends that you monitor the MRL Share price and any MRL announcements, which can be found on the MRL website at www.mrltd.com.au or on the ASX website at www.asx.com.au (ASX code: MRF).

7. Scale Back

7.1 MRL may in its absolute discretion issue to you less than the number of New Shares you have applied for (Scale Back), to the extent and in the manner that it sees fit. MRL may take into account, among other factors, the size of an applicant's shareholding in determining the amount (if any) by which to Scale Back that applicant's application.

7.2 If there is a Scale Back, you may not receive the full Parcel of New Shares for which you have applied. If a Scale Back produces a fractional number when applied to your Parcel, the number of New Shares you will be issued with will be rounded down to the nearest whole number of New Shares.

7.3 In the event of a Scale Back, the difference between the cost of the New Shares you are issued with (calculated at the Issue Price) and the amount you have paid to MRL will be refunded to you by direct credit or cheque.

7.4 If no Scale Back is applied to your application, your allocation of New

Shares will be rounded down to the nearest whole number of New Shares and the residual amount will be donated to one or more charities nominated by MRL. The donated amount per application will always be less than the Issue Price for one New Share.

8. Placement of Shortfall

Any shortfall from the Offer may be placed at the discretion of the Directors in consultation with our corporate advisors, Far East Capital Limited.

9. Costs of participation

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and the issue of, New Shares under the SPP.

10. Ranking of New Shares

New Shares issued under the SPP will rank equally with existing MRL Shares quoted on the ASX, with the same voting rights, dividend rights and other entitlements from date of issue.

11. Waiver, amendment, suspension and withdrawal

11.1 MRL reserves the right to waive compliance with any provision of these Terms and Conditions or amend or vary these Terms and Conditions.

11.2 MRL reserves the right to suspend or withdraw the Offer at any time.

11.3 Failure to notify shareholders of a change to or termination of the Offer or the non-receipt of notice will not invalidate the change or termination.

11.4 MRL reserves the right not to issue New Shares or to issue fewer New Shares than those applied for under the SPP by an Eligible Shareholder (including a Custodian applying on behalf of its Participating Beneficiaries) if MRL believes that the issue of

those New Shares would contravene any law or the ASX Listing Rules.

11.5 In the event that the SPP is terminated prior to the issue of New Shares, all application moneys will be refunded. No interest will be paid on any monies returned to you.

12. Dispute resolution

If any dispute arises in connection with the SPP, MRL may settle it in any manner it thinks fit. It can do that generally, or in relation to any particular participant or application or New Share. MRL's decision will be final and binding.

13. No underwriting

The SPP will not be underwritten.

14. Governing Law

These SPP Terms and Conditions are governed by the laws in force in Western Australia.

15. Handling fee

A handling fee equal to 2.0% of the application amount payable for New Shares issued under the SPP (plus GST) will be paid to stockbrokers (being those entities listed as full service brokers or non-advisory brokers by ASX) who submit a valid claim for a broker handling fee on valid applications.

16. Defined terms

Any expression or term defined in these terms and conditions, the accompanying frequently asked questions document or the accompanying letter from the Chairman of MRL shall, unless the context otherwise requires, have that meaning wherever used in any of those documents.

17. Privacy Policy

17.1 Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the MRL Shares you hold)

to be included in the public register of the entity in which you hold shares. This information must continue to be included in the public register if you cease to be a shareholder. The Privacy Amendment (Private Sector) Act 2000 (Cth) does not alter these statutory obligations.

17.2 MRL and Automic Registry Services may collect personal information to process your application and implement the SPP, and to administer your shareholding and refunds of application money in the event of a Scale Back.

17.3 Automic Registry Services privacy policy is available on its website: www.automic.com.au.