

ASX ANNOUNCEMENT

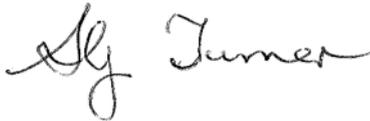
15 August 2016

MRG METALS LIMITED

NON-RENOUNCEABLE ENTITLEMENT OFFER – LETTER TO SHAREHOLDERS

MRG Metals Limited (**Company**) releases the attached letter regarding the non-renounceable entitlement offer, which will be sent to shareholders of the Company.

Yours faithfully,

A handwritten signature in black ink that reads 'Shane Turner'.

SHANE TURNER
Director/Secretary

16 August 2016

[Name]

[Address 1]

[Address 2]

[Address 3]

Dear Shareholder

Notification of non-renounceable entitlement issue

On 15 August 2016, MRG Metals Limited (**Company**) announced a non-renounceable entitlement issue of fully paid ordinary shares (**Entitlement Offer**). An offer document setting out the terms and conditions of the Entitlement Offer was lodged with ASX Limited (**ASX**) on 15 August 2016 (**Offer Document**) and will be sent to all eligible shareholders together with a personalised Entitlement and Acceptance Form on 19 August 2016.

This letter gives shareholders brief details of the Entitlement Offer, certain information required under the ASX Listing Rules, proposed use of funds and the important dates of the Entitlement Offer. The Entitlement Offer is non-renounceable which means that rights cannot be traded or sold.

The Entitlement Offer is only open to eligible shareholders, being shareholders whose registered address is in Australia or New Zealand at 7.00pm AEST on 18 August 2016.

The Company has determined that it would be unreasonable to make offers under the Entitlement Offer to all shareholders with addresses outside of Australia or New Zealand (**Ineligible Shareholders**) having regard to the Company's current shareholding and the costs of complying with legal and regulatory requirements in those jurisdictions. Accordingly, the Entitlement Offer is not being extended to Ineligible Shareholders. Any entitlements to such shares will lapse and the relevant shares will form part of the additional shares and shortfall under the Entitlement Offer. This letter constitutes the notice that the Company is required to give each Ineligible Shareholder under ASX Listing Rule 7.7.1(b).

Funds raised under the Entitlement Offer may be used to pay the costs of the issue, to progress the exploration program of the Company's Western Australian and Queensland projects and for working capital requirements.

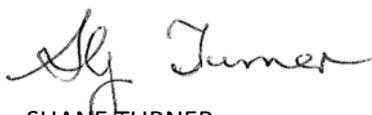
Details of the Entitlement Offer are as follows:

Type of issue	Pro-rata non-renounceable entitlement issue of fully paid ordinary shares (Shares) of 1 Share for each Share held.
Issue price	\$0.01 (1 cent) per Share.
Number of shares to be issued	Up to 155,612,115 Shares.
Amount to be raised	Up to \$1,556,121.
Rights trading	Rights cannot be traded or sold.
Additional Shares and shortfall	Eligible shareholders can apply for additional Shares in excess of their entitlement. Additional Shares will be allocated in accordance with the allocation policy set out in the Offer Document. Any entitlement and additional Shares not taken by eligible shareholders will form part of the shortfall. The directors of the Company reserve the right to place the shortfall Shares at their absolute discretion.
Underwriting	The Company has entered into an agreement with CPS Capital Group Pty Ltd (CPS Capital) under which CPS Capital has agreed to assist the Company in placing shortfall on a best endeavours basis.
Listing	The Company has applied to ASX for quotation of the Shares.
Key indicative dates*	
Announcement of Offer	15 August 2016
Lodgement of cleansing notice, Offer Document and Appendix 3B with ASX	15 August 2016
Notice sent to shareholders	16 August 2016
Ex Date	17 August 2016
Record Date for determining entitlements	18 August 2016
Offer Document despatched to eligible shareholders and Company announces despatch has been completed	19 August 2016
Closing Date	2 September 2016
Securities quoted on a deferred settlement basis	5 September 2016
ASX notified of under subscriptions	7 September 2016
Issue date	9 September 2016

*The above timetable is indicative only and subject to change. Subject to the ASX Listing Rules, the directors of the Company reserve the right to vary these dates, including the Closing Date, without notice. The directors may extend the period of the Entitlement Offer or bring forward the Closing Date at their discretion.

Full details of the terms and conditions of the Entitlement Offer are contained in the Offer Document which is available on the ASX website <http://www.asx.com.au/> by searching under the ASX Code "MRQ."

Yours faithfully



SHANE TURNER
Director/Secretary