



ABN: 38 131 715 645
MGT Resources Limited
Lvl 39 / 2 Park Street,
Sydney, NSW 2000
Australia

T: 61 2 9004 7107
F: 61 2 9004 7070

MGT RESOURCES LIMITED

ANNOUNCEMENT TO NATIONAL STOCK EXCHANGE (NSX)

The Company wishes to advise that its 75% owned subsidiary, MGT Mining Limited (Mining) is proposing to have a non-renounceable rights issue for the allotment of 79,360,637 shares at \$0.03 per share (the rights issue). The rights issue is a non-renounceable issue of 3 new shares for every 2 shares presently held by shareholders and will result in the raising of a total of \$2,380,819 if it is fully subscribed. The purpose of the capital raising is to repay debt presently owed by Mining to the Company.

The Company advises that it proposes to enter into an Underwriting Agreement whereby it will underwrite any shortfall in the rights issue and also advises that it intends to take up all of its rights.

An Independent Geological Report was commissioned by Mining in respect of all of the mining tenements held by Mining and, in addition, referring to the upgrade of the processing plant owned by Mining at Mt Garnet.

Attached is a copy of the report by Minnelex Pty Ltd in respect of the tenements which will be attached to and form part of the rights issue prospectus. The report provides a detailed review of all of that company's mining and exploration projects including geological data received to date from exploration activities.

The Company also wishes to announce that it intends to raise an amount of not less than \$750,000 by way of placement and proposes to issue a prospectus in respect of this capital raising within the next 14 days.

Accordingly, for the purposes of clarity the Group will be issuing 2 prospectuses as follows:

1. a prospectus by the Company to raise a minimum of \$750,000 up to a maximum of \$1,000,000, such capital raising to be made at \$1.00 per share; and
2. its 75% owned subsidiary, Mining, proposes to issue a prospectus in respect of a non-renounceable rights issue to raise \$2,380,819 via the allotment of 3 new shares in Mining for every 2 shares presently held by shareholders making a total allotment of 79,360,637 shares at \$0.03 per share. This rights issue will be fully underwritten by the Company.

The Company will take up all of its entitlement in the issue.