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23 October 2012

Mr Ian Craig
Companies Manager
National Stock Exchange of Australia

NSX Announcement - MGT Resources Limited (NSX:MGS)

Proposed Changes to the Constitution

Please find attached the proposed changes to the MGT Resources Limited Constitution per the Notice of Annual General Meeting 2012.

Annexure A contains the changes in Microsoft Word Mark-up.

Annexure B is the clean version of the proposed changes.

Shareholders will vote on the changes at the Annual General Meeting.

On behalf of the Board of MGT Resources,

Yours sincerely,

A handwritten signature in black ink, appearing to read 'AM' followed by a stylized flourish.

Alexander Moody
Company Secretary

Annexure A

Amendments to rule 31 of the Constitution (in mark-up)

31. Dividends

31.1 Power to determine and declare dividends vested in Directors

The power to determine that a dividend is payable and to declare dividends (including interim dividends) is vested in the Directors who may fix the amount and the timing for payment and the method of payment of any dividend in accordance with this Constitution, the Act and the Listing Rules.

31.1A Determination of dividends

The Company must not pay a dividend, unless:

- (a) the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; and
- (b) the payment of the dividend is fair and reasonable to the Company's Members as a whole; and
- (c) the payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

The Company does not incur a debt merely by fixing the amount or time for payment of a dividend. A debt arises only when the time fixed for payment arrives. The decision to pay a dividend may be revoked by the Board at any time before then. A resolution of the Board as to the amount of the dividend is conclusive.

31.2 Apportionment of dividends

- (a) Subject to this Constitution, the Act, the Listing Rules and the rights of Members entitled to Shares with preferential, special or qualified rights as to dividend, dividends are to be apportioned and paid among the Members in proportion to the amounts paid up (not credited) on the Shares held by them.
- (b) Any amount paid on a Share in advance of a call will be ignored when calculating the relevant proportion.
- (c) If an amount was paid on a Share during the period to which a dividend relates, the Board may resolve that only the proportion of that amount which is the same as the proportion which the period from the date of payment to the end of the period to which the dividend relates bears to the total period to which the dividend relates, counts as part of the amount for the time being paid on the Share.
- (d) An amount credited on a partly paid Share without payment in money or money's worth being made to the Company is not taken into account as a part of the amount for the time being paid on a Share.

31.4 Dividend payable by distribution of assets

- (a) The Directors when declaring a dividend may resolve that the dividend be paid wholly or partly by the distribution of specific assets including bonus Shares or other securities of the Company or any other corporation.
- (b) If the Board resolves that the dividend will be paid by the distribution of assets, the Board may:
 - (i) fix the value of any asset distributed;

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(ii) make cash payments to Members on the basis of the value fixed so as to adjust the rights of Members between themselves; and

(iii) vest an asset in a trustee(s).

31.5 Dividends may be payable in foreign currency

Dividends will be declared in Australian currency, but the Directors may, if they think fit, determine that any dividend payable to some or all the Members will be paid in a currency or currencies other than Australian currency and for that purpose the Directors may at the time of declaration of the dividend stipulate a date on which they will determine the rate or rates at which the dividend will be converted into the other currency or currencies. Payment in another currency or currencies of the amount of any dividend converted pursuant to this clause will be deemed as between the Company and all Members to be an adequate and proper payment of the amount of the dividend.

31.6 No interest payable on dividends

Interest is not payable by the Company in respect of any dividend.

31.7 Directors may retain certain dividends

The Directors may retain the dividends payable on any Shares:

(a) in respect of which any person is entitled to become a Member as a consequence of death, bankruptcy or other operation of law until that person or a nominated transferee becomes a Member in respect of the Shares; and

(b) on which the Company has a lien, to satisfy the liabilities in respect of which the lien exists.

31.8 Directors may deduct from dividends money payable to Company

The Directors may deduct from any dividend payable to a Member all sums of money (if any) presently payable by the Member to the Company on account of calls or otherwise.

31.9 Payment of dividends

(a) Any dividend, interest or other monies payable in respect of any Shares may be paid by cheque sent through the post to:

(i) the registered address of the Member or person entitled or, in the case of joint holders, to the registered address of that holder whose name appears first on the Register in respect of the joint holding; or

(ii) to that person at that address as the holder or joint holders may in writing direct.

(b) Every cheque will be made payable to the order of the person to whom it is sent and is at its risk.

31.10 Unclaimed dividends

Except as otherwise provided by the Act, all dividends unclaimed for 1 year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

31.11 Dividend Reinvestment Plan

The Directors may implement and in their discretion maintain, on terms and conditions determined by the Directors from time to time, a dividend reinvestment plan (the Dividend

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... [3]

Reinvestment Plan) for cash dividends paid by the Company in relation to Shares in the capital of the Company to be reinvested by way of subscription for Shares to be issued and allotted by the Company. Participation in the Dividend Reinvestment Plan will be available to those Members who wish to participate in the Dividend Reinvestment Plan and are eligible to do so under the terms and conditions of the Dividend Reinvestment Plan.

31.12 Amendment of Dividend Reinvestment Plan

The Directors may vary, amend or suspend any terms or conditions of the Dividend Reinvestment Plan as and when they think fit in their discretion.

Annexure B

Amendments to rule 31 of the Constitution (final)

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 - (ii) to that person at that address as the holder or joint holders may in writing direct.
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