
MRL CORPORATION LIMITED

ACN 007 870 760

NOTICE OF GENERAL MEETING

TIME: 10:00 am WST

DATE: Monday, 28th April 2014

PLACE: Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 1300 660 448.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10:00 am (WST) on Monday, 28th April 2014 at:

Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00 am on Saturday, 26th April 2014

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – PARTICIPATION BY RELATED PARTY IN THE SHORTFALL– MR CRAIG MCGUCKIN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue, up to 4,000,000 Shares to Mr Craig McGuckin (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Craig McGuckin (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – PARTICIPATION BY RELATED PARTY IN THE SHORTFALL – MR PETER YOUD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue, up to 4,000,000 Shares to Mr Peter Youd (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Peter Youd (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – UNDERWRITER PLACEMENT – SHARES AND OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 12,500,000 Shares, together with one (1) free attaching New Option for every one (1) Share issued, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – PARTICIPATION BY RELATED PARTY IN THE UNDERWRITER PLACEMENT – MR CRAIG MCGUCKIN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue, up to 650,000 Shares and 650,000 New Options to Mr Craig McGuckin (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Craig McGuckin (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – PARTICIPATION BY RELATED PARTY IN THE UNDERWRITER PLACEMENT – MR PETER YOUD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue, up to 650,000 Shares and 650,000 New Options to Mr Peter Youd (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Peter Youd (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – PARTICIPATION BY RELATED PARTY IN THE UNDERWRITER PLACEMENT – MR PETER REILLY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue, up to 250,000 Shares and 250,000 New Options to Mr Peter Reilly (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Peter Reilly (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – PARTICIPATION BY RELATED PARTY IN THE UNDERWRITER PLACEMENT – MR DENIS GELDARD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue, up to 250,000 Shares and 250,000 New Options to Mr Denis Geldard (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Denis Geldard (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – DIRECTOR OPTIONS – MR CRAIG MCGUCKIN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue, up to 5,000,000 Director Options to Mr Craig McGuckin (or his nominee) under the Employee Option Plan in accordance with the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Craig McGuckin (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 9 - DIRECTOR OPTIONS – MR PETER YOUD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue, up to 5,000,000 Director Options to Mr Peter Youd (or his nominee) under the Employee Option Plan in accordance with terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Peter Youd (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. RESOLUTION 10 - DIRECTOR OPTIONS – MR PETER REILLY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue, up to 1,000,000 Director Options to Mr Peter Reilly (or his nominee) under the Employee Option Plan in accordance with terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Peter Reilly (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

11. RESOLUTION 11 – DIRECTOR OPTIONS – MR DENIS GELDARD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue, up to 1,000,000 Director Options to Mr Denis Geldard (or his nominee) under the Employee Option Plan in accordance with terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Denis Geldard (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

12. RESOLUTION 12 – DIRECTOR OPTIONS – MR PETER HEPBURN-BROWN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue, up to 1,000,000 Director Options to Mr Peter Hepburn-Brown (or his nominee) under the Employee Option Plan in accordance with terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Denis Geldard (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

13. RESOLUTION 13 – CPS PLACEMENT – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

14. RESOLUTION 14 – TOP-UP OFFER PLACEMENT – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 20,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 25th March 2014

By order of the Board

A handwritten signature in black ink, appearing to read 'Peter Youd', with a large, stylized flourish at the bottom.

**Mr Peter Richard Youd
Company Secretary**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTIONS 1 AND 2 – RELATED PARTIES PARTICIPATION IN THE SHORTFALL - CRAIG MCGUCKIN AND PETER YOUND.

1.1 General

As announced on 6 March 2014 the Company is proposing a pro rata entitlement issue of four (4) Shares for every five (5) Shares held by Shareholders at the record date to raise up to approximately \$1,485,000 to be undertaken by the Company through a prospectus (**Entitlement Issue**). The issue will be Underwritten by CPS Capital (**Underwriter**).

Any entitlements not taken up pursuant to the Entitlement Issue will form the shortfall (**Shortfall**). The Directors reserve the right to issue Shares under the Shortfall at their discretion in consultation with the Underwriter having consideration of the terms of the Underwriting Agreement (**Shortfall Placement**). The issue price for each Share to be issued under the Shortfall Placement shall be \$0.025 being the price at which Shares have been offered under the Entitlement Issue.

Resolutions 1 and 2 seek Shareholder approval for Messrs McGuckin and Yound (or their nominees) to participate in the Shortfall and subscribe for up to 4,000,000 Shares each in the Shortfall (**Shortfall Participation**).

This will be inclusive of Mr McGuckin and Mr Yound's respective entitlements under the Entitlement Issue. The actual amounts to be subscribed by Mr McGuckin and Mr Yound will be finalised at the Directors' discretion (other than Mr McGuckin) in consultation with the Underwriter having consideration of the terms of the Underwriting Agreement.

For the avoidance of doubt these Shares proposed to be issued to the Mr McGuckin and Mr Yound pursuant to Resolutions 1 and 2 will form part of, and are not additional to, the Shares issued under the Entitlement Issue and any Shortfall Placement.

1.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Shortfall Participation will result in the issue of Shares which constitutes giving a financial benefit and Mr McGuckin is a related party of the Company by virtue

of being Directors and Mr Youd is a related party by virtue of being a Director of the Company in the past 6 months.

With respect to Resolution 1, the Directors (other than Mr Craig McGuckin, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Shortfall Participation because the Shares will be issued to Mr Craig McGuckin on the same terms as Shares issued to non-related party participants in the Shortfall and as such, the giving of the financial benefit is on arm's length terms.

With respect to Resolution 2, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Shortfall Participation because the Shares will be issued to Mr Peter Youd on the same terms as Shares issued to non-related party participants in the Shortfall Placement and as such, the giving of the financial benefit is on arm's length terms.

1.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of Shares to the Mr McGuckin and Mr Youd under the Shortfall Placement involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

1.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Shares and New Options will be issued to Mr Crag McGuckin and Mr Peter Youd (or their nominee);
- (b) a maximum of 8,000,000 Shares will be issued as follows:
 - (i) up to 4,000,000 Shares to Mr McGuckin (or his nominee); and
 - (ii) up to 4,000,000 Shares to Mr Youd (or his nominee);
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (d) the Shares will be issued for \$0.025, being the same as all other Shares issued under the both the Entitlement Issue and the Shortfall Placement;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

- (f) the funds to be raised from the Shortfall Participation will go towards the purpose of the Entitlement Issue being exploration on the Sri Lankan graphite projects, including capital equipment acquisitions, drilling and assay work, EM survey and geophysical interpretations and metallurgical studies activities, expenses of the Entitlement Issue and working capital.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Shortfall Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares and Options to the Related Parties (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

2. RESOLUTION 3 – UNDERWRITER PLACEMENT – SHARES AND OPTIONS

2.1 General

Resolution 3 seeks Shareholder approval for the issue of 12,500,000 Shares, together with one (1) free attaching New Option for every one (1) Share issued, in consideration for services provided by CPS Capital (**Underwriter Placement**).

The purpose of this Resolution is to issue Shares and New Options to CPS Capital in relation to the corporate advisory, underwriter and lead manager services provided by CPS Capital in relation to the proposed Entitlement Issue as announced on 6 March 2014. It is anticipated that the majority of these Shares and New Options will be distributed to clients of CPS Capital many of whom are sub-underwriters to the Entitlement Issue or who have otherwise agreed to assist with the completion of the Entitlement Issue.

The distribution to CPS Capital's client base will have no impact on the control of the Company as it will not result in any person increasing their voting power in the Company in excess of 19.9%.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 3 will be to allow the Company to issue the Shares and New Options pursuant to the Underwriter Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 12,500,000 and the maximum number of New Options to be issued is 12,500,000 as the Options will be issued free attaching with the Shares on a 1:1 basis;
- (b) the Shares and New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and New Options will occur on the same date;

- (c) the Shares will be issued for nil cash consideration in satisfaction of the underwriting and lead manager services provided by CPS Capital;
- (d) the issue price of the New Options will be nil as they will be issued free attaching with the Shares on a 1:1 basis;
- (e) the Shares and New Options will be issued to CPS Capital (and/or its nominees, including clients). The Company confirms that apart from Messrs McGuckin, Youd, Reilly and Geldard (whose proposed participation in the Underwriter Placement is the subject of Resolutions 8-12), none of the receivers will be related parties of the Company;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the New Options will be issued on the terms and conditions set out in Schedule 1; and
- (h) no funds will be raised from the Underwriter Placement as the Shares and New Options are being issued in consideration for the services provided by CPS Capital.

3. RESOLUTIONS 4 TO 7 – RELATED PARTIES PARTICIPATION IN THE UNDERWRITER PLACEMENT - CRAIG MCGUCKIN, PETER YOUNG, PETER REILLY AND DENIS GELDARD.

3.1 General

As detailed in Section 2.1 above, the Company proposes under the Entitlement Issue to issue up to 12,500,000 Shares and 12,500,000 New Options pursuant to the Underwriter Placement. CPS Capital will distribute the majority of these Shares and New Options to clients of CPS Capital many of whom are sub-underwriters to the Entitlement Issue or who have otherwise agreed to assist with the completion of the Entitlement Issue.

Messrs McGuckin, Youd, Reilly and Geldard (**Related Parties**) will be eligible to participate in the Underwriter Placement and are related parties of the Company by virtue of being Directors or past Directors of the Company within the past 6 months.

Resolutions 4 to 7 seeks Shareholder approval for the following issues of Shares and New Options to the Related Parties:

- (a) up to 650,000 Shares and 650,000 New Options to Mr McGuckin (or his nominee);
- (b) up to 650,000 Shares and 650,000 New Options to Mr Youd (or his nominee);
- (c) up to 250,000 Share and 250,000 New Options to Mr Reilly (or his nominee); and
- (d) up to 250,000 Shares and 250,000 New Options to Mr Geldard (or his nominee),

arising from the Related Parties' participation in the Underwriter Placement (**Participation**).

For the avoidance of doubt these Shares and New Options proposed to be issued to the Related Parties pursuant to Resolutions 4 to 7 will form part of, and are not additional to, the Shares and New Options issued under the Underwriter Placement, the subject of Resolution 3.

3.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E requirements is provided at section 1.2 of the Explanatory Statement

The Participation will result in the issue of Shares and New Options which constitutes giving a financial benefit and Messrs McGuckin, Reilly and Geldard are related parties of the Company by virtue of being Directors and Mr Youd is a related party by virtue of being a Director of the Company in the past 6 months.

With respect to Resolution 4, the Directors (other than Mr Craig McGuckin, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares and New Options will be issued to Mr Craig McGuckin on the same terms as Shares and New Options issued to non-related party participants in the Underwriter Placement and as such, the giving of the financial benefit is on arm's length terms.

With respect to Resolution 5, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares and New Options will be issued to Mr Peter Youd on the same terms as Shares and New Options issued to non-related party participants in the Share Placement and as such, the giving of the financial benefit is on arm's length terms.

With respect to Resolution 6, the Directors (other than Mr Peter Reilly, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares and New Options will be issued to Mr Peter Reilly on the same terms as Shares and New Options issued to non-related party participants in the Underwriter Placement and as such, the giving of the financial benefit is on arm's length terms.

With respect to Resolution 7, the Directors (other than Mr Peter Reilly, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares and New Options will be issued to Mr Peter Reilly on the same terms as Shares and New Options issued to non-related party participants in the Underwriter Placement and as such, the giving of the financial benefit is on arm's length terms.

3.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of Shares and New Options to the Related Parties under the Underwriter Placement involves the issue of Shares and New Options to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the

exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

3.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Shares and New Options will be issued to Mr Crag McGuckin, Mr Peter Youd, Mr Peter Reilly and Mr Denis Geldard (or their nominees);
- (b) a maximum of 1,800,000 Shares and 1,800,000 New Options will be issued as follows:
 - (i) up to 650,000 Shares and 650,000 New Options to Mr McGuckin (or his nominee);
 - (ii) up to 650,000 Shares and 650,000 New Options to Mr Youd (or his nominee);
 - (iii) up to 250,000 Share and 250,000 New Options to Mr Reilly (or his nominee); and
 - (iv) up to 250,000 Shares and 250,000 New Options to Mr Geldard (or his nominee);
- (c) the Shares and New Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (d) the Shares will be issued for nil cash consideration in satisfaction of the underwriting and lead manger servcies provided by CPS Capital, being the same as all other Shares issued under the Underwriter Placement;
- (e) the issue price of the New Options will be nil as they will be issued free attaching with the Shares on a 1:1 basis, being the same as all other New Options issued under the Underwriter Placement;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the New Options will be issued on the terms and conditions set out in Schedule 1; and
- (h) no funds will be raised from the Participation as the Shares and New Options under the Underwriter Placement are being issued in consideration for the services provided by CPS Capital to the Company.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares and New Options to the Related Parties (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

4. RESOLUTIONS 8 TO 12 – ISSUE OF DIRECTOR OPTIONS TO CRAIG MCGUCKIN, PETER YOUNG, PETER REILLY, DENIS GELDARD AND PETER HEPBURN-BROWN

4.1 General

As approved by Shareholders on 10 December 2012, the Company has adopted an employee incentive scheme titled “Employee Share Option Plan” (**Employee Option Plan**). The terms of the Employee Option Plan as summarised in Schedule 2.

It is proposed that, subject to obtaining Shareholder approval, to issue a total of 13,000,000 Director Options to Messrs McGuckin, Young, Reilly, Geldard and Hepburn-Brown (**Related Parties**) under the Employee Option Plan as an incentive to further motivate and reward their performances with the Company, in accordance with the terms and conditions set out below.

Under the Employee Option Plan rules, the Board in its absolute discretion may from time-to-time determine that eligible persons (which includes directors and employees) be invited to participate in the Employee Option Plan.

The Employee Option Plan has been used as part of the remuneration planning for executive Directors and employees. The Corporate Governance Council Principles and Recommendations recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.

The Company considers that the issue of the Director Options is an appropriate method to:

- (a) reward Directors and employees for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate Directors and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable Directors and employees.

Pursuant to Resolutions 10, 11 and 12 Director Options will be issued to non-executive Directors being Messrs Reilly, Geldard and Hepburn-Brown. Although this is not in accordance with the recommendations contained in the Corporate Governance Council Principles and Recommendations, the Company considers that it is appropriate for non-executive Directors to participate in the Plan given the size of the Company.

The terms and Conditions of the Director Options are the same as the New Options proposed to be issued in accordance with Resolution 2 and are contained in Schedule 1 of this Notice.

4.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E requirements is provided at section 1.2 of the Explanatory Statement

The grant of the Director Options constitutes giving a financial benefit and Messrs McGuckin, Reilly, Geldard and Hepburn-Brown are related parties of the

Company by virtue of being Directors and Mr Youd is a related party by virtue of being a Director of the Company in the past 6 months.

With respect to Resolution 8, the Directors (other than Mr Craig McGuckin, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Director Options to be issued to Mr Craig McGuckin because the reasonable remuneration exception in Section 211 of the Corporations Act applies.

With respect to Resolution 9, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Director Options to be issued to Mr Peter Youd because the reasonable remuneration exception in Section 211 of the Corporations Act applies.

With respect to Resolution 10, the Directors (other than Mr Peter Reilly, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Director Options to be issued to Mr Peter Reilly because the reasonable remuneration exception in Section 211 of the Corporations Act applies.

With respect to Resolution 11, the Directors (other than Mr Denis Geldard, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Director Options to be issued to Mr Denis Geldard because the reasonable remuneration exception in Section 211 of the Corporations Act applies.

With respect to Resolution 12, the Directors (other than Mr Peter Hepburn-Brown, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Director Options to be issued to Mr Denis Geldard because the reasonable remuneration exception in Section 211 of the Corporations Act applies.

4.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

If Resolutions 8-12 are passed, Director Options will be issued to the Related Parties, Directors or past Directors of the Company within the past 6 months. Therefore, the Company requires Shareholder approval to issue the Director Options to the Related Parties.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Performance Rights as approval is being obtained under ASX Listing Rule 10.14 and Exception 9(b) of ASX Listing Rule 7.2. The issue of Director Options to the Related Parties will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

4.4 Technical Information required by ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Director Options to the Related Parties:

- (a) the Related Parties are Messrs McGuckin, Reilly, Geldard and Hepburn-Brown are who is a related party by virtue of being a Director and Mr Youd is a related party by virtue of being a Director of the Company in the past 6 months;
- (b) a maximum number of 13,000,000 Director Options will be issued as follows:
 - (i) up to 5,000,000 Director Options to Mr McGuckin (or his nominee);
 - (ii) up to 5,000,000 Director Options to Mr Youd (or his nominee);
 - (iii) up to 1,000,000 Director Options to Mr Reilly (or his nominee);
 - (iv) up to 1,000,000 Director Options to Mr Geldard (or his nominee); and
 - (v) up to 1,000,000 Director Options to Mr Hepburn-Brown (or his nominee);
- (c) the Director Options will be issued for nil cash consideration under the terms of the Employee Option Plan and no cash consideration will be payable upon the exercising of the Director Options or the subsequent issue of Shares (if any);
- (d) no Options have previously been issued under the Employee Option Plan;
- (e) as at the date of this Notice, Messrs McGuckin, Youd, Reilly, Geldard and Hepburn-Brown are the only persons covered by ASX Listing Rule 10.14 that the Board has declared to be eligible to be issued Director Options under the Employee Option Plan (i.e. a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained);
- (f) no loans have been provided to the Related Parties in relation to the acquisition of the Director Options;
- (g) the Director Options will be issued to the Related Parties no later than 12 months after the date of the Meeting.

5. RESOLUTION 13 – CPS PLACEMENT – SHARES

5.1 General

Resolution 13 seeks Shareholder approval for the issue of 3,000,000 Shares in consideration for corporate advisory services to be provided to the Company (**CPS Placement**).

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

The effect of Resolution 13 will be to allow the Company to issue the Shares pursuant to the CPS Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the CPS Placement:

- (a) the maximum number of Shares to be issued is 3,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares will be issued for nil cash consideration in satisfaction of corporate advisory services to be provided to the Company by CPS Capital;
- (d) the Shares will be issued to CPS Capital (or its nominee), who is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the CPS Placement as the Shares are being issued in consideration for corporate advisory services provided to the Company.

6. RESOLUTION 14 – TOP-UP OFFER PLACEMENT – SHARES

6.1 General

As announced on 6 March 2014 the Company is undertaking the Entitlement Issue. The Entitlement Issue is fully underwritten by CPS Capital.

As part of the underwriting, CPS Capital has arranged a priority underwriting agreement with the Company. Under the underwriting agreement, CPS Capital has committed to take up the first 20,000,000 shortfall shares under the Entitlement Issue. The Company has agreed if the total shortfall shares available under the Entitlement Issue is less than 10,000,000 the Underwriter and/or its nominees will be offered additional shares required to make up the difference between the total shortfall and the 20,000,00 priority sub underwriting shares at the same price and on the same terms as the Entitlement Issue Shares.

In the event that the shortfall from the Entitlement Issue is less than 20,000,000 Shares, the Company has agreed, as part of the Underwriting Agreement, that the Underwriter and/or its nominees will be offered additional shares required to make up the difference between the total shortfall and the 20,000,000 at the same price and on the same terms as the Entitlement Issue Shares (**Top-up Offer**).

Resolution 12 seeks Shareholder approval for the issue of up to 20,000,000 Shares at an issue price of \$0.025 per Share to raise up to \$500,000 (**Top-up Offer Placement**).

A summary of ASX Listing Rule 7.1 is set out in section 2.1 above.

The effect of Resolution 14 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Top-up Offer Placement:

- (a) the maximum number of Shares to be issued is 20,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur progressively;
- (c) the issue price will be \$0.025 per Share;
- (d) the Shares will be issued to clients of CPS Capital and sub-underwriters under the Entitlement Issue. None of these subscribers are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Top-up Offer Placement towards accelerating the exploration work to be conducted on the Company's Sri Lankan projects, including EM surveys and defining additional drill hole locations.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means MRL Corporation Limited (ACN 007 870 760).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

CPS Capital means CPS Capital Group Pty Ltd (ACN 088 055 636).

CPS Placement has the meaning given to the term in Section 5.1 of the Explanatory Statement.

Directors means the current directors of the Company.

Director Option means an option to acquire a Share with the terms and conditions set out in Schedule 2.

Employee Option Plan has the meaning given to the term in Section 3.1 of the Explanatory Statement.

Entitlement Issue means the entitlement issue of four (4) Shares for every five (5) Shares held by Shareholders at the record date to raise up to approximately \$1,485,000 to be undertaken by the Company through a prospectus.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

New Option means an option to acquire a Share with the terms and conditions set out in Schedule 2.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Optionholder means a holder of an Option or Director Options as the context requires.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Top-up Offer Placement has the meaning given to the term in Section 6.1 of the Explanatory Statement.

Underwriter Placement has the meaning given to the term in Section 2.1 of the Explanatory Statement.

Underwriting Agreement means the underwriting agreement between the Company and CPS Capital to fully underwrite the Entitlement Issue.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF NEW OPTIONS AND DIRECTOR OPTIONS

The New Options will be granted on the terms set out below:

- (a) Each Option entitles the holder to subscribe for one Share in the Company at an exercise price of 10 cents (**Exercise Price**).
- (b) The Options will expire at 5:00 pm (AEST) on 21 May 2017 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The Company will apply for quotation of Options on ASX within 7 days after the date of the prospectus. If ASX does not grant official quotation of the Shares and Options within 3 months after the date of the Prospectus, the Company will not issue any Options.
- (d) There is no obligation to exercise the Options.
- (e) The Options may be exercised in whole or in part, and if exercised in part, multiples of 500 Options must be exercised on each occasion. Where less than 500 Options are held, all Options must be exercised together.
- (f) A holder of Options may exercise its Options by lodging with the Company Secretary at the Company's registered office, before the Expiry Date:
 - (i) A written notice of exercise of Options specifying the number of Options being exercised (Exercise Notice); and
 - (ii) A cheque or electronic funds transfer for the total Exercise Price for the number of Options being exercised.
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the appropriate Exercise Price, the Company will allot the number of Shares required under these terms in respect of the number of Options specified in the Exercise Notice.
- (i) The Options are freely transferable.
- (j) All Shares issued upon the exercise of Options will be fully paid and will rank pari passu in all respects with other issued Shares. The rights and liabilities attaching to the Shares issued upon exercise of the Options are set out above.
- (k) The Company will apply for Official Quotation by ASX of the Shares issued upon exercise of Options within 10 Business Days of issue of the Shares.
- (l) If the Company offers Shares by way of a pro rata issue (except a bonus issue) to the holders of Shares (whether renounceable or non-renounceable), the exercise price of a Options may be reduced in accordance with the formula set out in Listing Rule 6.22.2.
- (m) If there is a bonus issue to the holders of Shares in the Company then the number of Shares over which each Option is exercisable will be increased by the number of Shares which the holder would have received under the bonus issue if the Option had been exercised before the record date for the bonus issue.

- (n) In the event of any reorganisation (including a consolidation, sub-division, reduction, cancellation or return) of the issued capital of the Company, the rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (o) Options do not entitle the holder to:
 - (i) participate in a new issue of Shares or other Securities;
 - (ii) receive dividends; or
 - (iii) attend, or vote at, meetings of the Company,without first exercising the Option.
- (p) Other than as set out above, an Option does not confer the right to a change in the Exercise Price or a change in the number of underlying Securities over which the Option can be exercised.

SCHEDULE 2 – EMPLOYEE OPTION PLAN

Terms and Conditions of Plan

The key terms of the Plan are set out below. A full copy of the Plan is available for inspection at the Company's registered office.

Entitlement to Participate

The Board (or a committee to which the Board has delegated its powers and discretions under the Plan and responsibility for the management and administration of the Plan) may grant Plan Options to any employee of the Company or an Associated Company (including Directors who hold a salaried office with the Company), and issue an invitation and application form to that person. The Board will consider factors such as the seniority and position of the potential participant, length of service, record of employment and potential contribution to growth and profitability of the Company.

Exercise Price

The Board will determine in its discretion the exercise price of the Plan Options, provided that the exercise price must not be less than the closing price of Shares sold on ASX on the last trading day on which the Shares were traded as at the date the Board decides to invite the Participant to apply for the Plan Options.

Option Period (expiry date)

The expiry date of a Plan Option issued under the Plan is three (3) years after the date of the issue of the Plan Option, or such other date as the Board determines in its discretion at the time of making an invitation to a participant to subscribe for one or more Plan Options under the Plan.

Exercise Conditions

The Board may, in respect of a Plan Option, determine any conditions that must be met before that Plan Option can be exercised.

Lapsing of Plan Options

The Plan Options of a participant in the Plan will lapse where:

- (a) The participant ceases to be an employee or Director of, or to render services to, a member of the Group (other than because of a Qualifying Reason) and the Exercise Conditions have not been met;
- (b) The Exercise Conditions are unable to be met;
- (c) The Option Period has expired;
- (d) The Board (in its absolute discretion) determines that the Plan Options lapse on the basis that the participant has engaged in dishonest, fraudulent, negligent or criminal misconduct; or
- (e) The Company commences to be wound up.

Exercise of Plan Options

Plan Options issued under the Plan are exercised by the Holder delivering to the Company (at a time when the Plan Options may be exercised):

- (a) a notice addressed to the Company and signed by the Holder stating that the Holder exercises the Plan Options and specifying the number of Plan Options being exercised; and
- (b) payment of an amount equal to the Exercise Price multiplied by the number of Plan Options which are being exercised, by cheque, bank draft or postal order made out in favour of the Company, or by electronic payment in accordance with the directions on the Invitation and Application Form or such other directions given by the Company.

Quotation

The Company will make an application for the Shares issued as a result of the Plan Options being exercised to be quoted in accordance with the Listing Rules.

New Issues

Holders may only participate in new issues of Securities to holders of Shares in respect of a Plan Option if that Plan Option has been exercised, and in determining entitlements to the new issue, only Shares issued or transferred in respect of that Plan Option before the record date will be taken into account.

Limit on Plan Options

The Board must not invite a Participant to apply for a Plan Option where to do so would exceed the limit set out in ASIC Class Order 03/184.

A.B.N. 50 007 870 760

Security Holder Appointment of Proxy – General Meeting

I/We being a Shareholder entitled to attend and vote at the Meeting, hereby appoint

OR

The Chair as my/our proxy

(Name of Proxy)

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held at 10:00am (WST) on 28th April 2014 at Level 4, The Read Buildings, 16 Milligan Street, Perth WA 6000 and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

VOTING ON BUSINESS OF THE MEETING

Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
1 Participation by related party in the shortfall – Mr Craig McGuckin	☐	☐	☐	8 Director Options – Mr Craig McGuckin	☐	☐	☐
2 Participation by related party in the shortfall – Mr Peter Youd	☐	☐	☐	9 Director Options – Mr Peter Youd	☐	☐	☐
3 Underwriter Placement – Shares and Options	☐	☐	☐	10 Director Options – Mr Peter Reilly	☐	☐	☐
4 Participation by related party in the underwriter placement – Mr Craig McGuckin	☐	☐	☐	11 Director Options – Mr Denis Geldard	☐	☐	☐
5 Participation by related party in the underwriter placement – Mr Peter Youd	☐	☐	☐	12 Director Options – Mr Peter Hepburn-Brown	☐	☐	☐
6 Participation by related party in the underwriter placement – Mr Peter Reilly	☐	☐	☐	13 CPS Placement - Shares	☐	☐	☐
7 Participation by related party in the underwriter placement – Mr Denis Geldard	☐	☐	☐	14 Top-Up Offer Placement - Shares	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Important for Resolution 1, 3, 4, 8, 9, 10, 11 and 12

If you have not directed your proxy how to vote as your proxy in respect of Resolution 1, 3, 4, 8, 9, 10, 11 and 12 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

☐ I/We direct the Chair to vote in accordance with his voting intentions (as set out above) on Resolutions 8, 9, 10, 11 and 12 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolutions 8, 9, 10, 11 and 12 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolutions 1, 3, 4 and 8 and that votes cast by the Chair for Resolutions 1, 3, 4 and 8 other than as proxy holder, will be disregarded because of that interest.

If the Chair is, or may by default be, appointed as your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolutions 1, 3, 4, 8, 9, 10, 11 and 12 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1, 3, 4, 8, 9, 10, 11 and 12.

SIGNATURE OF SHAREHOLDER(S):

Individual or Shareholder 1

Sole Director / Company Secretary

Shareholder 2

Director

Shareholder 3

Director / Company Secretary

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

APPOINTING A PROXY

A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. The appointed proxy may be an individual or body corporate.

If a Body Corporate is appointed to act as your proxy then a representative of that Body Corporate must be appointed to act as its representative. When attending the meeting, the representative must bring a formal notice of appointment as per section 250D of the Corporations Act. Such notice must be signed as required by section 127 of the Corporations Act or the Body Corporate's Constitution.

If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll.

The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

Note: If you wish to appoint a second proxy, you may copy this form but you must return both forms together.

VOTING ON BUSINESS OF MEETING

A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the number of votes that the proxy may exercise by writing the number of Shares next to the box marked for the relevant item of business.

Where a box is not marked the proxy may vote as they choose subject to the relevant laws.

Where more than one box is marked on an item the vote will be invalid on that item.

SIGNING INSTRUCTIONS

- **Individual:** Where the holding is in one name, the Shareholder must sign.
- **Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.
- **Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
- **Companies:** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

ATTENDING THE MEETING

Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

LODGE MENT OF VOTES

To be effective, a validly appointed proxy must be received by the Company **not less than 48 hours** prior to commencement of the Meeting.

Proxy appointments can be lodged by:

- a) **Post** - to MRL Corporation Limited, Suites 6 & 7, 61 Hampden Road, Nedlands, WA 6009; or
- b) **Facsimile** - to the Company on facsimile number +61 8 1300 855 044; or
- c) **Email** - to the Company at info@mrltd.com.au.

Proxy Forms received later than this time will be invalid