March Quarterly Report

Exploration Activities Report
Quarter ended 31st March 2016

During the March quarter, MGT Resources Limited (MGT, ASX:MGS) finalised the Dalcouth resource update and conducted a soil sampling program at Mt Steadman, and focused on capital restructuring.

HIGHLIGHTS

- During the quarter, MGT's focus has been on capital restructuring including entering into a term sheet with Cloud Adventurer Limited and Marvel Network Limited to convert their $6,000,000 outstanding convertible notes into preference shares and options.
- MGT also commenced its pursuit of its new strategy of investment in uranium mining assets via the purchase of $2,000,000 Cauldron Energy Limited ordinary shares.
- The Dalcouth mineral resource tonnage has been increased by 385% to **495,000 t @ 0.31% Sn**
- The JORC confidence level has increased from Inferred level. Over 80% of the mineral resource is now classified as Measured Resource with the remainder now classified as Indicated Resource.
- Geological modelling using Leapfrog™ has increased our understanding of the controls of mineralisation and identified areas that could be drilled to extend mineralised zones.
- An infill soil sampling and rock chip sampling program was conducted at Mt. Steadman. Some encouraging gold results were returned suggesting that the Fitzroy Main gold anomaly may extend further to the south and lending support for further work to be conducted there and at the Fitzroy North prospect, and Venus and London workings.

MGT has cash reserves of $636,000 as at 31st March 2016.

QUARTERLY REPORT

March 2016

ASX CODE

MGS

REGISTRY

Computershare

SHARES ON ISSUE

342,157,040

Tin Price: US$17,478/t

Gold Price: US$1,245/oz

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1. SUMMER HILLS TIN PROJECT, QUEENSLAND (MGT 89.48%)

Includes: Summer Hills ML20547; Mt Veteran Mill ML4349; Nanyetta EPM25433; Valetta ML20066

Dalcouth resource tonnage increases by 385%

During the March Quarter MGT Resources Limited (MGT or The Company; ASX:MGS), through its 89.48% owned subsidiary MGT Mining Limited finalised an updated Mineral Resource estimate for the Dalcouth Prospect (located within the Summer Hills Mining Lease, ML20547). This was released to the market on 19th April 2016, subsequent to the end of the Quarter. The new estimate was updated to include extensive infill and expansion drilling that MGT has conducted at the prospect. The combined Dalcouth Measured and Indicated Mineral Resource now stands at **495,000 t @ 0.31% Sn**, an increase of 341% **contained tin** over the 2011 Mineral Resource (385% increase in tonnage).

Dalcouth Mineral Resource Summary (0.1% Sn lower cut off)

	ktonnes	Sn %	Sn tonnes
Measured Resource	408	0.32	1306
Indicated Resource	87	0.24	209
Total Resource	**495**	**0.31**	**1535**

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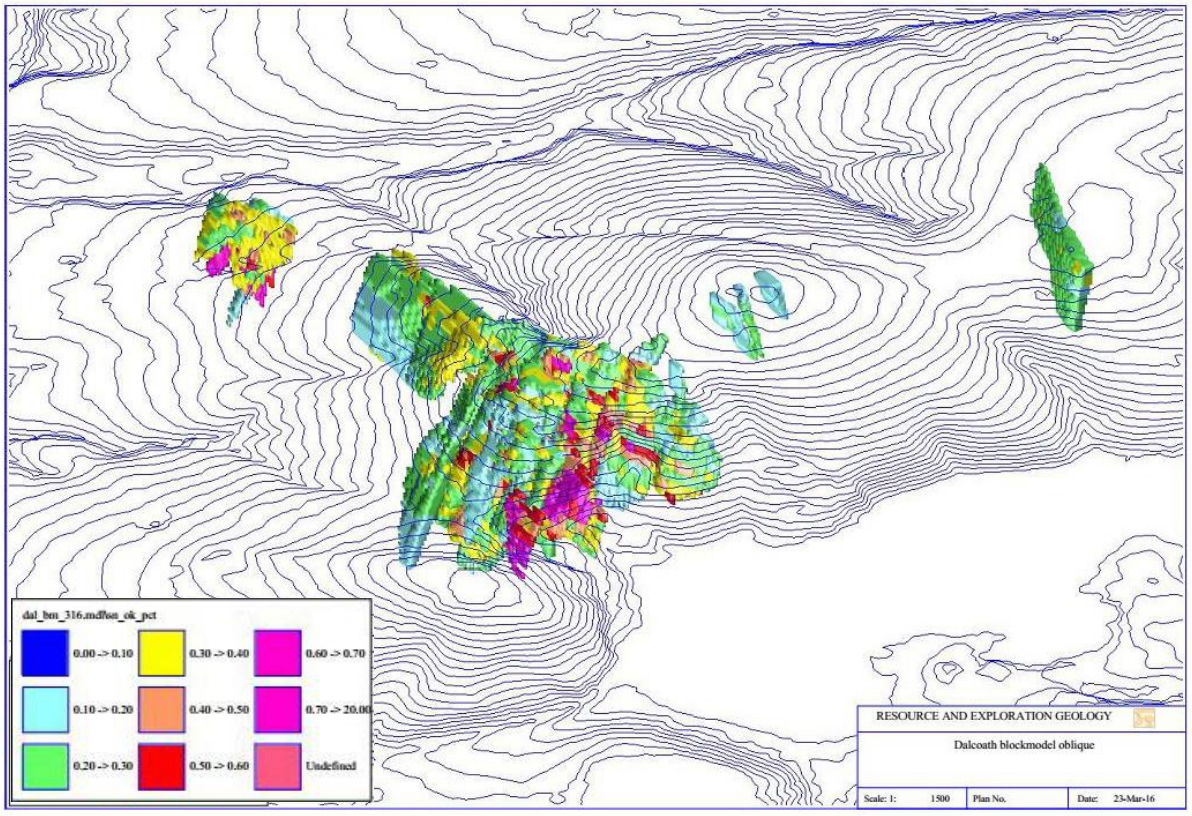

Figure 1**:** *Dalcouth block model on topography (Sn cut-off >0.1%)*

Modelling and estimation was provided by Tim Callaghan, who calculated the previous 2011 resource estimate: 102,400 t @ 0.34% Sn Inferred Resource. The mineral resource estimate is classified in accordance with the JORC (2012) guidelines. For full details please refer to the ASX announcement dated 19th April 2016.

This improvement in the JORC confidence level, from the 2011 inferred resource, is a result of work undertaken by MGT to increase the geological understanding of the Dalcouth area through drilling of diamond core holes, detailed geological mapping, geological modelling, petrographic studies and bulk density measurements. In addition MGT conducted extensive QAQC work including independent laboratory analyses to verify results.

Improved geological model of Dalcouth

The geological model of the Dalcouth deposit is much improved since the 2011 resource estimation. A significantly increased amount of accurate geological information derived from 10m sectional RC drilling has greatly assisted the geological understanding of the deposit. The drilling programs have been complemented by detailed surface mapping, petrographic and metallurgical studies and a Leapfrog™ geological interpretation.

Tin mineralisation of the Dalcouth deposit is hosted in Hodgkinson Formation turbiditic sandstones and siltstones. The sediments have been strongly deformed into complexly faulted northwest-southeast, north-south and northeast-southwest trending folds. A rhyolite intrusive is spatially associated with the three main mineralised zones, and is clearly important to the formation of the deposit, although a genetic association has not yet been established.

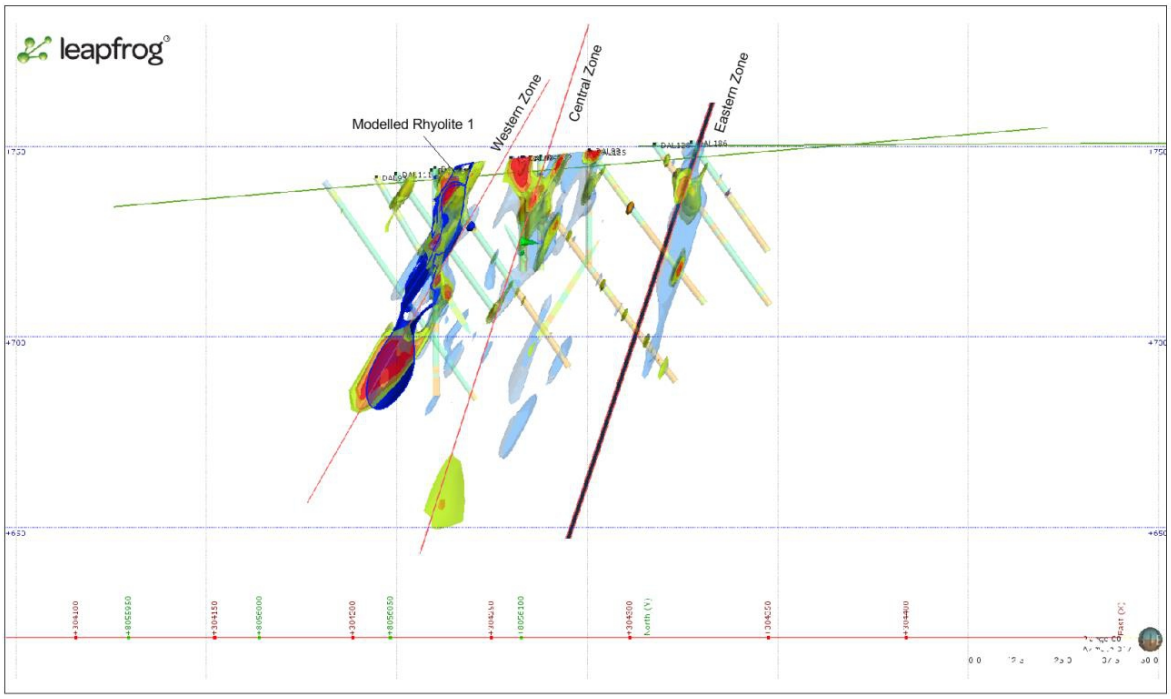

***Figure Two**: Quartz percentage and rhyolite intrusive association with Sn mineralisation. Sectional Leapfrog™ modelling showing the three zones of mineralisation. >800ppm modelled Sn is shown in light blue. Quartz percentage values are shown overlaying modelled tin (0.5-1% QV- yellow, 1-2% QV- orange, >2% QV- red). The Correlation between quartz veining and Sn mineralisation is evident. The modelled rhyolitic body is shown in dark blue and the close association between this intrusive and the western zone of mineralisation is clear.*

Mineralisation is hosted in fine anastomosing quartz-cassiterite veins and fractures associated with strong chlorite alteration of the host rock. Chlorite alteration presents as strong hematite development within the weathered zone. Quartz veining, rhyolite intrusives and mineralisation are associated with a northwest trending, steeply southwest dipping fracture zone.

Mineralisation extends northwest over 350m in length and achieves a maximum width of 130m at the southeast end, possibly representing a dilation zone. The main Dalcouth area consists of three main structural zones of mineralisation, the Western Zone, Central Zone and Eastern Zone (see figure 2). Each zone consists of multiple stacked lenses of mineralisation. The three zones merge in the centre of the deposit. Mineralisation is less complex and more constrained northwest of this point, but this may possibly be a function of broader drillhole spacing.

2. SOUTHERN QUEENSLAND PROJECTS (MGT 89.48%)

Includes Yarrol EPM 8402; Mt Steadman EPM 12834; Gooroolba EPM 15426

During the quarter, a small soil sampling program was conducted at the Mt Steadman tenement.

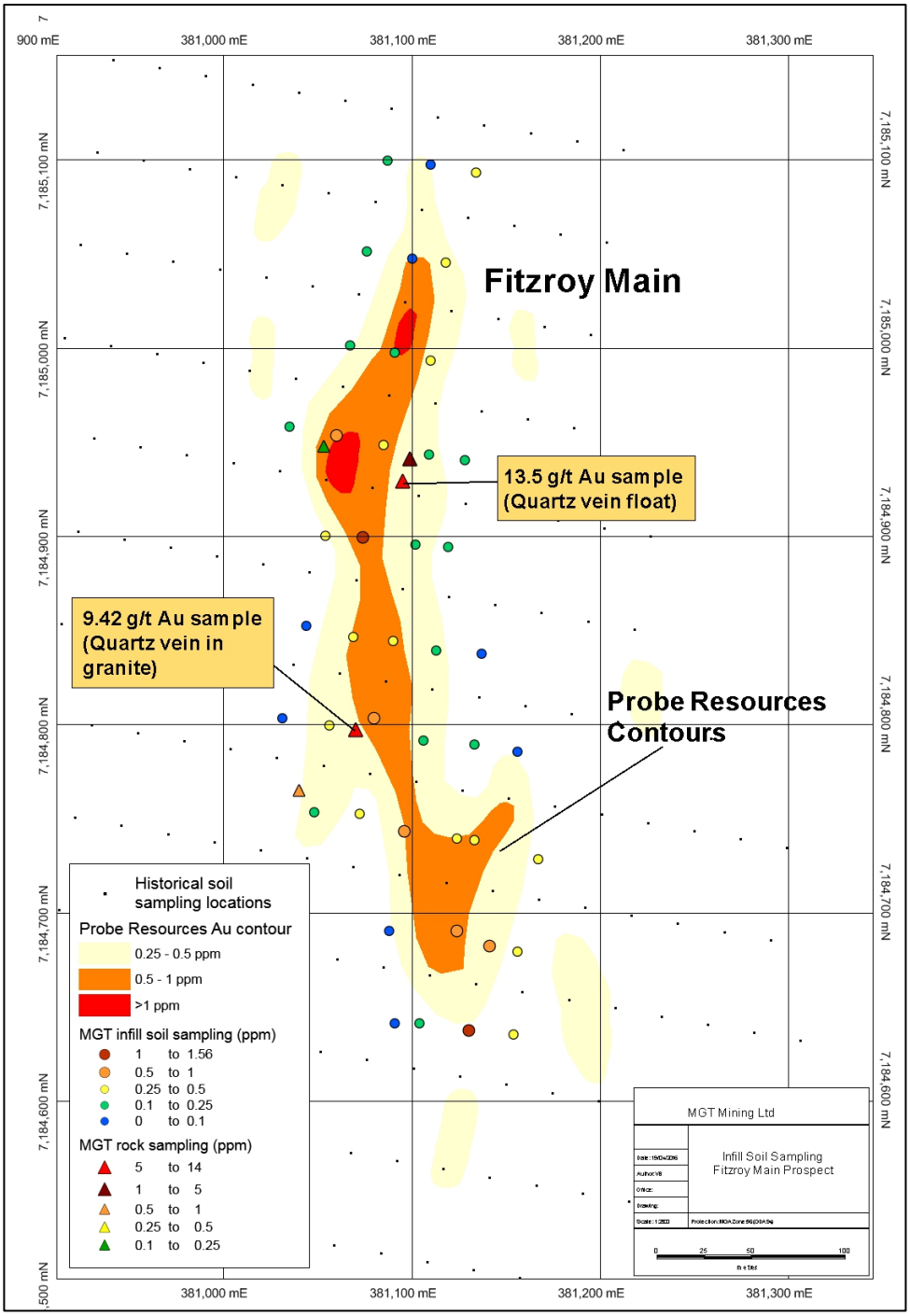

Figure Three: *Infill soil sampling at the Fitzroy Main prospect, Mt Steadman. New infill soil results are overlayed on historical Probe Resources Ltd contours. Gold assays show good consistency with previous results, however a 1.2g/t gold result in the southernmost line extends the gold anomaly further to the south. Opportunistic rock sampling locations and best results are also shown.*

Infill soil sampling and rock chip sampling was conducted at the Fitzroy Main and Fitzroy North gold prospects (see appendix 2 for more details). Previous sampling by historical holders had been on a 50m spacing, and MGT collected ten infill lines of soil samples at 25m spacing, in order to better define and validate the mineralised zone. Additional reconnaissance work at the nearby historical Venus and London Gold Mine workings was also conducted.

Previous drilling has been conducted at these prospects by the Probe Resources Ltd/CRAE Joint Venture, including 17 RC and diamond core holes to test for gold at the Fitzroy Main and Fitzroy

South prospects. Probe expanded the CRAE soil grid and drilled 22 RC holes for a total of 1120m into the Fitzroy Main Zone, Fitzroy North, and London and Venus areas. A number of these holes were drilled beneath the soil gold anomalies. The two drilling programs resulted in an indicated resource of 1,170,000 tonnes @ 0.95 g/t gold. In 2006, Diatreme Resources Ltd drilled seven RC holes (980m) at the London, Steadman and Venus workings.

The 65 soil samples submitted to ALS Orange were analysed for gold using a fire assay technique, and molybdenum and arsenic using an ICPAES technique. Gold assays ranged up to 1.56g/t and showed good consistency with previous gold-in-soil assay contours on most infill sampling lines at Fitzroy Main (see figure 3). Of most interest is a 1.2 g/t gold result on the southernmost line, which may extend the gold anomaly further to the south in future sampling.

Infill soil sampling at Fitzroy North was conducted to further define the existing gold anomaly and establish, if possible, local quartz veining orientations. Gold results seemed inconsistent with previously drawn contours around existing anomalies, however a 0.57g/t Au assay and a 0.41 g/t Au ppm assay lend support for further work at this prospect.

The 16 rock samples submitted were analysed for gold using a fire assay technique and molybdenum and arsenic using a ICPAES technique. Sampling was opportunistic. Significant gold values occurred in quartz veining sampled at Fitzroy Main including samples with 9.42 g/t Au, 3.67 g/t Au and 13.5 g/t Au (see figure three). Two of the samples taken from Fitzroy North, from an in-situ aplite dyke and granite with a large quartz vein contained 2.89 g/t Au and 4.85 g/t respectively.

Opportunistic samples taken from mine dumps at the Venus and London workings also returned significant gold results including 2.08 g/t Au, 3.95 g/t Au, 6.4 g/t Au and 15.95 g/t Au. The latter sample contained visible gold and was taken from the Venus workings.

The recording of both east-west and northeast-southwest oriented quartz vein sets, with moderate to steep easterly dips, at the Fitzroy Main, Fitzroy North and Venus and London gold workings suggests that future drill hole planning should take both trends into consideration.

3. NYMBOOL PROJECT, QUEENSLAND (MGT 89.48%)

Includes Heads or Tails ML20655; Nymbool EPM16948; Nymbool West EPM25690; Fuzzy Hill EPM25716; Nymbool Extended EPM25347

No significant exploration work was undertaken on the Nymbool Project during the March quarter.

4. PYRAMID GOLD PROJECT, QUEENSLAND (MGT 89.48%)

Includes Pyramid EPM 12887; Pyramid 2 EPM25154; Pyramid 3 EPM 19554

No significant exploration work was undertaken on the Pyramid Project during the March quarter.

5. MGT CORPORATE

Cash

Cash at hand as at 31st March was $636,000.

The Mt Garnet tin project continues to be on care and maintenance.

During the last quarter, MGT's focus has been on capital restructuring including entering into a term sheet with Cloud Adventurer Limited and Marvel Network Limited to convert their $6,000,000 outstanding convertible notes into preference shares and options.

MGT also commenced its pursuit of its new strategy of investment in uranium mining assets via the purchase of $2,000,000 Cauldron Energy Limited ordinary shares as announced to the market on 24th March 2016.

A notice of meeting will be circulated to shareholders in due course and a general meeting to approve the above is expected to take place in mid to late June 2016.

Competent Person Statements

Information in this report related to exploration results or mineral resources are based on information compiled by MGT technical staff and checked by Max Rangott of Rangott Mineral Exploration Pty Ltd, who is a member of both the AIG and the AusIMM. Mr Rangott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Rangott consents to the inclusion in the report of the statements based on the information in the form and context in which it appears.

Information in this report related to Mineral Resources is extracted from the following report: "MGT increases Dalcouth mineral resource tonnage by 385%, 19th April, 2016. This report is available for view on the website of the Australian Securities Exchange (ASX: MGS). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

ENDS

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Appendix 1

Mineral Tenements held at the end of the quarter and their location:

State	Tenement Name	Tenement ID	Location	Interest	Holder	Comments
QLD	Mt Veteran	ML 4349	Mt Garnet	89.48%	MGTM	Granted
QLD	Summer Hills	ML 20547	Mt Garnet	89.48%	MGTM	Granted
QLD	Heads or Tails	ML 20655	Mt Garnet	89.48%	MGTM	Granted
QLD	Valetta	ML 20066	Mt Garnet	100%	MGS	Granted
QLD	Nymbool	EPM 16948	Mt Garnet	89.48%	MGTM	Granted
QLD	Nanyetta	EPM 25433	Mt Garnet	89.48%	MGTM	Granted
QLD	Nymbool Extended	EPM 25347	Mt Garnet	89.48%	MGTM	Granted
QLD	Nymbool West	EPM 25690	Mt Garnet	89.48%	MGTM	Granted
QLD	Fuzzy Hill	EPM 25716	Mt Garnet	89.48%	MGTM	Granted
QLD	Pyramid	EPM 12887	Drummond Basin	89.48%	MGTM	Granted
QLD	Pyramid 3	EPM 19554	Drummond Basin	89.48%	MGTM	Granted
QLD	Pyramid 2	EPM 25154	Drummond Basin	100%	MGS	Granted
QLD	Yarrol	EPM 8402	Monto	89.48%	MGTM	Granted
QLD	Mt Steadman	EPM 12834	Gayndah	89.48%	MGTM	Granted
QLD	Gooroolba	EPM 15426	Gayndah	89.48%	MGTM	Granted

Abbreviations	
EPMA	Exploration Permit for Minerals Application
EPM	Exploration Permit for Minerals
MLA	Mining Lease Application
ML	Mining Lease
MGS	MGT Resources Limited
MGTM	MGT Mining Limited, an unlisted Australian public company
QLD	Queensland, Australia

Appendix 2

JORC CODE TABLE 1: Soil and Rock sampling results

Section 1: Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.) These examples should not be taken as limiting the broad meaning of sampling.*	Sampling results are from infill soil sampling and opportunistic rock chip sampling.
	Include reference to measures taken to ensure sampling representivity and the appropriate calibration of any measurement tools or systems used.	Infill soil sampling was planned at 25 metre-spaced sample points. Several sample points were relocated on the job owing to boulder scree, tree cover, and tree roots interfering with the 'planned' sample location. Some other planned points were found to occur close to an access track cut face, and were relocated to enable sampling of a clearly exposed

Criteria	Explanation	Commentary
		soil profile. Rock chip sampling was opportunistic and should not be regarded as representative of grades in the prospect as a whole.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	Most of the soil samples were sieved in the field to a minus 2.36mm fraction. However, consistent rainfall on the first day resulted in twelve sample locations with damp soil being encountered, and the samples were sieved to a minus 7mm fraction to be later dried before re-sieving to minus 2.36mm fraction. Each soil sample was analysed using fire assay with an AAS finish (Au-AA22). Analyses were conducted by Australian Laboratory Services Ltd. Samples were also analysed for arsenic and molybdenum using an ICPAES technique (ME-ICP41). Each rock sample was pulverised, and then analysed for arsenic and molybdenum using a multi-element ICPAES technique (ME-ICP41). Gold was analysed using an ore-grade technique; fire assay with an AAS finish.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.)*	No drilling conducted.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	No drilling conducted.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No drilling conducted
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No drilling conducted.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies*	No drilling conducted.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.	No drilling conducted.
	The total length and percentage of the relevant intersections logged.	No drilling conducted.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No drilling conducted.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	No drilling conducted.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation was conducted according to industry best practice.

Criteria	Explanation	Commentary
	Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.	No QAQC procedures adopted.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	No duplicates taken.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample size is deemed to appropriate for the material sampled.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Assays were conducted at ALS Laboratories using an ICPAES multi-element technique (method ICP-41). Gold was analysed using a fire assay technique with an AAS finish (AU-AA22) The fire assay technique is considered total, while ICP-41 is partial.
	For geophysical tools, spectrometers, handheld XRF instruments, etc. the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their derivation, etc.	No additional tools were used.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	One commercial standard sample was submitted in the soil sample batch, which gave a gold value within 1% of its nominal value. The laboratory also included 7 standards in the soil sample batch, and 8 standards with the rock sample batch, and all reported within their nominated upper and lower bounds.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	No verification has been conducted.
	The use of twinned holes.	None.
	Documentation of primary data, data entry procedures, data verifications, data storage (physical and electronic) protocols.	Data is collected by qualified geologists and experienced field assistants. Data is stored as ALS format certificates. Data is stored on a server in the Company's head office, with regular backups and archival copies of the database made.
	Discuss any adjustment to assay data.	No adjustments are made to the data. Data is in its original raw format.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Locations were recorded handheld GPS with positional accuracy of approximately ±5m.
	Specification of the grid system used.	Coordinate system is UTM Zone 56 and datum is GDA94
	Quality and adequacy of topographic control.	No Digital Terrain Model available.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Infill soil sampling was conducted at 25m spaced sample points (midway between the historical 50m spaced 1995 CRA sample lines).
	Whether the data spacing and distribution is sufficient to establish the degree of	Further work is necessary.

Criteria	Explanation	Commentary
	geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	
	Whether sample compositing has been applied.	Not applicable.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The orientation of sampling lines is considered appropriate.
	If the relationship between drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No drilling has been conducted.
Sample security	*The measures taken to endure sample security.*	Chain of custody was managed by Rangott Mineral Exploration Pty Ltd. Samples were transferred by them to ALS.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	To date there has not been an audit of sampling techniques and data.

Section 2: Reporting of Exploration Results

Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national and environmental settings.*	EPM12834 'Mt Steadman' is 100% held by MGT Mining Ltd. There is a 5% royalty agreement in place with Equatorial Coal Ltd.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	EPM12834 has recently been granted renewal for a further period of three years. The tenure is considered secure.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	The Mt Steadman mines (Mt Steadman, Venus and London) were worked mainly between 1891 and 1902. Some desultory operations took place during the 1920s, 30s and 40s. Exploration drilling was undertaken by Homestake Australia Ltd/ MF Davidson JV in 1991 at the London/Venus/Mt Steadman workings. Soil sampling by M F Davidson (1992-1994) on the western slope of Mt Steadman led to the discovery of an intense sheeted quartz vein system, later named the Fitzroy Prospect. CRAE completed programs of geological mapping, soil geochemistry, ground magenetics and RC and Diamond drilling over the Fitzroy Prospect in 1995. Probe Resources NL then went on to expand the CRAE soil grid and commission a detailed interpretation of the ground magnetics. They then completed a 1120 RC drilling program (22 holes) into the Main Fitzroy Prospect, Fitzroy North, London and Venus. This drilling resulted

		in an indicated resource estimate of approximately 1 million tonnes grading about 1 g/t gold to shallow depths. The gold mineralisation is spatially associated with a moderate to shallow dipping zone of sheeted quartz veining and alteration within a granite. Auriferous quartz veins have been mined at a number of other localities within the EPM. Strike Exploration Pty Ltd sponsored an honours student to establish a genetic model for the mineralisation at Mt Steadman in 1999. Diatreme Resources Ltd (2000-2006) conducted regional rock chip and soil sampling, as well as detailed geological mapping at the Fitzroy and Venus prospects. A drilling program of seven RC percussion holes (980m) was completed. Xtreme resources then completed a resource review in 2008.
Geology	*Deposit type, geological setting and style of mineralisation.*	Exploration Permit for Minerals (EPM) 12834 “Mount Steadman” covers part of the Chowey Goldfield and was acquired to explore mainly for gold but also for base metals. The tenement is considered prospective for porphyry-related copper-gold mineralisation, specifically gold-in-granite (IRG) style mineralisation hosted within the Permian Chowey Granite along the Bin Bin Range northwest of Biggenden, southeast Queensland. The Chowey Granite is a relatively small polyphase stock with a core of medium to coarse grained biotite-hornblende granite, which gives way to a highly potassic (syenitic) marginal phase. Aplite, porphyry and dolerite dykes intrude the granite. At the Fitzroy Prospect, gold mineralisation is associated with a moderately easterly dipping zone of sheeted quartz veining in the Chowey granite. The auriferous zone varies from 4m to 33m in true thickness. The Chowey Granite is a relatively small polyphase stock with a core of medium to coarse grained biotite-hornblende granite, which gives way to a highly potassic (syenitic) marginal phase. Aplite, porphyry and dolerite dykes intrude the granite. Previous exploration drilling at the Fitzroy Gold Prospect on Mt Steadman resulted in a resource estimate of approximately 1 million tonnes grading about 1 g/t gold to shallow depths. The gold mineralisation is spatially associated with a moderate to shallow dipping zone of sheeted quartz veining and alteration within a granite.

		Auriferous quartz veins have been mined at a number of other localities within the EPM.
Drill hole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *Easting and northing of the drill hole collar* • *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *Dip and azimuth of the hole* • *Down hole length and interception depth* • *Hole length* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	No drilling conducted.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Not applicable.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations be shown in detail	No aggregate intercepts reported.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents have been used in reporting.
Relationship between mineralisation widths and intercept lengths	*The relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. down hole length, true width not known).*	Not applicable. No drilling conducted.
Diagrams	*Appropriate maps and sections (with scale) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	No drilling conducted.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practised to avoid misleading reporting of Exploration Results.*	Not applicable.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results;*	Not applicable.

	geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	*The nature and scale of planned further work (e.g. test for lateral extensions or depth extensions or large-scale step-out drilling).*	Further work is currently being planned based on funding arrangements.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Not applicable at this time.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

MGT Resources Limited and Its Controlled Entities

ABN	Quarter ended ("current quarter")
38 131 715 645	31 March 2016

Consolidated statement of cash flows

		Current quarter 31/3/2016 $A'000	Year to date (9 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(52)	(599)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(335)	(960)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	10
1.5	Interest and other costs of finance paid	(241)	(543)
1.6	Income taxes paid	-	-
1.73	Other	-	-
	Net Operating Cash Flows	(626)	(2,092)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) exploration & evaluation	-	-
	(c) other fixed assets	-	-
	(d) Shares in Cauldron Energy Ltd (See note 6)	(2,000)	(2,000)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(2)	37
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(2,002)	(1,963)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,628)	(4,055)
	Cash flows related to financing activities		
1.14	Proceeds from exercise of options	-	1,200
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from issue of converting notes (Note 6)	2,000	2,000
1.17	Proceeds from secured loan (Note 8)	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	2,000	3,200
	Net increase (decrease) in cash held	(628)	(855)
1.20	Cash at beginning of quarter/year to date	1,264	1,491
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	636	636

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter 31/3/2016 $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	105
1.24	Aggregate amount of loans to the parties included in item 1.10	N/A

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	N/A	N/A
3.2	Credit standby arrangements	N/A	N/A

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	95
4.2	Development	-
4.3	Production	-
4.4	Administration	404
	Total	**499**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter 31/3/2016 $A'000	Previous quarter 31/12/2015 $A'000
5.1	Cash on hand and at bank	636	164
5.2	Deposits at call	-	1,100
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	636	1,264

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A	N/A	N/A	N/A

+ See chapter 19 for defined terms.

6.2	Interests in mining tenements acquired or increased	N/A	N/A	N/A	N/A

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	342,157,040	342,157,040 Note 7	Various	Various
7.4	Changes during quarter (a) Increases through issues	N/A	N/A	N/A	N/A
	(b) Decreases through returns of capital, buy-backs	N/A	N/A	N/A	N/A
7.5	**+Convertible debt securities** (*description)*	1,500,000 1,500,000 3,000,000 3,000,000 2,000,000 See Note 6 below for more information.	Nil Nil Nil Nil Nil	$0.03 $0.0875 $0.11 $0.11 $0.033	$1 $1 $1 $1 $1

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	\$2,000,000 (see Note 6 below) N/A	Nil N/A	\$0.033 N/A	\$1 N/A
7.7	**Options** *(description and conversion factor)*	6,800,000 1,050,000	Nil	*Exercise price* \$0.15 \$0.15	*Expiry date* 7 November 2016 17 December 2016
7.8	Issued during quarter	N/A	N/A	N/A	N/A
7.9	Exercised during quarter	N/A	N/A	N/A	N/A
7.10	Expired during quarter	N/A	N/A	N/A	N/A
7.11	**Debentures** *(totals only)*	N/A	N/A	N/A	N/A
7.12	**Secured Loan** *(totals only)*	\$1,500,000 Note 8	N/A	N/A	31st March 2017

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 27th April 2016
(Company secretary)

Print name: Jacqueline Butler

+ See chapter 19 for defined terms.

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

6 On 10 June 2015, the parent entity MGT Resources Limited issued unsecured convertible notes to Auskong International Mining Investment Co. Limited, with a principal sum of $1,500,000 and a nil interest rate. The Notes may, at the option of the Noteholder, be converted into 50,000,000 ordinary shares in MGT Resources Limited at any time within a 12 month period after the completion of the unsecured convertible note deed on 10 June 2015.

On 11 November 2011 the Company received an investment of $1,500,000 in the form of convertible note from Armstrong Industries HK Ltd. The note is unsecured, has a term of 2 years, a coupon of 8% per annum, and is convertible at 15 cents per share. This note expired on 11 November 2013 and was rolled into a new $1,500,000 convertible note with a term of 3 years, a coupon rate of 8% per annum and a conversion price of $0.0875.

On 16 August 2013 the Company received $3,000,000 from Marvel Network Limited in the form of a 3 year convertible note. Interest on the convertible notes is payable at the rate of 8% per annum. The convertible notes may be redeemed or converted into 27,272,728 ordinary if the share price is 11 cents per share or less at maturity. On 1st April 2016, MGT announced that a the agreement of a term sheet for the conversion of the $3,000,000 Marvel Network Limited Convertible Notes into preference shares and options, subject to MGT

shareholder approval at a general meeting to be held on or around 23rd June 2016.

On 16 August 2013 the Company received $3,000,000 from Cloud Adventurer Limited in the form of a 3 year convertible note. Interest on the convertible notes is payable at the rate of 8% per annum. The convertible notes may be redeemed or converted into 27,272,728 ordinary if the share price is 11 cents per share or less at maturity. On 1st April 2016, MGT announced that a the agreement of a term sheet for the conversion of the $3,000,000 Cloud Adventurer Limited Convertible Notes into preference shares and options, subject to MGT shareholder approval at a general meeting to be held on or around 23rd June 2016.

On 29th March 2016, MGT announced that MGT had issued to Auskong International Mining Investment Co., Limited, one unsecured converting note with the aggregate face value of $2,000,000, subject to shareholder and regulatory approval. In the event that shareholder approval is obtained, the Note will convert into MGT fully paid ordinary shares at $0.033 per MGT share, namely 60,606,061 MGT shares. The Conversion Date will be the date that Shareholder Approval is obtained, being on or around 23rd June 2016.

The $2,000,000 invested in MGT by Auskong International Mining Investment Co., Limited was used to purchase 16,949,176 fully paid ordinary shares in Cauldron Energy Limited (ASX: CXU) for $2,000,000 (CXU Share Placement) by MGT. See announcement dated 30th March 2016.

There have been no additional convertible notes issued during the Quarter to 31/3/2016.

7 There are 342,157,040 fully paid ordinary shares on issue, with 342,157,040 quoted on the ASX as at the end of the quarter to 31/3/2016.

8 On 30th March 2015, Taimetco International Co., Limited ('Taimetco') advanced $750,000 to MGT Mining Ltd as Tranche 1 of the $1,500,000 secured loan agreement entered into and announced to the ASX on 6th February 2015. On the 31st March 2015, MGT Resources Limited paid MGT Mining Ltd Tranche 2 of $750,000 on behalf of Taimetco International Co., Limited and in settlement of the termination fee of $750,000 for exiting the off-take agreement between MGT Resources Limited and Taimetco. Following these transactions, the secured loan owing to Taimetco from MGT Mining Limited as at the end of the quarter to 31/3/2015 is $1,500,000.

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