



ABN: 38 131 715 645
MGT Resources Limited
Level 11, 90 Arthur Street
North Sydney, NSW 2060
Australia

T: 61 2 9004 7107
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10 February 2011

NSX Announcement

NOTICE OF GENERAL MEETING/PROXY FORM

MGT Resources Limited (NSX:MGS) attaches the following:

- Notice of General Meeting and Explanatory Memorandum
- Proxy Form

Yours faithfully,

MGT RESOURCS LIMITED

A handwritten signature in black ink, appearing to read 'Alexander Moody', is written over a white background.

Alexander Moody
Company Secretary

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR
IMMEDIATE ATTENTION**

THE MATTERS RAISED IN THIS DOCUMENT WILL AFFECT YOUR SHAREHOLDING IN THE COMPANY. YOU ARE ADVISED TO READ THIS DOCUMENT IN ITS ENTIRETY BEFORE ATTENDING THE GENERAL MEETING WHICH HAS BEEN CONVENED BY AND IS REFERRED TO IN THIS DOCUMENT.

IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT, FINANCIAL OR OTHER APPROPRIATE PROFESSIONAL ADVISER.

MGT RESOURCES LIMITED
ACN 131 715 645

NOTICE OF GENERAL MEETING

and Related Information including

EXPLANATORY MEMORANDUM

THIS DOCUMENT COMPRISES A NOTICE OF GENERAL MEETING OF MGT RESOURCES LIMITED TO BE HELD AT LEVEL 11, 90 ARTHUR STREET, NORTH SYDNEY, NEW SOUTH WALES AT 11.00AM ON THE 14TH DAY OF MARCH 2011. INCLUDED IN THIS DOCUMENTATION IS AN EXPLANATORY MEMORANDUM. NOTE THAT IN ORDER FOR ANY PROXIES TO BE VALID FOR USE AT THIS GENERAL MEETING THESE PROXIES MUST BE COMPLETED AND RETURNED TO COMPUTERSHARE INVESTOR SERVICES PTY LIMITED NO LATER THAN 11AM ADST ON THE 12TH DAY OF MARCH 2011.

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PART 1 ABOUT THESE DOCUMENTS

Shareholders in MGT Resources Limited (the **Company**) are being asked to consider the Resolutions set out in this Notice and the Explanatory Memorandum contained in these documents in connection with the transactions referred to in the Explanatory Memorandum.

You can vote by:

- (a) attending and voting at the Meeting; or
- (b) appointing someone as your proxy to attend and vote at the Meeting on your behalf, by completing and returning the Proxy Form in the manner set out on the Proxy Form. Part 7 of this document package comprises the Proxy Forms and the manner in which the Proxy Forms are to be completed is specified in Part 7. For the Proxy Form to be valid and therefore used at the meeting in accordance with your directions it is important that you properly follow the directions set out in the Proxy Forms.

Please read the whole of the document carefully and determine how you wish to vote. Once you have decided how you wish to cast your vote complete the Proxy Forms and forward them to Computershare as required or attend in person to vote on the relevant resolutions.

PART 2 LETTER FROM THE COMPANY

11 February 2011

Dear Shareholder

On behalf of the Board I am inviting you to support two proposals by MGT Resources Limited (the Company).

The Company has completed a significant investment in MGT Mining Limited (Mining) and is considering some available options in respect of further placements in the Company.

The Company's Chairman, Mr Jonathan Back, has acquired almost 3% of the Company's shares in addition to the shares he formerly held. These shares were acquired by Mr Back from another director, Mr George Monemvasitis. Mr Back has indicated that he wishes to increase his position in the Company and you are being asked to approve the right of Mr Back and/or his associates to acquire up to an additional 10% of the shares which he does not currently own or control in the Company.

Accordingly, approval is being sought, pursuant to the provisions of Section 611(7) of the *Corporations Act* to approve the additional acquisition by Mr Back of up to 10% of capital of the Company. Pursuant to the provisions of Section 606 of the *Corporations Act* without shareholders' approval Mr Back would be required to make a full bid for all of the Company's shares which he did not own at that time in the event that he acquired additional shares. Section 611(7) of the *Corporations Act* exempts Mr Back from making a full bid for the Company's shares in the event that he were to acquire additional shares in the Company in excess of those which he presently owns. The exemption applies in the event that the acquisition of these shares was approved by shareholders in a general meeting and that Mr Back and his associates do not vote in favour of the proposal.

In addition, shareholders are being asked to approve the splitting of the Company's shares on the basis of 4 shares for each share previously held. Your Directors feel that in the circumstances the splitting of the shares will give rise to the ability for some liquidity to be generated in the Company's shares.

Recommendations

Your directors unanimously (with Mr Back abstaining from resolution 1) recommend that you vote in favour of both the resolutions. You should note, however, that Mr Back and his associates are not entitled to vote in respect of Resolution 1.

Your vote is important and as a Board we encourage you to either attend the Meeting in person or complete the Proxy Form accompanying the Notice of Meeting and return it in accordance with the directions provided.

Yours sincerely



George Monemvasitis
CEO

PART 3 NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of MGT Resources Limited **ACN 131 715 645** (the **Company**) will be held at Level 11, 90 Arthur Street, North Sydney on the 14th day of March 2011 at 11.00am (ADST).

Definitions

Unless expressly otherwise provided, each capitalised term used in this Notice has the same meaning as is ascribed to it in Part 6 - Glossary of Terms.

SPECIAL BUSINESS

1. To be passed as an Ordinary Resolution

That for the purposes of Section 611(7) of the *Corporations Act* and for all other purposes the Company be authorised to and approval is hereby given to:

That Jonathan Back be entitled to acquire up to 10% of the shares in the company without the requirement that he offer to acquire any further shares in the Company as required by Section 606 of the *Corporations Act*.

Voting Exclusion

The Company will disregard any vote cast on this Resolution by Mr Jonathan Back and his associates unless the vote is cast by such a person as proxy for another person who is entitled to vote and is cast in accordance with the directions on the proxy form or cast by the Chairman of the Meeting in accordance with a direction on the proxy form to vote as the proxy decides.

2. To be passed as an Ordinary Resolution

In addition, shareholders are being asked to approve the splitting of the Company's shares on the basis that four (4) shares are to be issued for every one (1) existing share.

PART 4 NOTICE REQUIREMENTS FOR RESOLUTIONS

Resolutions being put to shareholders require 28 days (plus 3 days mailing) prior notice to shareholders to be given in this Notice of General Meeting and such notice constitutes sufficient notice for the purposes of the *Corporations Act* and NSX Listing Rules.

PART 5 EXPLANATORY MEMORANDUM

Section 1: Introduction

1.1 Background

The information in this Explanatory Memorandum is provided to shareholders in respect of the various matters, including corporate actions, transactions and requirements of the *Corporations Act* that are submitted to shareholders for their approval in compliance with various regulatory and statutory requirements.

1.2 Action required by Shareholders

The information contained in this documentation is important in deciding how shareholders should vote on the Resolutions. Shareholders should read all of the documents carefully and in their entirety. If you do not understand any part of the documentation or are in any doubt as to the course of action you should follow you should contact your legal, financial or other professional adviser immediately.

1.3 Vote on Resolutions

You are encouraged to attend and vote at the Meeting. If you are unable to do so or do not wish to attend the Directors urge you to use your vote by completing and returning the enclosed Proxy Form as directed - see Part 7.

SPECIAL BUSINESS

Section 2 - Explanation of Proposed Resolutions

1.1 Background - Resolution 1

Mr Jonathan Back, the Company's Chairman, is the holder of 24.66% of the present issued capital.

Mr Back's intention is to acquire additional shares by way of acquisition or placement in the event that he considers the Company is in need of additional working capital or a significant shareholder wishes to exit the Company's register and he considers it is in the Company's interest to have the parcel acquired. He has requested the opportunity to acquire any such interest without restraint.

It is the board's view that having an available buyer will potentially protect shareholders from wide fluctuations in the market price for the Company's shares which would have the effect of distorting the value of the Company.

1.2 Resolution 2

This resolution seeks to split the Company's share capital in a ratio of four shares for every one share currently held. NSX Listing Rule 6.26(C) provides that a Company that proposes to re-organise its capital must tell equity security holders the effect of the proposal.

Due to the lack of liquidity in the Company's shares it is the Board's view that splitting the shares on a 4 for 1 basis will provide the opportunity for the Company to achieve

liquidity in the trading of its shares. The last traded share price of the Company was \$0.75 per share as at the date of this notice.

If passed, this resolution will result in the issued capital of the Company increasing from 59,550,426 shares to 238,201,704 shares. . The number of Options on issue will be increased from 4,000,000 Options to 16,000,000 Options and the Exercise Prices will be adjusted in inverse proportion. The number of Convertible Notes on issue will be increased from 1,600,000 Convertible Notes to 6,400,000 Convertible Notes and the conversion price will be adjusted in inverse proportion as outlined in the tables below.

Individual holdings will be increased in accordance with the 4 for 1 conversion ratio. The proposal requires shareholder approval by ordinary resolution under section 254H of the *Corporations Act*.

The Board believes that the conversion will make the Company more attractive to potential investors and that the conversion will establish a share price that is more appropriate for a listed entity of the Company's size. In addition, compared to its peers listed on the ASX, the Company has a very low number of shares on issue compared to its market capitalisation.

Effect of Conversion

Fully Paid Ordinary Shares

Existing Shares	59,550,426
Total Post Conversion	238,201,704

Options

				Total
Existing Options	2,750,000 at Exercise Price 50 cents per option	750,000 at Exercise Price 40 cents per option	500,000 at Exercise Price 25 cents per option	4,000,000
Total Post Conversion	11,000,000 at Exercise Price 12.5 cents per option	3,000,000 at Exercise Price 10 cents per option	2,000,000 at Exercise Price 6.25 cents per option	16,000,000
Expiry Date	29 June 2013	29 June 2013	17 December 2013	

Convertible Notes

Existing Convertible Notes	1,600,000 convertible at 25 cents
Total Post Conversion	6,400,000 convertible at 6.25 cents
Expiry Date	29 June 2013

As the conversion applies equally to all members, it will have no material effect on the percentage interest of each member in the Company. Furthermore, the aggregate value of each member's proportional interest in the Company should not materially change as a result of the conversion

Theoretically the per share market price of each share following the conversion should decrease 4 times its current value. In reality, the actual effect on the per share market price will depend on a number of factors outside the control of the Company, and the market price following the conversion may be higher or lower than the theoretical post-share split price.

Timetable

Date for eligibility to vote at the General Meeting	10 March 2011 (2 days before date of GM)
Approval for conversion at General Meeting	14 March 2011 (Date of GM)
Last day of trading in pre-conversion Shares	15 March 2011 (+1 business days from date of GM)
Trading would normally commence in reorganized securities on a deferred settlement basis. The securities of the Company will remain suspended at this time	16 March 2011 (+2 business days from date of GM)
Last day for entity to register transfers on a pre-conversion basis	23 March 2011 (+7 business days from date of GM)
First day for entity to register Shares on a post-conversion basis to send Shareholder Notice	24 March 2011 (+ 8 business days from date of GM)
Last day for entity to register Shares on a post-conversion basis and to send Shareholder Notice	29 March 2011 (+ 11 business days from date of GM)

* The above timetable is indicative only and may be varied

PART 6 GLOSSARY OF TERMS

Defined Terms

ASIC means the Australian Securities and Investment Commission.

Associate has the meaning ascribed to that term in Section 12(2) of the *Corporations Act*.

Board means the Board of Directors.

Company means MGT Resources Limited (ABN 38 131 715 645).

Constitution means the Constitution of the Company, as varied or amended from time to time.

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

Director means a member of the Board of Directors of the Company.

Documents means each of the Notice, Explanatory Memorandum, Proxy Form and all other documents, that each constitutes part of this booklet and that accompany each other when sent to each shareholder.

Exercise Price means the price per Ordinary Share

Explanatory Memorandum means the explanatory memorandum set out in Part 5 of the Documents.

Meeting means the General Meeting being convened by the Directors pursuant to the Notice.

MGT Resources Limited means MGT Resources Limited (ACN 131 715 645).

Notice means the Notice of General Meeting of the Shareholders set out in Part 3 of these Documents and that accompanies and forms part of these Documents.

NSX means the National Stock Exchange Limited (ACN 000 902 063).

Proxy Form means the proxy forms more particularly set out in Part 7 which forms part of these Documents.

Resolution means any one of the resolutions set out in the Notice.

Share means a share, of whatever class, in the issued capital of the Company.

Shareholder means the registered holder of a Share.

Subsidiary has the meaning given to that term in Section 46 of the *Corporations Act*

Transactions mean the application and allotment of shares and all other actions contemplated in any of the Resolutions.

Interpretation

In these documents, unless the context requires otherwise:

- (a) A reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a gender includes any gender;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;
- (e) headings are included for convenience only and do not affect interpretation;
- (f) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (g) a reference to a thing includes a part of that thing and includes but is not limited to a right;
- (h) the terms "included", "including" and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (i) a reference to a statute or statutory provision includes but is not limited to:
 - (i) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
 - (ii) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
 - (iii) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation or instrument;
- (j) reference to "\$", "A\$", "Australian Dollars" , "dollars" or "cents" is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia;
- (k) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise.

PART 7 PROXIES AND PROXY FORMS

- (a) **Right to appoint:** Each member entitled to vote at the meeting has the right to appoint a proxy to attend and vote for the member at the meeting. To appoint a proxy, use the Proxy Form sent out with this Notice.
- (b) A proxy or attorney is not entitled to vote while the member appointing them is present at the meeting.
- (c) **Who may be a proxy:** A member can appoint anyone to be their proxy. A proxy need not be a member of the Company. The proxy appointed can be described in the Proxy Form by an office held, eg "Chair of the Meeting".
- (d) **Two proxies:** A member who is entitled to two or more votes at the meeting, may appoint two proxies. Where two proxies are appointed:
 - (i) a separate Proxy Form should be used to appoint each proxy; and
 - (ii) the Proxy Form may specify the proportion, or the number, of votes that each proxy may exercise, and if it does not do so each proxy may exercise half of the votes.
- (e) **Signature(s) of individuals:** In the case of members who are individuals, the Proxy Form must be signed if the shares are held:
 - (i) by one person, by that member, or
 - (ii) in joint names, by any one of them.
- (f) **Signatures on behalf of companies:** In the case of members which are companies, the Proxy Form must be signed:
 - (i) if it has a sole director who is also sole secretary, by that director (and stating that fact next to or under the signature on the Proxy Form); or
 - (ii) in the case of any other company, by two directors or by a director and secretary.

The use of the common seal of the company on the Proxy Form is optional.

- (g) **Lodgement place and deadline:** Proxy forms must be received by the Computershare Investor Services with the original or a certified copy of the authority under which the Proxy Form is signed (if the Proxy Form is signed by an attorney or other representative):

BY MAIL: COMPUTERSHARE INVESTOR SERVICES PTY LIMITED
GPO BOX 242, MELBOURNE, VICTORIA 3001 AUSTRALIA

ONLINE: WWW.INVESTORVOTE.COM.AU

BY FACSIMILE: 1800 783 447 (Within Australia) - +61 3 9473 2555 (Outside Australia)

by no later than 11.00AM ADST on the 12th day of March 2011

CORPORATE REPRESENTATIVES

A body corporate may appoint an individual to act as its representative to exercise any of the powers the body may exercise at meetings of a company's members. Unless otherwise stated, the corporate representative may exercise all of the powers the appointing body can exercise. The certificate evidencing the appointment of a corporate representative (or a photocopy or facsimile of it) the certificate evidencing the appointment of a corporate representative shall be sufficient evidence of the authority of the representative (or a photocopy or facsimile of it) must be received by Computershare as outlined on the proxy form in section 7 by no later than 11.00AM on the 12th day of March 2011.

MEMBERS WHO ARE ENTITLED TO VOTE

In accordance with Section 1109N of the *Corporations Act*, the Directors have determined that a person's entitlement to vote at the meeting will be the entitlement of that person set out in the register of members as at 11.00AM on the 12th day of March 2011.



MGT Resources Limited
ABN 38 131 715 645

000001 000 MGS
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 552 270
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Review and update your securityholding

Your secure access information is:
Control Number: 134795

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 11.00am ADST Saturday 12 March 2011

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of MGT Resources Limited hereby appoint

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of MGT Resources Limited to be held at Level 11, 90 Arthur Street, North Sydney on Monday, 14 March 2011 at 11.00 am and at any adjournment of that meeting.

Important for Item 1: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Item 1 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 1 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 1 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 That Jonathan Back be entitled to acquire up to 10% of the shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Splitting of the Company's shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name _____

Contact
Daytime
Telephone _____

Date ____/____/____

MGS

999999A

Computershare +