



#41196

DATE: MAY 19, 2017

SUBJECT: ENTREE GOLD INC. – MANDATORY EXCHANGE AND DISTRIBUTION
OPTION SYMBOL: EGI
NEW SYMBOL: EGI1
DATE: 5/12/17
* * * DETERMINATION OF EXACT DELIVERABLE * * *

The U.S. Dollar cash value equivalent of 45 Mason Resources Corporation Common Shares has been calculated as \$8.19. This was determined by averaging the daily U.S. Dollar value of the closing prices of Mason Resources Corporation Common Shares from May 12, 15, and 16, 2017. In determining this value, each of the closing prices on the Toronto Stock Exchange of CAD\$0.13 (May 12, 2017), CAD\$0.345 (May 15, 2017), and CAD\$0.27 (May 16, 2017) was converted into U.S. Dollars using each day's CAD/USD rate as published by the Bank of Canada. The average price per MNR share in USD was \$0.1820985. The cash amount per contract (45 x \$0.1820985) will be rounded to the nearest penny.

CONTRACT ADJUSTMENT - OPTIONS

EFFECTIVE DATE: May 12, 2017

OPTION SYMBOL: EGI changes to EGI1

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 2.50 yields \$250.00)

NEW DELIVERABLE PER CONTRACT

1) 100 (New) Entree Resources Ltd. (EGI) Common Shares
2) **\$8.19 Cash (No longer subject to delayed settlement)**

CUSIP: (New) EGI: 29384J103

PRICING

The underlying price for EGI1 will be determined as follows:

$$\text{EGI1} = \text{EGI} + 0.0819$$

SETTLEMENT

The EGI component of the EGI1 exercise/assignment activity from May 12, 2017 through May 18, 2017, has settled through National Securities Clearing Corporation (NSCC). The \$8.19 cash amount will be settled by OCC.

BACKGROUND

On May 1, 2017, Shareholders approved a Plan of Arrangement (“Plan”) for the reorganization of Entree Gold Inc. (EGI). As parts of the Plan, EGI Common Shares will undergo a mandatory exchange and effect a distribution of (New) Mason Resources Corporation Common Shares. Each Entrée Gold Inc. share will be exchanged for one (1.0) (New) Entrée Resources Ltd. Common Share, and each EGI shareholder will receive 0.45 of a Mason Resources Corporation share for each EGI share held. The mandatory exchange and spinoff transactions will become effective before the open on May 12, 2017.

Note: Mason Resources Corporation Common Shares will trade on the Toronto Stock Exchange and are not expected to trade on a U.S. exchange. Consequently, a USD cash equivalent for the Mason Resources Corporation shares has been determined and included in the EGI1 option deliverable.

DISCLAIMER

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by a panel of The OCC Securities Committee pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The adjustment panel is comprised of representatives from OCC and each exchange which trades the affected option. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.