



Magnis Resources
L I M I T E D

MAGNIS RESOURCES LIMITED

ABN 26 115 111 763

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GPO Box 3908

Sydney NSW 2001

TEL +61 2 8397 9888

FAX +61 2 8397 9801

info@magnis.com.au

www.magnis.com.au

March 9, 2017

Dear Optionholder,

**YOUR OPTIONS TO ACQUIRE MAGNIS RESOURCES LIMITED (ASX:MNS) SHARES AT \$0.09533
PER SHARE EXPIRE ON 31 MAY 2017**

We are writing to you as a registered holder of listed options (ASX:MNSO) (**Options**) in Magnis Resources Limited ("**Company**") that will automatically expire at 5:00pm (AEST) on 31 May 2017 (**Expiry Time**). If you want to exercise your Option holding, it is absolutely critical that you comply with the requirements set out in this letter.

Your Option holding may be exercised:

1. In whole or in part;
2. By correctly completing and returning to us the Notice of Exercise of Options (copy attached);
3. Together with payment or confirmation thereof in accordance with the requirements of the Notice of Exercise of Options;
4. On or before the Expiry Time.

We repeat, if you do not correctly complete and return to us the Notice of Exercise of Options, together with confirmation of payment, by 5:00pm (AEST) on 31 May 2017, your Option holding will lapse and all rights you held under the Options will automatically cease at that time.

The Company may look to appoint an underwriter for the exercise of these Options; however at the date of this letter no such appointment has been made.

The available courses of action to you as a holder of these Options are:

- a. Exercise the Options on or before 5:00pm (AEST) on 31 May 2017 as set above in points 1-4;
- b. Sell your Options, but please note that quotation of the Options (ASX:MNSO) will cease at the close of trading on 25 May 2017; or
- c. Do nothing (i.e. allow your Options to expire).

We repeat, if you do not exercise or sell your options they will expire on 31 May 2017 and your right to subscribe for ordinary shares in Magnis Resources Limited at \$0.09533 per share will lapse.

There is no obligation on Optionholders to exercise their Options. However, under paragraph 6.1 of Appendix 6A of the Australian Securities Exchange (ASX) Listing Rules, the Company is required to advise Option holders of the information contained in this notice.

The market sale price of ordinary shares in Magnis Resources Limited on the ASX was 57.5 cents on Wednesday 8 March 2017, being the last trading day in Sydney prior to the date of this notice.

During the three (3) months preceding the date of this notice:

- The highest market sale price of ordinary shares on ASX was 91 cents on 14 December 2016;
- The lowest market sale price of ordinary shares on ASX was 48 cents on 1 March 2017.

As discussed, you may exercise all or part of your Options by:

- Correctly completing your personalised option expiry notice accompanying this letter (**Notice of Exercise of Options**); and
- Forwarding the correctly completed Notice of Exercise of Options to the Company in accordance with the instructions in the Notice of Exercise of Options form; and either
- Accompanying the Notice of Exercise of Options with a cleared cheque or money order with the sum of \$0.09533 multiplied by every Option exercised; or
- Making a payment of the sum of \$0.09533 multiplied by every Option exercised utilising the Electronic Funds Transfer (EFT) payment method. To do this, refer to your personalised instructions on your Notice of Exercise Options form.

Option holders must ensure that payment in cleared funds is received by us, either into our possession or into our bank account details of which are set out in the Notice of Exercise of Options, no later than 5:00pm (AEST) on 31 May 2017.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

It is your responsibility to ensure that funds submitted through EFT are cleared by 5:00pm (AEST) on 31 May 2017. It is highly recommended payment is made at least 3 business days before the closing date and time.

If your Notice of Exercise of Options form is completed incorrectly, or is in some way defective, the Directors of the Company reserve the right to reject the Notice.

The Directors of the Company thank you for your continued support.

If you have any queries or questions in relation to the details of the options or the Company in general, you should contact the Company Secretary of Magnis Resources Limited or consult your stock broker or licensed professional financial advisor.

Yours sincerely,

Doug Richardson
Company Secretary
Magnis Resources Limited

NOTICE OF EXERCISE OF OPTIONS

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISOR.



Magnis Resources
LIMITED

MAGNIS RESOURCES LIMITED

ABN: 26 115 111 763

MAILING ADDRESS:

GPO BOX 3908, SYDNEY NSW 2001

REGISTERED ADDRESS:

SUITE 9.03, 88 PHILLIP STREET,
SYDNEY NSW 2000
TEL +61 2 8397 9888
FAX +61 2 8397 9801
info@magnis.com.au

SAMPLE NAME

SAMPLE ADDRESS

SECURITY REFERENCE NUMBER (SRN) or HOLDER IDENTIFICATION NUMBER (HIN): SAMPLE ONLY

ASX CODE: **MNSO** NUMBER OF OPTIONS: XXXXX AMOUNT PAYABLE: XXXXXXXXXX

NOTICE OF EXERCISE OF OPTIONS EXPIRING 31/05/2017 AT \$0.09533 EACH (Conversion Ratio 1 for 1)

I/We the above named being the registered holder of Options hereby exercise such Options to subscribe for:

NUMBER OF NEW ORDINARY FULLY PAID SHARES **AMOUNT ENCLOSED AT \$0.09533 PER SHARE**

, , \$, , .

I/We hereby authorise you to place my/our name(s) on the register of members in respect of the number of New Shares allotted to me/us, and I/we agree to accept such Shares subject to the Rules of the Constitution of the Company.

My/Our contact details in case of enquiries are:

NAME: _____

TELEPHONE NUMBER: _____

EMAIL ADDRESS: _____

PAYMENT INFORMATION

Method 1 : Electronic Funds Transfer (EFT)

BSB: 082 057

Account No: 89524 6289

Account Name: **Magnis Resources Limited**

Name of Bank: National Australia Bank Limited

Payment Reference: SAMPLE ONLY

International Transfers : SWIFT CODE: NATAAU3303M

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. It is the Applicant's responsibility to ensure funds are submitted correctly and cleared in the Magnis Bank Account by the closing date and time. It is highly recommended payment is made at least 3 business days before the closing date and time.

Method 2: Cheque/Money Order

All cheques or Money Orders (expressed in Australian currency) are to be made payable to **Magnis Resources Limited** and crossed "Not Negotiable". Do NOT forward cash as receipts will not be issued. Sufficient cleared funds should be held in your account as your acceptance will be rejected if your cheque is dishonoured. Cheques or bank drafts drawn on overseas banks in Australia or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. **It is highly recommended mailed cheques/money orders be mailed 5 business days before the closing date and time to allow the funds to be cleared in time.***

SIGNATURE OF OPTIONHOLDER(S) – this MUST be signed

Individual or Option Holder 1

Option Holder 2

Option Holder 3

Signature Sole Director & Company Secretary

Signature of Director/Company Secretary

Director

* Magnis will **NOT** take any responsibility for any funds that are not cleared by the Closing Date and Time which leads to the Options not being converted.

OTHER IMPORTANT NOTES:

- a) Options not exercised by the Expiry Date and time shall automatically lapse.
- b) You may exercise either part of, or all of your Options holding. Please write in the number of Options that you wish to exercise. **If you do not indicate the number of Options you wish to Exercise, the Company will exercise as many Options as your accompanying payment will pay for.** The number of Options exercised however, will not exceed the number of Options that you hold.
- c) If you wish to make payment via Method 1 – EFT, please use your unique SRN/HIN that appears on Page 1 of this document as the payment reference. Also check with your financial institution as to your daily maximum internet banking transfer limit. Another potential method of payment for large amounts of transfers is to go into your financial institution branch and directly organise a telegraphic transfer (fees are normally payable via this method).
- d) Please enter your contact details and telephone number so we can contact you regarding your notice if required.
- e) Instructions for signing
Individual: Where the holding is in one name, the option holder must sign.
Joint Holding: Where the holding is in more than one name, all of the option holders should sign.
Power of Attorney: If you have already lodged the Power of Attorney with Magnis, 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 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.
- f) Magnis Resources Limited reserves the right to make amendments to this form where applicable.

Consequence of non-payment

If a Notice of Exercise of Options form and the required payment are not received before the Expiry Date and Time, the Options will automatically lapse and no longer be available for exercise.

How to Lodge the Notice of Exercise of Options form

Email: info@magnis.com.au
Fax: +61 2 8397 9801
Mail/Post: Attention: Company Secretary, MAGNIS RESOURCES LIMITED, GPO Box 3908, SYDNEY NSW 2000

If you require information on how to complete this form, please contact the Company Secretary of Magnis Resources Limited on +61 2 98397 9888 between 9:00am and 5:00pm (AEST) Monday to Friday.

If you are unsure as to whether or not to participate in the Exercise of Options, please consult your stockbroker, investment, financial, taxation or other professional adviser.