

MAGNIS RESOURCES LIMITED
ABN 26 115 111 763

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
AND
PROXY FORM

DATE AND TIME OF MEETING:

Friday, 17 November 2017 at 09:30AM (AEDT)

PLACE OF MEETING:

The Offices of BDO (Magnis' Auditors)
Level 11, 1 Margaret Street
Sydney NSW 2000

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.
If you do not understand it, or any part of it,
you should consult your professional advisors.

MAGNIS RESOURCES LIMITED

ABN 26 115 111 763

Dear Shareholder

On behalf of the Board I am pleased to invite you to attend the 2017 Annual General Meeting (**AGM**) of Magnis Resources Limited. The following information is enclosed:

- Notice of Annual General Meeting
- Explanatory Memorandum
- Proxy form; and
- Reply paid envelope for lodging your proxy form and/or sending any written instructions to Magnis Resources Limited before the AGM.

AGM

The AGM will be held on Friday 17 November 2017 at 09:30am (Sydney time) at The Offices of BDO (Magnis' Auditors), Level 11, 1 Margaret St Sydney. You are invited to join the Board for refreshments after the meeting.

Business of the AGM

The business of the AGM is set out in the Notice of Annual General Meeting (**the Notice**). The Notice and Explanatory Memorandum set out important information in relation to the matters to be considered by shareholders at the Meeting, and I encourage you to read those materials carefully.

Attendance

If you are attending the AGM, please bring your personalised proxy form to allow the Share Registry to promptly register your attendance at the meeting. The registration desk will be open from 8:45am.

If you are unable to attend in person, you may wish to appoint a proxy to attend and vote at the meeting in your place. Please refer to the Notice and proxy form regarding the appointment of a proxy.

Shareholder questions

Shareholders attending the AGM will have the opportunity to ask questions at the AGM. If you have an issue or question that you would like to be discussed at the Meeting, please send your query to:

The Secretary, Magnis Resources Limited, info@magnis.com.au, prior to the AGM.

Written shareholder queries submitted before the AGM must be received by 10am (Sydney time) on Thursday 16 November 2017.

I look forward to seeing as many shareholders as possible at the AGM.

Yours sincerely



Frank Poullas
Chairman, Magnis Resources Limited

NOTICE OF 2017 ANNUAL GENERAL MEETING

Notice is hereby given that the tenth Annual General Meeting (**AGM**) of members of Magnis Resources Limited (**the Company**) will be held:

Date: 17 November 2017

Time: 09:30am (AEST)

Venue: The Offices of BDO (Magnis' Auditor)
Level 11, 1 Margaret Street, Sydney NSW, Australia

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Memorandum and proxy form are part of this Notice of Meeting.

BUSINESS

A. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 30 June 2017.

All shareholders can view the Annual Report which contains the Financial Report for the year ended 30 June 2017 on the Magnis website at www.magnis.com.au.

B. QUESTIONS & COMMENTS

Following consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions or comment about the management of the Company.

The Chairman will also give shareholders an opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the Independent Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of written questions, if any, submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

RESOLUTION 1: REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as an **advisory** resolution of the Company:

That the Remuneration Report for the year ended 30 June 2017 (as set out in the Company Director's Report) be adopted.

Voting Exclusion Statement

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of:

- (a) a member of the Key Management Personnel (KMP) whose remuneration is included in the 2017 Remuneration Report; and
- (b) a closely related party (such as close family members and any controlled companies) (Closely Related Party) of such a KMP.

However, the Company will not disregard a vote cast on Resolution 1 as a proxy for a person who is entitled to vote and:

- (a) the proxy appointment is in writing and specifies how the proxy is to vote (for, against, abstain); or
- (b) the vote is cast by the person chairing the AGM and:
 - i. the appointment does not specify how the proxy is to vote; and
 - ii. the appointment expressly authorises the Chair of the AGM to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

RESOLUTION 2: INCREASE AGGREGATE NON-EXECUTIVE DIRECTORS' FEES BY \$250,000

To consider and, if thought fit, pass the following resolution as an **ordinary** resolution of the Company:

That the maximum aggregate amount payable to Non-Executive Directors by way of Director's Fees be increased by \$250,000 from \$400,000 to \$650,000.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 2 by a Director of the Company or any associate of a Director of the Company. However, the Company will not disregard a vote cast on Resolution 2 if:

- (a) it is cast by the person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 3: RE-ELECTION OF DIRECTOR – FRANK POUILLAS

To consider and, if thought fit, pass the following as an **ordinary** resolution of the Company:

That Frank Poullas, who retires in accordance with Rule 16.10 of the Company's Constitution, offers himself for re-election and being eligible, is re-elected as a Director of the Company.

RESOLUTION 4: ELECTION OF DIRECTORS

To consider and, if thought fit, pass the following resolutions each as **ordinary** resolutions of the Company:

- 4A *That Mr Peter Sarantzouklis, having been appointed as a Director of the Company since the last Annual General Meeting, and who retires in accordance with Rule 16.6 of the Company's*

Constitution, is nominated for re-election and being eligible, is re-elected as a Director of the Company.

- 4B *That Mr Marc Vogts, having been appointed as a Director of the Company since the last Annual General Meeting, and who retires in accordance with Rule 16.6 of the Company's Constitution, is nominated for re-election and being eligible, is re-elected as a Director of the Company.*
- 4C *That Professor M Stanley Whittingham, having been appointed as a Director of the Company since the last Annual General Meeting, and who retires in accordance with Rule 16.6 of the Company's Constitution, is nominated for re-election and being eligible, is re-elected as a Director of the Company.*
- 4D *That Dr Ulrich Helmut Bez, having been appointed as a Director of the Company since the last Annual General Meeting, and who retires in accordance with Rule 16.6 of the Company's Constitution, is nominated for re-election and being eligible, is re-elected as a Director of the Company.*

RESOLUTION 5A: GRANTING OF UNLISTED OPTIONS TO PETER SARANTZOUKLIUS (NON-EXECUTIVE DIRECTOR)

To consider and, if thought fit, pass the following as an **ordinary** resolution of the Company:

That, for the purposes of Australian Securities Exchange ("ASX") Listing Rule 10.11 and also other purposes, that Mr Peter Sarantzouklis be granted 1,000,000 unlisted options in the Company with an exercise price of \$0.70 and these options will have an expiry date of 17 November 2019.

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5A by Mr Peter Sarantzouklis and any of his associates.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the person decides.

RESOLUTION 5B: GRANTING OF UNLISTED OPTIONS TO MARC VOGTS (NON-EXECUTIVE DIRECTOR)

To consider and, if thought fit, pass the following as an **ordinary** resolution of the Company:

That, for the purposes of ASX Listing Rule 10.11 and also other purposes, that Mr Marc Vogts be granted 1,000,000 unlisted options in the Company with an exercise price of \$0.70 and these options will have an expiry date of 17 November 2019.

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5B by Mr Marc Vogts and any of his associates.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the person decides.

RESOLUTION 5C: GRANTING OF UNLISTED OPTIONS TO PROFESSOR M STANLEY WHITTINGHAM (NON-EXECUTIVE DIRECTOR)

To consider and, if thought fit, pass the following as an **ordinary** resolution of the Company:

That, for the purposes of ASX Listing Rule 10.11 and also other purposes, that Professor M Stanley Whittingham be granted 1,000,000 unlisted options in the Company with an exercise price of \$0.70 and these options will have an expiry date of 17 November 2019.

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5C by Professor M Stanley Whittingham and any of his associates.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the person decides.

RESOLUTION 5D: GRANTING OF UNLISTED OPTIONS TO DR ULRICH HELMUT BEZ (NON-EXECUTIVE DIRECTOR)

To consider and, if thought fit, pass the following as an **ordinary** resolution of the Company:

That, for the purposes of ASX Listing Rule 10.11 and also other purposes, that Dr Ulrich Helmut Bez be granted 1,000,000 unlisted options in the Company with an exercise price of \$0.70 and these options will have an expiry date of 17 November 2019.

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5D by Dr Ulrich Helmut Bez and any of his associates.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the person decides.

RESOLUTION 6: APPROVAL OF UNLISTED OPTIONS TO CORPORATE ADVISOR

To consider and, if thought fit, pass the following as an **ordinary** resolution of the Company:

That 750,000 unlisted options in the Company with an exercise price of \$0.70 be granted to Mr Steve Kremises for corporate advisory services provided. These options will have an expiry date of 17 November 2018.

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 6 by Mr Steve Kremises and any of his associates.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the person decides.

RESOLUTION 7: RATIFICATION OF SHARE BASED PAYMENTS OF UNLISTED OPTIONS TO CORPORATE ADVISORS

To consider and, if thought fit, pass the following as an **ordinary** resolution of the Company:

That, for the purposes of ASX Listing Rule 7.4 and also other purposes, 500,000 unlisted options in the Company spread amongst corporate advisors and consultants for corporate advisory and

consulting services provided. The exercise price of these options is \$0.70 and have an expiry date of 7 April 2018.

The corporate advisors and consultants are Xiaodong Ma and Dan Liu.

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 7 by Xiaodong Ma and Dan Liu and any of their associates.

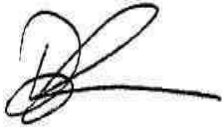
However the Company need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (d) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the person decides.

Proxy Voting by Chairman

The Chairman of the Meeting will vote undirected proxies in favour of all items. The voting exclusions on KMP in Resolution 1 do not apply to the Chairman of the Meeting acting as proxy, if their appointment expressly authorises the Chairman of the Meeting to exercise the proxy even if that item is connected directly or indirectly with the remuneration of a KMP of Magnis.

By Order of the Board

A handwritten signature in black ink, appearing to be 'DR' with a stylized flourish extending to the right.

Doug Richardson
Company Secretary
16 October 2017

ENTITLEMENT TO VOTE

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm AEST on 15 November 2017 will be entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Voting by Proxy

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Act to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 9:30am AEST on 15 November 2017. Proxies must be received before that time by one of the following methods:

By Post: c/- Link Market Services, Locked Bag A14
Sydney South NSW 1235 Australia

By Facsimile: +61 2 9287 0309

By Hand: Level 12, 680 George St
Sydney NSW 2000

To be valid, a proxy must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

Voting by Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 9:30am AEST on Wednesday 15 November 2017, being 48 hours before the AGM.

Corporate Representatives

A body corporate who is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements of section 250D of the Corporations Act 2001 (Cth). The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative.

Voting at the Meeting

It is intended that voting on each of the proposed resolutions at this meeting will be conducted by a show of hands.

Explanatory Memorandum

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders in Magnis Resources Limited (**Magnis** or the **Company**) in relation to the business to be conducted at the Company's AGM to be held on Friday 17 November 2017.

The purpose of this Explanatory Memorandum is to provide shareholders with information that is reasonably required by shareholders to decide how to vote upon the resolutions.

Resolution 1 is an advisory resolution.

Resolutions 2 to 7 inclusive are ordinary resolutions requiring a simple majority of votes cast in favour by shareholders entitled to vote on the resolution.

ITEM 1 - FINANCIAL STATEMENTS AND REPORTS

As required by section 317 of the *Corporations Act 2001* (Cth) (**the Act**), the Financial Report, Directors' Report and Auditor's Report of Magnis Resources Limited for the year ended 30 June 2017 will be presented for consideration by Shareholders.

The 2017 Annual Report is available on the Company's website at www.magnis.com.au

Shareholders will be provided with the opportunity to ask questions about or make comments on, the reports, management or about Magnis generally, but there will be no formal resolution put to the meeting. BDO East Coast Partnership, the Company's auditor, will attend the AGM and shareholders will also be given the opportunity to ask questions relating to the audit.

RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

Section 250R of the Act requires that the section of the Directors' Report dealing with the remuneration of Directors and other Key Management Personnel (**Remuneration Report**) be put to Shareholders for adoption by way of a non-binding vote.

The Remuneration Report sets out the remuneration policy of the Company and:

- outlines the remuneration arrangements for Key Management Personnel (KMP) of Magnis;
- explains Board policies regarding the nature and value of remuneration paid to KMP; and
- discusses the relationship between the policy and Company performance.

The Report is available in the Company's 2017 Annual Report, available on the Company's website www.magnis.com.au.

The Chair of the Meeting will give Shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report.

The Act provides that if there is a vote of 25% or more against the Remuneration Report at the 2016 AGM, and a subsequent vote of 25% or more against at the 2017 AGM, then a resolution must be put to Shareholders at the 2017 AGM to put the Board of the Company up for re-election (**Spill Resolution**). If the Spill Resolution is approved by Shareholders, the Company must hold a Spill Meeting within 90 days at which all Directors who were Directors at the time of the Remuneration Report that received the second strike will retire, and resubmit themselves for election.

At the Company's 2016 AGM, the votes cast against the remuneration report considered at the that AGM were less than 25%. Accordingly, the Spill Resolution is not relevant for this AGM.

As a matter of best practice corporate governance, the Directors abstain from making a recommendation in relation to Resolution 1.

RESOLUTION 2 – TO INCREASE AGGREGATE NON-EXECUTIVE DIRECTOR'S FEES

Rule 16.15 of the Company Constitution provides that the remuneration of the non-executive Directors will not be more than the aggregate fixed sum which is determined by a general meeting, or until so determined, such sum as determined by the Directors. The aggregate fixed sum remuneration of the non-executive Directors must not be increased except by resolution passed at a general meeting of the Company. The Constitution also provides that the remuneration may be divided among the Directors in the manner and in the proportions determined by them. ASX Listing Rule 10.17 provides that a listed company must not, without shareholder approval, increase the total amount of non-executive Directors' fees.

The current maximum aggregate amount which the Directors determined be paid as fees to non-executive Directors is \$400,000 per annum. This amount was set on 14 November 2008 and is the most recent date an increase had been proposed to Shareholders.

The Company presently has seven non-executive Directors (increased in November 2016 from five non-executive Directors). Currently, the non-executive Chairman is paid an annual fee of \$120,000 and the non-executive Directors are each paid annual fees of between \$65,000 to \$70,000. Details of non-executive Directors' remuneration are disclosed in the Annual Report for 2017.

For the purposes of Rule 16.15 of the Company's Constitution and ASX Listing Rule 10.17, shareholder approval is sought to increase by \$250,000 the maximum aggregate amount from \$400,000 to \$650,000 per annum, payable to the non-executive Directors.

Increasing the maximum aggregate amount of non-executive Directors' fees payable does not mean that the new maximum aggregate will be used immediately or in the current financial year. However, it provides adequate room with the increased number of non-executive Directors with the expertise and calibre in these relevant industries that the Company is exposed to and it will provide the Board with the ability over time to:

- attract to the Board and retain high calibre non-executive Directors;
- increase the number of non-executive Directors (as occurred in the past twelve months), including additional independent Directors;
- maintain non-executive Directors' fees in line with industry trends and market conditions;
- be flexible with remuneration when appointing any additional non-executive Directors.

Under ASX Listing Rule 10.17, the Company must provide details of any securities issued to a non-executive director under rule ASX Listing Rule 10.11 or ASX Listing Rule 10.14 with the approval of the holders of the Company's ordinary securities at any time within the preceding three years.

The details of these issued securities can be found in the table below:

Director	Issue Date	Exercise Price	Number of unlisted options	Option Value
Frank Poullas	8/11/2016	\$0.70	1,000,000	\$217,600.00
Johann C Jooste-Jacobs	8/11/2016	\$0.70	1,000,000	\$217,600.00
Peter Tsegas	8/11/2016	\$0.70	1,000,000	\$217,600.00
Peter Tsegas	29/03/2016	\$0.35	375,000	\$36,637.50
Peter Tsegas	29/03/2016	\$0.45	375,000	\$28,275.00

The Directors recommend that Shareholders vote in favour of this resolution. All directors and their associates are excluded from voting on this resolution.

RESOLUTION 3 – RE-ELECTION OF FRANK POULLAS

In accordance with Clause 16.10 of the Constitution, Mr Frank Poullas, and being eligible, offers himself for re-election as a Director of Magnis.

Mr Poullas was appointed as a Director of Magnis in September 2010. He is the Chairman of Magnis and a member of the Audit and Remuneration Committees.

Frank is an information technology consultant and in his personal capacity, a professional investor specialising in the graphite, uranium and general resource sectors. For the past ten years he has been involved in various ventures increasing shareholder value in the resources sector. Frank has a significant number of shareholdings in the Company collective with his pro-active nature of business.

The Directors (with Mr Frank Poullas abstaining) recommend that Shareholders vote in favour of Resolution 3.

RESOLUTIONS 4A TO 4D – TO ELECT MR PETER SARANTZOUKLIS, MR MARC VOGTS, PROFESSOR M STANLEY WHITTINGHAM AND DR ULRICH HELMUT BEZ AS NON-EXECUTIVE DIRECTORS

RESOLUTION 4A

In accordance with Rule 16.6 of the Company's Constitution, Mr Peter Sarantzouklis is nominated for election and being eligible, is elected as a Director of the Company.

Mr Sarantzouklis was appointed as a Director of Magnis in November 2016.

Peter has held executive roles within the banking industry with wide ranging experiences over the past 22 years.

Roles have included Chief Financial Officer and Head of Strategy for the St George Banking Group, as well as Chief Product Officer for Westpac Bank. Prior to this Peter was with General Electric for 10 years and specialised in transformation, large scale program management and quality process optimisation.

Peter has strong skills around products, financing and governance and has been a long-term shareholder of Magnis.

The Directors (with Mr Peter Sarantzouklis abstaining) recommend that Shareholders vote in favour of Resolution 4A.

RESOLUTION 4B

In accordance with Rule 16.6 of the Company's Constitution, Mr Marc Vogts is nominated for election and being eligible, is elected as a Director of the Company.

Mr Vogts was appointed as a Director of Magnis in November 2016.

Marc is a project executive with over four decades of experience in the mining industry and over 30 years experience as a Senior Executive in major projects in South Africa, Madagascar, Australia, Canada, Chile, Papua New Guinea and USA.

Marc has held project executive director roles for the likes of BHP Billiton and Rio Tinto during his career. In recent roles Marc was Project Director for the QMM Project in Madagascar for Rio Tinto, Vice President for Project Management for BHP Billiton and Vice President for all Uranium Projects including Olympic Dam for BHP Billiton.

Currently Marc is the Chief Executive Officer at the John Grill Centre for Project Leadership at the University of Sydney, a world leading project leadership executive education for value creation and realisation in large-scale projects.

The Directors (with Mr Marc Vogts abstaining) recommend that Shareholders vote in favour of Resolution 4B.

RESOLUTION 4C

In accordance with Rule 16.6 of the Company's Constitution, Professor Stanley Whittingham is nominated for election and being eligible, is elected as a Director of the Company.

Professor Stanley Whittingham was appointed as a Director of Magnis in November 2016.

Professor Stanley Whittingham has over four decades of experience in the lithium-ion battery industry and is best known for being a key figure in the invention of the lithium-ion battery technology which earned him a nomination for the Nobel Science Prize.

During his illustrious career Professor Whittingham has headed large projects for the US Department of Energy, Exxon and Schlumberger. He has 16 US patents and has been involved in writing over 240 pieces of scientific and engineering literature.

Currently, Professor Whittingham is a professor of Chemistry and a Director of both the Materials Research and Materials Science and Engineering program at Binghamton University which is part of the State University of New York. Professor Whittingham is also Director of the Northeast Center for Chemical Energy Storage (NECCES), which is an effort being led by Binghamton University, and includes as partners Rutgers University, Argonne National Laboratory, Cambridge University, MIT, University of Michigan, University of Illinois at Chicago, University of California at Santa Barbara and University of California at San Diego.

The Directors (with Professor Stanley Whittingham abstaining) recommend that Shareholders vote in favour of Resolution 4C.

RESOLUTION 4D

In accordance with Rule 16.6 of the Company's Constitution, Dr Ulrich Helmut Bez is nominated for election and being eligible, is elected as a Director of the Company.

Dr Bez was appointed as a Director of Magnis in February 2017.

Dr Bez has over four decades of experience in the automotive industry. He is viewed as one of the key figures contributing to the future of the industry in the last 40 years. He had executive roles in some of the world's most recognised luxury car brands, as well as premium and mass car manufacturers.

During his career Dr Bez was the Chairman and Chief Executive Officer for Aston Martin between 2000 and 2014. During that period Dr Bez has been internationally acclaimed for turning Aston Martin into the global luxury brand that it is today.

Dr Bez has played an important role in shaping global powerhouses Porsche and BMW. In Porsche Dr Bez kept the iconic Porsche 911 alive with the 993 development, ignoring the Boards desire to replace the 911. He led the design and development of the 911 Turbo along with many other models while in BMW he created the BMW Technik GmbH division which included the design of the critically acclaimed Z1 model.

Dr Bez has also held director level roles with the likes of Daewoo and has been an advisor of some of the world's largest automotive organisations.

The Directors (with Dr Ulrich Bez abstaining) recommend that Shareholders vote in favour of Resolution 4D.

RESOLUTION 5 – GRANTING OF UNLISTED OPTIONS TO NON-EXECUTIVE DIRECTORS

The Company has conducted a review of the Board and Senior Management remuneration. This was undertaken by the Remuneration Committee and highlighted minimal share-based incentives to the

most recently appointed non-executive Directors; Mr Peter Sarantzouklis, Mr Marc Vogts, Professor M Stanley Whittingham and Dr Ulrich Helmut Bez.

Non-cash remuneration is expected to play an important part in attracting and retaining high calibre Board members and Senior Management. This is particularly relevant in a competitive global industry for talent and as the Company forges ahead with the strategy of lithium-ion battery production along with the Nachu graphite project in Tanzania.

Each Director as listed below, is to be granted 1,000,000 unlisted options in the Company with an exercise price of \$0.70. These options will have an expiry date of 17 November 2019, two years from the date of the 2017 AGM.

RESOLUTION 5A – GRANTING OF UNLISTED OPTIONS TO PETER SARANTZOUKLIS

ASX Listing Rule 10.11 requires approval of holders of ordinary securities for an issue of securities deemed to be a related party.

The date by which the Company will issue the options is 17 December 2017. No funds are being raised by the issue of these options. There is a nil issue price as these are an award of options.

The Directors (with Mr Peter Sarantzouklis abstaining) recommend that Shareholders vote in favour of Resolution 5A.

RESOLUTION 5B – GRANTING OF UNLISTED OPTIONS TO MARC VOGTS

ASX Listing Rule 10.11 requires approval of holders of ordinary securities for an issue of securities deemed to be a related party.

The date by which the Company will issue the options is 17 December 2017. No funds are being raised by the issue of these options. There is a nil issue price as these are an award of options.

The Directors (with Mr Marc Vogts abstaining) recommend that Shareholders vote in favour of Resolution 5B.

RESOLUTION 5C – GRANTING OF UNLISTED OPTIONS TO PROFESSOR M STANLEY WHITTINGHAM

ASX Listing Rule 10.11 requires approval of holders of ordinary securities for an issue of securities deemed to be a related party.

The date by which the Company will issue the options is 17 December 2017. No funds are being raised by the issue of these options. There is a nil issue price as these are an award of options.

The Directors (with Professor M Stanley Whittingham abstaining) recommend that Shareholders vote in favour of Resolution 5C.

RESOLUTION 5D – GRANTING OF UNLISTED OPTIONS TO DR ULRICH HELMUT BEZ

ASX Listing Rule 10.11 requires approval of holders of ordinary securities for an issue of securities deemed to be a related party.

The date by which the Company will issue the options is 17 December 2017. No funds are being raised by the issue of these options. There is a nil issue price as these are an award of options.

The Directors (with Dr Ulrich Helmut Bez abstaining) recommend that Shareholders vote in favour of Resolution 5D.

RESOLUTION 6 – APPROVAL OF UNLISTED OPTIONS TO CORPORATE ADVISOR

Background and Listing Rule 7.1 Approval

Mr Steve Kremises, a consultant of the Company has assisted the Company with its promotion objectives and battery development stages and has been important in the establishment of Magnis Resources as a leading graphite and battery supply chain company.

Shareholder approval is sought pursuant to ASX Listing Rule 7.1 to issue 750,000 unlisted options to Mr Steve Kremises in consideration for all the efforts and services to date and as a share based incentive (**Consultant Options**) to ensure the future of Magnis. The Company will not apply for quotation of these Options on the ASX.

The proposed issue of Consultant Options is placed before Shareholders to allow this number of securities to be excluded from the calculation set out in ASX Listing Rule 7.1. The effect of this Resolution will allow the Company to issue the Consultant Options during the three months after the AGM, without using the Company's 15% annual placement capacity.

For the purposes of ASX Listing Rule 7.3, the following information is provided:

- (1) a total of 750,000 Consultant Options are to be issued;
- (2) each Consultant Option will be granted for nil consideration for services provided by unrelated parties to the Company;
- (3) the options are to be issued within three months of the AGM;
- (4) the terms are subject to the same terms of the Company's existing unlisted options;
- (5) no funds will be raised from the issue of the Consultant Options, as they will be issued to the consultant in consideration for assistance with the Company's progress and success;
- (6) each option entitles the holder to subscribe for one share upon the exercise of the Consultant Option;
- (7) the amount payable upon exercise of each Consultant Option will be \$0.70 (**Exercise Price**);
- (8) Each Option will expire at 5pm (EDST) on 12 months from the date of issue of the Options (Expiry Date). An Option not exercised before 5pm (EDST) on the Expiry Date will automatically lapse at that time.

The Directors recommend that Shareholders vote in favour of Resolution 6.

RESOLUTION 7 – RATIFICATION OF SHARE BASED PAYMENTS OF UNLISTED OPTIONS TO CORPORATE ADVISORS

Share based payments since the 2016 AGM, aggregating to 500,000 unlisted options in the Company, were issued and spread across various corporate advisors and consultants for services provided during the past financial year.

ASX Listing Rule 7.4 relates to the subsequent approval of an issue of securities.

The securities were issued at an exercise price of \$0.70 and with a 12 month expiration date from the date of issue as per the table below. The terms are subject to the same terms of the Company's existing unlisted options. No funds are being raised by the issue of these options.

Consultant Name	Number of Options	Exercise Price	Issue Price	Expiry Date
Xiaodong Ma	250,000	\$0.70	\$0.08910	7/4/2018
Dan Liu	250,000	\$0.70	\$0.08910	7/4/2018

The Directors recommend that Shareholders vote in favour of Resolution 7.

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DEFINITIONS

Terms used in the Notice of Meeting including the Explanatory Memorandum have the following meanings:

ASX means ASX Limited ACN 008 624 691

Board means the board of directors of the Company

Company or **Magnis** means Magnis Resources Limited ACN 115 111 763

Constitution means the Company's constitution

Corporations Act means the *Corporations Act 2001* (Cth) as amended from time to time

Director means a director of the Company

Explanatory Memorandum means this explanatory memorandum

Listing Rules means the listing rules of ASX as amended from time to time

Key Management Personnel has the meaning given to that term 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)

Meeting means the Annual General Meeting of the Company to be held on 17 November 2017 at the Offices of BDO (Magnis' Auditor), Level 11, 1 Margaret Street, Sydney NSW at 9:30am (AEST)

Notice or **Notice of Meeting** means this notice of general meeting including the Explanatory Memorandum and the Proxy Form

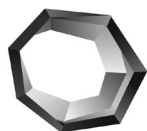
Option means an option to subscribe for a Share

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

Right means a right to a Share

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

Shareholder (or **member**) means a registered member of the Company



Magnis Resources LIMITED

ABN 26 115 111 763

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Magnis Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **9:30am (AEDT) on Wednesday, 15 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

PROXY FORM

I/We being a member(s) of Magnis Resources Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **9:30am (AEDT) on Friday, 17 November 2017 at The Offices of BDO (Magnis' Auditor) Level 11, 1 Margaret Street, Sydney NSW, Australia** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 2, 5, 6 and 7: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 2, 5, 6 and 7, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5b Granting of Unlisted Options to Marc Vogts (Non-Executive Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Increase aggregate Non-Executive Directors' Fees by \$250,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5c Granting of Unlisted Options to Professor M Stanley Whittingham (Non-Executive Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-Election of Director – Frank Poullas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5d Granting of Unlisted Options to Dr Ulrich Helmut Bez (Non-Executive Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4a Election of Director – Peter Sarantzouklis (Non-Executive Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of Unlisted Options to Corporate Advisor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4b Election of Director – Marc Vogts (Non-Executive Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Ratification of Share Based Payments of Unlisted Options to Corporate Advisors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4c Election of Director – Professor M Stanley Whittingham (Non-Executive Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4d Election of Director – Dr Ulrich Helmut Bez (Non-Executive Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5a Granting of Unlisted Options to Peter Sarantzouklis (Non-Executive Director)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

MNS PRX1701D