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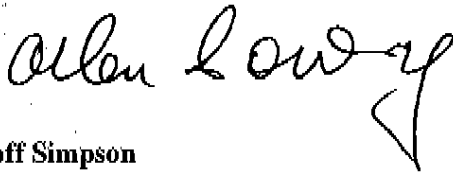
25 November 2014

Form 603 (Notice of initial substantial holder)

We act for Magni Resources LLC (**Magni**).

In accordance with section 671B(1)(a) of the *Corporations Act* (Cth), we enclose a Form 603 (Notice of initial substantial holder) that has been issued by Magni in relation to shares in Attila Resources Limited.

Yours sincerely



Geoff Simpson
Partner

Encl

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To: Company Name/Scheme Attila Resources Limited

ACN 142 165 080

1. Details of substantial holder (1)

Name Magni Resources LLC, Magni Resources Holdings LLC, Kevin Loughrey and Don Brown

ACN/ARSN (if applicable) N/A

The holder became a substantial holder on 21/ 11/ 2014

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	9,891,555	9,891,555	11.9%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interests	Nature of relevant interest (7)	Class and number of securities
Magni Resources LLC	Relevant interest pursuant to section 608(1)(c) of the <i>Corporations Act 2001</i> (Cth), being a right to control the exercise of a power to dispose of the securities the subject of the Option Deed dated X November 2014 between Magni Resources LLC and Kingslane Pty Ltd attached as Annexure A (Option Deed)	9,891,555 ordinary shares
Magni Resources Holdings LLC	Relevant interest under subsection 608(3) of the <i>Corporations Act 2001</i> (Cth), being a relevant interest arising as a result of Magni Resources LLC holding a relevant interest in the relevant securities.	9,891,555 ordinary shares
Kevin Loughrey	Relevant interest under subsection 608(3) of the <i>Corporations Act 2001</i> (Cth), being a relevant interest arising as a result of Magni Resources LLC holding a relevant interest in the relevant securities.	9,891,555 ordinary shares
Don Brown	Relevant interest under subsection 608(3) of the <i>Corporations Act 2001</i> (Cth), being a relevant interest arising as a result of Magni Resources LLC holding a relevant interest in the relevant securities.	9,891,555 ordinary shares

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (B)	Class and number of securities
Magni Resources LLC	Kingslane Pty Ltd	Kingslane Pty Ltd	9,891,555 ordinary shares
Magni Resources Holdings LLC	Kingslane Pty Ltd	Kingslane Pty Ltd	9,891,555 ordinary shares
Kevin Loughrey	Kingslane Pty Ltd	Kingslane Pty Ltd	9,891,555 ordinary shares
Don Brown	Kingslane Pty Ltd	Kingslane Pty Ltd	9,891,555 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of securities
Magni Resources LLC	21 November 2014	As set out in the Option Deed	9,891,555 ordinary shares
Magni Resources Holdings LLC	21 November 2014	Nil	9,891,555 ordinary shares
Kevin Loughrey	21 November 2014	Nil	9,891,555 ordinary shares
Don Brown	21 November 2014	Nil	9,891,555 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Magni Resources LLC	Association under section 12(2)
Magni Resources Holdings LLC	Association under section 12(2)
Kevin Loughrey	Association under section 12(2)
Don Brown	Association under section 12(2)

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Magni Resources LLC	17 Driver Lane, Littleton, Colorado 80123
Magni Resources Holdings LLC	17 Driver Lane, Littleton, Colorado 80123
Kevin Loughrey	c/- Magni Resources LLC, 17 Driver Lane, Littleton, Colorado 80123
Don Brown	c/- Magni Resources LLC, 17 Driver Lane, Littleton, Colorado 80123

Signature

print name Kevin Loughrey

KEVIN LOUGHREY

capacity

Authorised Signatory

sign here

date 21/ 11/ 2014



DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant issues (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) if the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

This is Annexure A of 22 pages referred to in form 603 notice of initial substantial holder lodged by Magnl Resources LLC, Magnl Resources Holdings LLC, Kevin Loughrey and Don Brown.

Signature

print name	Kevin Loughrey	<i>KEVIN LOUGHREY</i>	capacity	Authorised Signatory
sign here	<i>Kevin Loughrey</i>		date	21/ 11/ 2014

EXECUTION VERSION

OPTION DEED

DATED 21 NOVEMBER 2014

KINGSLANE PTY LTD

AND

MAGNI RESOURCES, LLC

ALLEN & OVERY

NICHOLLJ AU:4733863.4

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THIS DEED is made on 21 November 2014

BETWEEN:

- (1) **KINGSLANE PTY LTD** ACN 009 411 410 of PO Box 1311, Subiaco WA 6904 (**Shareholder**);
and
- (2) **MAGNI RESOURCES, LLC**, a Delaware limited liability company of 17 Driver Lane, Littleton, Colorado, United States of America (**Magni**).

BACKGROUND:

- (A) The Shareholder is the legal and beneficial owner of the Option Shares.
- (B) The Shareholder has agreed to grant the Call Option to Magni on the terms and conditions set out in this deed.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this deed:

ASIC means the Australian Securities and Investments Commission;

Attila means Attila Resources Limited ACN 142 165 080;

Attila Board means the board of directors of the Attila;

Attila Group means Attila and its Related Entities (including Attila US and Kodiak);

Attila US means Attila Resources US LLC;

Authority means:

- (a) any government or governmental, semi-governmental or local authority and any department, office, minister, commission, board, delegate or agency of any such government or authority;
- (b) any judicial or administrative entity or authority; and
- (c) any other authority, commission, board, agency or other entity established or having power under statute or the listing rules of any recognised securities exchange;

Business Day means a day that is not a Saturday, Sunday, bank holiday or public holiday in Perth, Australia;

Call Option has the meaning given in clause 2.1;

Called Shares means the Option Shares in respect of which the Call Option has been exercised in accordance with clause 3;

Competing Proposal means a takeover bid, scheme of arrangement, reverse takeover, capital reduction, sale of assets, sale of securities, strategic alliance, joint venture, partnership, dual listed companies structure, economic or synthetic merger or combination or other transaction or arrangement which, if completed, would result in a Third Party:

- (a) directly or indirectly acquiring or being entitled to acquire a Relevant Interest or any other direct or indirect interest in more than 20% of the shares of Attila or more than 20% of the shares in any other member of the Attila Group that contributes 20% or more of the consolidated net profit after tax of the Attila Group or whose assets represent 20% or more of the total consolidated assets of the Attila Group; or
- (b) directly or indirectly acquiring or being entitled to acquire the whole of the business or assets of the Attila Group or any part of the business or assets of the Attila Group that contributes 20% or more of the consolidated net profit after tax of the Attila Group or that represents 20% or more of the total consolidated assets of the Attila Group; or
- (c) acquiring Control of Attila or merging or amalgamating with Attila or any other member of the Attila Group that contributes 20% or more of the consolidated net profit after tax of the Attila Group or whose assets represent 20% or more of the total consolidated assets of the Attila Group,

or which would otherwise require Attila to abandon, or otherwise fail to proceed with, the Transaction;

Completion means completion of the transfer of the Called Shares under clause 4 of this deed to Magni or the Nominee (as applicable);

Completion Date means the day 2 Business Days after Magni gives to the Shareholder an Exercise Notice in accordance with this deed;

Control has the meaning given in section 50AA of the Corporations Act;

Corporations Act means the *Corporations Act 2001* (Cth);

Effective means when used in relation to a Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme;

Encumbrance means any mortgage, fixed or floating charge, pledge, lien, option, right to acquire, right of pre-emption, assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other third party right or interest of any kind, and any agreement to create any of the foregoing;

End Date means the earlier of:

- (a) 5.00pm on the date on which the Transaction completes in accordance with the Purchase Agreement; and
- (b) 31 March 2015;

Exercise Date means the date Magni delivers an Exercise Notice to the Shareholder in accordance with clause 3.1(a);

Exercise Notice means a written notice in the form set out in Schedule 1;

Exercise Period means the period commencing on the public announcement of a Matching Proposal and ending on the End Date;

Exercise Price means the Value per Share that Magni proposes to pay under the Matching Proposal less any dividends received by the Shareholder from the date of this deed in respect of that Share;

Facilitation Deed means the deed to be entered into on or about the date of this deed between Attila and Magni in respect of the Transaction;

Government Agency means any government, any department, officer or minister of any government and any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity whether in Australia or elsewhere and any self-regulatory organisation established under statute or any stock exchange;

Kodiak means Kodiak Mining LLC;

Matching Proposal means a proposal that is provided by Magni to the Board pursuant to clause 4.8 of the Facilitation Deed and the terms and conditions (taken as a whole) of which the Board determines acting in good faith are no less favourable to Attila shareholders than those in the Competing Proposal;

Nominee means any party nominated by Magni as purchaser of the Called Shares under clause 3.1(c)(ii);

Option Fee means \$10.00;

Option Shares means 9,891,555 of the ordinary shares in Attila held by the Shareholder (representing 11.9% of the total Shares on issue);

Potential Competing Proposal means any offer, proposal or expression of interest which is not, but which could reasonably be expected to become, a Competing Proposal;

Purchase Agreement means the membership interest purchase agreement dated on or about the date of this deed between Magni and Attila US in respect of the Transaction;

Related Entity means:

- (a) in respect of Magni, an entity that:
 - (i) Controls Magni;
 - (ii) is under the Control of Magni; or
 - (iii) is under the Control of another entity that also Controls Magni; and
- (b) in respect of Attila, an entity that is under the Control of Attila;

Relevant Interest has the meaning given to that term in the Corporations Act;

Representative means in relation to a person, any director, officer or employee or agent of, and any accountant, auditor, financier, financial adviser, legal adviser, technical adviser or other expert adviser or consultant to, that person;

Scheme means a compromise or arrangement under Part 5.1 of the Corporations Act under which all the Shares are transferred to a person or are cancelled (other than those Shares already owned by that person);

Share means a fully paid ordinary share in the capital of Attila;

Takeover Bid means a takeover bid under Chapter 6 of the Corporations Act to acquire at least 50% of the issued Shares;

Third Party means a person other than a Magni and its Related Entities;

Transaction means the proposed acquisition by Magni of all of the issued and outstanding membership interests of Kodiak; and

Value means in relation to any consideration at any time:

- (a) the consideration is a cash sum in A\$, that A\$ value;
- (b) if the consideration is a cash sum denominated in a currency other than Australian dollars, the value of the consideration will be based on its Australian dollar equivalent applying the WM/Reuters Closing Spot Exchange Rate published at 4.00pm London time on the relevant date;
- (c) if the consideration is in a form of securities in an entity listed on any securities exchange, the consideration will be valued based on the volume weighted average price (excluding all off-market transactions) of the relevant securities over the 5 days ending on the day prior to the relevant date on the primary exchange on which the relevant securities are quoted. If that price is quoted in a currency other than Australian dollars that price must be converted into Australian dollars applying the WM/Reuters Closing Spot Exchange Rate published at 4.00pm London time on the relevant date;
- (d) in any other case, the value in A\$:
 - (i) as agreed between Attila and Magni (acting reasonably); or
 - (ii) in the absence of agreement, as determined by an independent expert (acting as expert and not arbitrator and on behalf of both Attila and Magni whose decision will be, in the absence of manifest error, final and binding on both Attila and Magni) the identity of which is agreed by Attila and Magni (or in the absence of agreement, such person as nominated by the National President of the Institute of Chartered Accountants).

1.2 Reasonable endeavours

Except as otherwise expressly provided in this deed, any provision of this deed which requires a party to use reasonable endeavours or all reasonable endeavours, or to take all steps reasonably necessary, to procure that something is performed or occurs, does not impose any obligation to:

- (a) commence any legal action or proceeding against any person;
- (b) procure absolutely that that thing is done or happens;
- (c) incur a material expense, except where that provision expressly specifies otherwise; or

- (d) accept any undertakings or conditions required by any Authority if those undertakings or conditions, in the reasonable opinion of the party required to give such undertakings or satisfy such conditions, are materially adverse to its commercial interests or fundamentally or materially alter the basis on which it originally agreed to the transaction the subject of this agreement.

1.3 References to certain other words and terms

In this deed:

- (a) any reference, express or implied, to any legislation in any jurisdiction includes:
 - (i) that legislation as amended, extended or applied by or under any other legislation made before or after signature of this deed;
 - (ii) any legislation which that legislation re-enacts with or without modification; and
 - (iii) any subordinate legislation made before or after signature of this deed under that legislation, including (where applicable) that legislation as amended, extended or applied as described in clause 1.3(a)(i), or under any legislation which it re-enacts as described in clause 1.3(a)(ii);
- (b) a reference to any document (including this deed) is to that document as varied, novated, ratified or replaced from time to time;
- (c) references to persons or entities include natural persons, bodies corporate, partnerships, trusts and unincorporated associations of persons;
- (d) references to an individual or a natural person include his estate and personal representatives;
- (e) the schedules and annexes form part of this deed and a reference to a clause, subclause, schedule or annex is a reference to a clause, subclause, schedule or annex of or to this deed;
- (f) subject to clause 15.2, references to a party to this deed include the successors or assigns (immediate or otherwise) of that party;
- (g) a reference to any time is, unless otherwise indicated, a reference to that time in Perth, Australia; and
- (h) a reference to \$, A\$ or dollars is to Australian currency.

1.4 Rules of interpretation and construction

In this deed:

- (a) singular words include the plural and vice versa;
- (b) a word of any gender includes the corresponding words of any other gender;
- (c) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
- (d) general words must not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;

- (e) nothing is to be construed adversely to a party just because that party put forward this deed or the relevant part of this deed; and
- (f) the headings do not affect interpretation.

1.5 Things required to be done other than on a Business Day

Unless otherwise indicated, if the day on which any act, matter or thing is to be done under this deed is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.

2. GRANT OF CALL OPTION

2.1 Call Option

In consideration of Magni agreeing to pay on demand the Option Fee to the Shareholder, the Shareholder grants to Magni an irrevocable option to require the Shareholder to sell to Magni or the Nominee the Option Shares on the terms set out in this deed (**Call Option**).

2.2 Lapse of Call Option

The Call Option will lapse on the End Date if it has not been exercised before then.

3. EXERCISE OF CALL OPTION

3.1 Method of exercise

- (a) A Call Option may be exercised by Magni delivering a completed and duly executed Exercise Notice to the Shareholder during the Exercise Period.
- (b) A Call Option may be exercised in respect of all (and not part) of the Option Shares at Magni's absolute discretion.
- (c) Magni may exercise the Call Option and create a contract for the sale and purchase of the Called Shares between the Shareholder and:
 - (i) itself; or
 - (ii) by duly completing the relevant part of the Exercise Notice, a Nominee.

3.2 Effect of Exercise Notice

If Magni delivers an Exercise Notice under this clause 3, then Magni or the Nominee (as applicable), as buyer, and the Shareholder, as seller, are immediately bound under a binding contract for the sale and purchase on the Completion Date of the Called Shares.

4. COMPLETION OF SALE OF CALLED SHARES

4.1 Completion mechanics

If Magni exercises the Call Option under clause 3, then:

- (a) Completion of the sale and purchase of the Called Shares must occur on the Completion Date at the time and place (being a place in Perth, Australia) specified in the Exercise Notice or any other time and place that the Shareholder and Magni may agree;

- (b) the price for each Called Share is the Exercise Price;
- (c) the Called Shares must be sold free and clear from all Encumbrances and the Shareholder must deliver to Magni evidence reasonably satisfactory to Magni of the full discharge of any Encumbrances existing over the Called Shares prior to the Completion Date; and
- (d) on Completion:
 - (i) the Shareholder must do all acts and things and execute and deliver to Magni all documents (including documents which constitute a sufficient transfer of the Called Shares under Part 7.11 of the Corporations Act and the *Corporations Regulations 2001* (Cth)) as required to register and make Magni or the Nominee (as applicable) the legal and beneficial owner of the Called Shares; and
 - (ii) Magni must pay to the Shareholder, by bank cheque or electronic funds transfer to an account nominated by the Shareholder, an amount equal to the Exercise Price multiplied by the number of Called Shares.

4.2 Power of attorney

Subject to Magni complying with clause 4.1(d)(ii), the Shareholder grants severally to Magni or the Nominee (as applicable) and each director of Magni or the Nominee (as applicable) a power of attorney to execute all documents and take any actions on the Shareholder's behalf which are necessary to give effect to the transfer of the Called Shares in accordance with this clause 4.

5. DEALINGS WITH OPTION SHARES

- (a) Subject to clause 5(b), the Shareholder undertakes that it will not dispose of, grant any interest in, Encumber or otherwise deal with, the Option Shares (including any voting rights attached thereto), other than in accordance with this deed or with Magni's prior written consent.
- (b) Nothing in this deed restricts or affects the ability of the Shareholder to exercise the votes attaching to the Option Shares in the Shareholder's absolute discretion before the Call Option is exercised in respect of those Option Shares.

6. POST-COMPLETION ADJUSTMENT

6.1 Disposal of Option Shares

Magni shall be prohibited from disposing of or creating any encumbrance over the Called Shares without the prior written consent of the Shareholder until the earlier to occur of the following:

- (a) 12 months after the Completion Date; or
- (b) an event described in clause 6.2(b) occurs and Magni is discharging its obligations under clause 6.3(b).

6.2 Adjustment

Subject to Completion occurring, if within 12 months of the date of the Completion Date:

- (a) a Competing Proposal is publicly announced by a Third Party and the Value per Share offered under that Competing Proposal is greater than the Exercise Price; and

- (b) any one of the following occurs:
- (i) other than by way of a Scheme or a Takeover Bid, a Third Party:
- (A) has directly or indirectly acquired or is entitled to acquire a Relevant Interest or any other direct or indirect interest in more than 20% of the shares of Attila or more than 20% of the shares in any other member of the Attila Group that contributes 20% or more of the consolidated net profit after tax of the Attila Group or whose assets represent 20% or more of the total consolidated assets of the Attila Group;
- (B) has directly or indirectly acquired or is entitled to acquire the whole of the business or assets of the Attila Group or any part of the business or assets of the Attila Group that contributes 20% or more of the consolidated net profit after tax of the Attila Group or that represents 20% or more of the total consolidated assets of the Attila Group; or
- (C) has acquired Control of Attila or merging or amalgamating with Attila or any other member of the Attila Group that contributes 20% or more of the consolidated net profit after tax of the Attila Group or whose assets represent 20% or more of the total consolidated assets of the Attila Group,
- and the Value per Share (as at the date of the relevant acquisition referred to in paragraph (A), (B), or (C) above is completed) multiplied by the number of Called Shares is greater than the Exercise Price;
- (ii) a Scheme proposed by a Third Party becomes Effective and the Value per Share offered under that Scheme (as at the date the Scheme becomes Effective) multiplied by the number of Called Shares is greater than the Exercise Price; or
- (iii) a Takeover Bid made by a Third Party becomes unconditional and the Value per Share offered under that Takeover Bid (as at the date the Takeover Bid becomes unconditional) multiplied by the number of Called Shares is greater than the Exercise price,

Magni must pay to the Shareholder an additional cash sum equal to the following (but only if the following is a positive number):

$$(A \times B) - (C \times B)$$

A is the Value per Share offered for the Called Shares by the Third Party (as at the date the Scheme becomes Effective or the Takeover Bid becomes unconditional or the date on which completion occurs for any other transaction under clause 6.2(b)(i));

B is the number of Called Shares; and

C is the Exercise Price.

6.3 Payments

- (a) A payment under clause 6.1 may only occur once.
- (b) Any amount payable under clause 6.1 must be paid by Magni to the Shareholder by bank cheque or by way of direct transfer of immediately available funds to the bank account

nominated in writing by the Shareholder within one Business Day of the day on which the consideration under the relevant transaction in respect of the Called Shares is received by Magni.

6.4 Security of payment

If Magni exercises the Call Option in accordance with clause 3.1:

- (a) the Shareholder's right to any payment under this clause 6 shall rank in priority to all other liabilities to unsecured creditors of Magni; and
- (b) Magni must, at the Shareholder's sole discretion, execute a deed (in a form satisfactory to the Shareholder) granting security over the Called Shares in favour of the Shareholder to secure the obligations owed by Magni to the Shareholder under this clause 6.

7. EXCLUSIVITY

7.1 No shop restriction

During the Exclusivity Period, the Shareholder must not, and must procure that each of its Representatives does not, directly or indirectly:

- (a) solicit, invite, encourage or initiate any Competing Proposal or any offer, proposal, expression of interest, enquiry, negotiation or discussion with any Third Party in relation to, or that may reasonably be expected to encourage or lead to, a Competing Proposal; or
- (b) assist, encourage, procure or induce any person to do any of the things referred to in clause 7.1(a) on its behalf.

7.2 No talk restriction

The Shareholder must not, and must procure that each of its Representatives does not, directly or indirectly:

- (a) enter into or continue negotiations or discussions with any Third Party in relation to a Competing Proposal or Potential Competing Proposal, or that may reasonably be expected to encourage or lead to a Competing Proposal or Potential Competing Proposal;
- (b) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding Competing Proposal or Potential Competing Proposal;
- (c) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 7.2; or
- (d) assist, encourage, procure or induce any person to do any of the things referred to in the preceding paragraphs of this clause 7.2 on its behalf,

even if the Competing Proposal or Potential Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by the Shareholder or any of its Representatives or has been publicly announced.

7.3 Exception to no talk restriction

Provided that the Shareholder is not in breach of clause 7.1, nothing in clause 7.2 will restrict the Shareholder from engaging with a Third Party after the public announcement of the Transaction that independently approaches the Shareholder in relation to a bona fide Competing Proposal or Potential Competing Proposal under which the consideration offered is higher than the Value per Share under the Transaction.

7.4 No due diligence restriction

Without limiting clause 7.2, during the Exclusivity Period, the Shareholder must not, and must procure that each of its Representatives does not, directly or indirectly:

- (a) make available to any Third Party, or cause or permit any Third Party (other than a Government Agency) to receive, any non-public information relating to Attila or any of its Related Entities that may reasonably be expected to assist such Third Party in formulating, developing or finalising a Competing Proposal; or
- (b) assist, encourage, procure or induce any person to do any of the things referred to in clause 7.4(a) on its behalf.

7.5 Notification obligations

- (a) During the Exclusivity Period, the Shareholder must as soon as reasonably practicable (and, in any event, within 24 hours) notify Magni if the Shareholder becomes of:
 - (i) any Competing Proposal or Potential Competing Proposal, or
 - (ii) any offer or request to do any of the things referred to in clause 7.2(a) or clause 7.4(a).
- (b) A notification given under clause 7.5(a) must include the identity of the relevant person making or proposing the Competing Proposal or Potential Competing Proposal, together with all material terms and conditions of the Competing Proposal or Potential Competing Proposal.

8. WARRANTIES

8.1 Warranties by the Shareholder

The Shareholder represents and warrants to Magni and any Nominee that:

- (a) as at the date of this deed, the Exercise Date and the Completion Date:
 - (i) it is a corporation validly existing under the laws of its place of incorporation;
 - (ii) it has the power to execute and perform its obligations under this deed, and has taken all necessary corporate action to authorise such execution and performance of such obligations;
 - (iii) its obligations under this deed are legal, valid and binding obligations enforceable in accordance with its terms;
 - (iv) the execution by it of this deed does not and will not conflict with or constitute a default under any provision of:

- (A) its constitution;
 - (B) any agreement or instrument to which it is a party; or
 - (C) any law, order, judgment, award, injunction, decree, rule or regulation by which it is bound,
- (v) it is the registered holder and beneficial owner of the Option Shares;
- (vi) it is solvent and no resolutions have been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets;
- (vii) the Option Shares have been validly issued, are fully paid and no money is owing to Attila in respect of them; and
- (viii) it has received legal advice about the effect of this deed or has had an adequate and reasonable opportunity to seek and receive legal advice about the effect of this deed; and
- (b) as at the Completion Date, the Option Shares will be free and clear of all Encumbrances; and
- (c) on Completion, Magni or the Nominee will acquire full legal and beneficial ownership of the Option Shares.

8.2 Warranties by Magni

Magni represents and warrants to the Shareholder as at the date of this deed, the Exercise Date and the Completion Date in respect of itself and any Nominee that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the power to execute and perform its obligations under this deed, and has taken all necessary corporate action to authorise such execution and performance of such obligations;
- (c) its obligations under this deed are legal, valid and binding obligations enforceable in accordance with its terms;
- (d) it is solvent and no resolutions have been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets; and
- (e) the execution by it of this deed does not and will not conflict with or constitute a default under any provision of:
 - (i) its constitution;
 - (ii) any agreement or instrument to which it is a party; or
 - (iii) any law, order, judgment, award, injunction, decree, rule or regulation by which it is bound.

8.3 Acknowledgement

Each of the Shareholder and Magni acknowledge that the other has entered into this deed and agreed to take part in the transactions that it contemplates in reliance on the warranties made in this clause 8.

8.4 No merger

The representations and warranties given in this clause 8 do not merge on completion of any transfer of the Option Shares to Magni or the Nominee (as applicable).

9. INDEMNITIES

9.1 Indemnity by the Shareholder

The Shareholder agrees with Magni to indemnify and keep indemnified Magni and any Nominee from and against, and to pay to Magni and any Nominee on demand an amount equal to, all losses, damages, costs, expenses, charges, penalties and other liabilities directly or indirectly incurred or suffered by Magni or any Nominee (as applicable) arising out of or in connection with:

- (a) any matter or circumstances that results in any of the representations and warranties in clause 8.1 being untrue, inaccurate or misleading; or
- (b) any breach by the Shareholder of this deed.

9.2 Indemnity by Magni

Magni agrees with the Shareholder to indemnify and keep indemnified the Shareholder from and against, and to pay to the Shareholder on demand an amount equal to, all losses, damages, costs, expenses, charges, penalties and other liabilities directly or indirectly incurred or suffered by the Shareholder arising out of or in connection with:

- (a) any matter or circumstances that results in any of the representations and warranties in clause 8.2 being untrue, inaccurate or misleading; or
- (b) any breach by Magni or any Nominee of this deed.

10. TERMINATION

10.1 Circumstances for termination

Subject to clause 10.3, either Magni or the Shareholder (the **Terminating Party**) may terminate this deed at any time by giving written notice (**Termination Notice**) to the other if:

- (a) the other is in material breach of any obligation under this deed or any representation or warranty given by the other under this deed is untrue, inaccurate or misleading in any material respect other than as a result of a breach of this deed by the Terminating Party;
- (b) any of the conditions precedent to completion of the Transaction become incapable of being satisfied, provided that the cause of the relevant condition precedent becoming incapable of being satisfied was not due to any conduct or omission of a member of the Attila Group;
- (c) Attila US terminates the Purchase Agreement in accordance with its terms; or
- (d) the Call Option lapses under clause 2.2.

10.2 Consequences of termination

Any termination of this deed under clause 10.1 will not affect any accrued rights or liabilities of either party in respect of damages for non-performance of any obligation under this deed falling due for performance before such termination.

10.3 When termination takes effect

Termination shall take effect on the later of:

- (a) the date the Termination Notice is given; and
- (b) if Magni has delivered an Exercise Notice in accordance with clause 3 prior to the date the Termination Notice is given, the date immediately after Completion.

11. CONFIDENTIALITY AND ANNOUNCEMENTS

11.1 Confidentiality

Subject to clause 11.2, each of the Shareholder and Magni must keep confidential and must procure that each of its directors, employees, officers, agents, financiers, advisers and Related Bodies Corporate keeps confidential:

- (a) the terms of, and subject matter of, and the negotiations relating to, this deed; and
- (b) all information provided to it or any of its directors, employees, officers, agents, financiers, advisers and Related Bodies Corporate by or on behalf of the other under or in connection with this deed.

11.2 Exceptions

Nothing in clause 11.1 prevents:

- (a) any announcement being made or any confidential information being disclosed:
 - (i) with the written approval of the Shareholder and Magni, which in the case of any announcement must not be unreasonably withheld or delayed; or
 - (ii) to the extent (and at the time) required by law, the rules of any stock exchange, any court of competent jurisdiction or any Authority, but if a person is so required to make any announcement or to disclose any confidential information, the relevant party must promptly notify the other parties, where practicable and lawful to do so, before the announcement is made or disclosure occurs (as the case may be); or
- (b) any confidential information being disclosed:
 - (i) to the extent that the information is in or comes into the public domain otherwise than as a result of a breach of any undertaking or duty of confidentiality;
 - (ii) by any party on a strictly confidential basis to any of its advisers, directors, employees, officers, agents, financiers, advisers and Related Bodies Corporate; or
 - (iii) by any party to the extent required to enable that party to enforce (on its own behalf or on behalf of any other person) the provisions of this deed or for the purpose of defending any judicial proceedings brought against that party.

12. DISPUTES

- (a) If at any time an application is made to ASIC, the Takeovers Panel or a court of competent jurisdiction in connection with this deed which seeks to restrain, impede or prohibit or otherwise materially adversely impact upon the rights of the Shareholder or Magni (or the exercise of such rights) under this deed, the Shareholder and Magni will each use their best endeavours to defend such application.
- (b) If any such application is successful and an order or ruling is made or in the reasonable good faith judgement of the parties will be made which would adversely impact upon the rights of the Shareholder or Magni (or the exercise of such rights) under this deed, the Shareholder and Magni will negotiate in good faith a revised deed which would comply with any such order or ruling and failing agreement on such revisions, the party affected may, by notice in writing, rescind this deed, without liability to the other party.

13. LIMITATION

- (a) For the avoidance of doubt, nothing in this deed is intended to nor does it give rise to Magni coming to have a Relevant Interest in any Shares in which the Shareholder has a Relevant Interest, other than the Option Shares.
- (b) The Shareholder is free to dispose of or otherwise deal with and vote any of its Shares other than the Option Shares in its absolute discretion.

14. NOTICES**14.1 Manner of giving notice**

Any notice or other communication to be given under this deed must be in writing (which includes fax and email) and may be delivered or sent by post or fax or email to the party to be served as follows:

- (a) to the Shareholder at:

Address: PO Box 1311, Subiaco WA 6904
 Fax number: 08 9388 8824
 Email: jcranston@kingslane.com.au
 For the attention of: John Cranston;

with a copy to Bellanhouse Legal (which shall not constitute notice):

Address: Ground Floor, 11 Ventnor Avenue
 Email: bh@bellanhouse.com
 For the attention of: Bryn Hardcastle

- (b) to Magni at:

Address: 17 Driver Lane, Littleton, Colorado 80123
 Email: kevinloughrey51@gmail.com
 For the attention of: Kevin Loughrey

with a copy to McDermott Will & Emery LLP (which shall not constitute notice):

Address: 340 Madison Avenue, New York, New York 10173-1922

Fax number: (212) 547-5444
Email: tsauermilch@mwe.com
For the attention of: Thomas Sauermilch

or at any such other address or fax number or email address notified for this purpose to the other parties under this clause. Any notice or other communication sent by post must be sent by prepaid ordinary post (if the country of destination is the same as the country of origin) or by airmail (if the country of destination is not the same as the country of origin).

14.2 When notice given

Any notice or other communication is deemed to have been given:

- (a) if delivered, on the date of delivery;
- (b) if sent by post, on the third day after it was put into the post (for post within the same country) or on the fifth day after it was put into the post (for post sent from one country to another);
- (c) if sent by fax, at the time shown in the transmission report as being the time at which the whole fax was sent; or
- (d) if sent by e-mail, upon the generation of a receipt notice by the recipient's server or, if such notice is not so generated, upon delivery to the recipient's server,

but if the notice or other communication would otherwise be taken to be received after 5.00 pm or on a Saturday, Sunday or public holiday in the place of receipt then the notice or communication is taken to be received at 9.00 am on the next day that is not a Saturday, Sunday or public holiday in the place of receipt.

14.3 Proof of service

In proving service of a notice or other communication, it shall be sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted either by prepaid post or by prepaid airmail, or that the fax was properly addressed and transmitted or that the e-mail was properly addressed and transmitted by the sender's server into the network and there was no apparent error in the operation of the sender's e-mail system, as the case may be.

14.4 Documents relating to legal proceedings

This clause 14 does not apply in relation to the service of any claim form, notice, order, judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this deed.

15. GENERAL

15.1 Amendments

This deed may only be amended in writing and where such amendment is signed by all the parties.

15.2 Assignments

Subject to clause 3.1(c)(ii), none of the rights or obligations of a party under this deed may be assigned or transferred without the prior written consent of the other party.

15.3 Benefits held on trust

Magni holds the benefit of each indemnity, promise and obligation in this deed expressed to be for the benefit of the Nominee, on trust for any Nominee.

15.4 Consents

Except as otherwise expressly provided in this deed a party may give or withhold its consent to any matter referred to in this deed in its absolute discretion. A party that gives its consent to any matter referred to in this deed is not taken to have made any warranty or representation as to any matter or circumstance connected with the subject matter of that consent.

15.5 Costs

Except as otherwise expressly provided in this deed, each party must pay the costs and expenses incurred by it in connection with the entering into and performing its obligations under this deed.

15.6 Counterparts

This deed may be executed in counterparts, which taken together must constitute one and the same deed, and any party (including any duly authorised representative of a party) may enter into this deed by executing a counterpart.

15.7 Entire agreement

- (a) This deed contains the entire agreement between the parties relating to the transactions contemplated herein, and supersedes all previous agreements, whether oral or in writing, between the parties relating to these transactions.
- (b) Each party acknowledges that in agreeing to enter into this deed it has not relied on any express or implied representation, warranty, collateral contract or other assurance (except those expressly set out in this deed) made by or on behalf of any other party before the entering into of this deed. Each party waives all rights and remedies which, but for this clause 15.7(b) might otherwise be available to it in respect of any such representation, warranty, collateral contract or other assurance including all rights and remedies under Part 7.10 of the Corporations Act, Part 2 Division 2 of the *Australian Securities and Investments Act 2001* (Cth), the *Fair Trading Act* of any state or territory of Australia or any corresponding or equivalent provision of any legislation having effect in any relevant jurisdiction.

15.8 Exercise and waiver of rights

The rights of each party under this deed.

- (a) may be exercised as often as necessary;
- (b) except as otherwise expressly provided by this deed, are cumulative and not exclusive of rights and remedies provided by law; and
- (c) may be waived only in writing and specifically,

and delay in exercising or non-exercise of any such right is not a waiver of that right.

15.9 Further assurance

Each party undertakes, at the request, cost and expense of the other party, to sign all documents and to do all other acts, which may be necessary to give full effect to this deed.

15.10 No merger

Each of the obligations, warranties and undertakings set out in this deed (excluding any obligation which is fully performed at Implementation) must continue in force after completion of any transaction contemplated herein.

15.11 Remedies

Without affecting any other rights or remedies that Magni or the Nominee may have, the Shareholder acknowledges that Magni or the Nominee may be irreparably harmed by any breach of the terms of this deed and that damages alone may not necessarily be an adequate remedy. Accordingly, the Shareholder hereby acknowledges without proof of actual damage that injunctive relief, specific performance or other equitable relief in favour of Magni and the Nominee is an appropriate and necessary remedy for breach of the terms of this deed.

15.12 Severability

The provisions contained in each clause of this deed shall be enforceable independently of each of the others and their validity shall not be affected if any of the others is invalid.

15.13 Stamp duties and similar charges

Magni must pay any stamp duties and similar charges and any related interest, fees, fines or penalties payable in connection with this deed, or any deed or document entered into or signed under this deed.

16. GOVERNING LAW AND JURISDICTION

- (a) This deed and any non-contractual obligations arising out of or in connection with it is governed by the law applying in Western Australia.
- (b) The courts having jurisdiction in Western Australia have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute relating to any non-contractual obligations arising out of or in connection with this deed) and each party irrevocably submits to the non-exclusive jurisdiction of the courts having jurisdiction in Western Australia.

THIS DEED has been executed and delivered on the date stated at the beginning of this deed.

SCHEDULE 1

EXERCISE NOTICE

[Shareholder]
[Address]

[Date]

Dear [●]

Exercise Notice

We give you notice of our exercise of the [Call Option] conferred in respect of [all] / [●] of the [Option Shares] (the **Called Shares**) by the Call Option Deed dated [●] between us (**Deed**), in accordance with which the Shareholder will sell and [Magni] / [Magni's nominee, [●] (**Nominee**)] will purchase the Called Shares for the Exercise Price on the Completion Date.

[Nominee acknowledges that it has read the Deed, and agrees to be bound by its terms.]

In accordance with the Deed, the Completion Date will be [●], being 2 Business Days after the date of issue of this Exercise Notice.

Completion will take place at [insert time] on the Completion Date at [insert place].

Unless the context indicates otherwise, capitalised terms used in this Exercised Notice have the meaning given to them in the Deed.

Yours sincerely

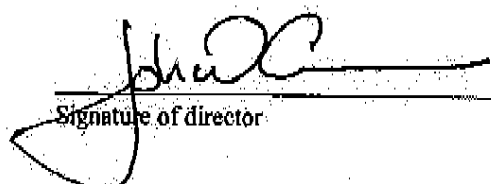
.....
[●]
Director
[Magni]

[.....
[●]
Director
[Nominee]]


EXECUTION PAGE

EXECUTED by KINGSLANE PTY LTD:

)
)
)



Signature of director



Signature of director/company secretary

JOHN W. CRANSTON

Name of director

LOLETA CRANSTON

Name of director/company secretary

EXECUTED by MAGNI RESOURCES, LLC
by its sole member, MAGNI RESOURCES
HOLDINGS, LLC:

)
)
)

Signature of authorised representative

Signature of authorised representative

Name of authorised representative

Name of authorised representative

EXECUTION PAGE

EXECUTED by KINGSLANE PTY LTD

)
)
)

Signature of director

Signature of director/company secretary

Name of director

Name of director/company secretary

EXECUTED by MAGNI RESOURCES, LLC
by its sole member, MAGNI RESOURCES
HOLDINGS, LLC

)
)
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Donald Brown

Signature of authorised representative

Signature of authorised representative

Donald Brown

Name of authorised representative

Name of authorised representative

EXECUTION PAGE

EXECUTED by KINGSLANE PTY LTD:)
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Signature of director

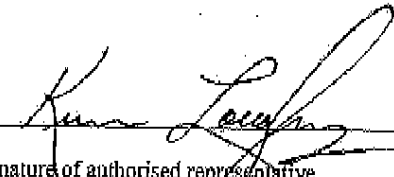
Signature of director/company secretary

Name of director

Name of director/company secretary

EXECUTED by MAGNI RESOURCES, LLC)
by its sole member, MAGNI RESOURCES)
HOLDINGS, LLC:)

Signature of authorised representative



Signature of authorised representative

Name of authorised representative

Kevin Loughrey

Name of authorised representative