



magnetic resources^{NL}

ASX Release

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Termination of Managing Director's Employment Agreement

Magnetic Resources NL (the "**Company**") wishes to announce that, following the removal of Mr Gavin Fletcher as a director at the requisitioned shareholder meeting on 29 January 2016, the Company has terminated the Employment Agreement dated 24 September 2015 for the engagement of Mr Fletcher as Managing Director, with immediate effect.

The Company will seek any necessary shareholder approval to pay compensation to Mr Fletcher for the loss of his position as Managing Director in accordance with the Employment Agreement, pursuant to Section 200B of the Corporations Act and ASX Listing Rule 10.19.

The Company wishes to advise that it is currently in final discussions with Mr George Sakalidis to act as executive director.

In addition, the board is also pleased to announce the appointment of Mr Eric Lim as non-executive chairman of the Company with immediate effect.

An update will be provided in due course.

Yours faithfully

Eric Lim
Non-Executive Director