

MAGNIS RESOURCES LIMITED
ABN 26 115 111 763

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
AND
PROXY FORM

DATE AND TIME OF MEETING:
21 October 2016 at 10:00AM (AEDT)

PLACE OF MEETING:
The York Conference & Function Centre
Level 2, 99 York 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 tenth 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 21 October 2016 at 10:00am (Sydney time) at the York Conference & Function Centre, Level 2, 99 York 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 9:15am.

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 20 October 2016.

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

Yours sincerely



Frank Poullas
Chairman, Magnis Resources Limited

NOTICE OF 2016 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: 21 October 2016
Time: 10.00am (AEST)
Venue: The York Conference & Function Centre
Level 2, 99 York 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 2016.

All shareholders can view the Annual Report which contains the Financial Report for the year ended 30 June 2016 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 2016 (as set out in the Company Director's Report) be adopted.

Voting exclusion

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 2016 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: RE-ELECTION OF DIRECTOR – JOHANN JOOSTE-JACOBS

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

That Johann Jooste-Jacobs, 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 3: ELECTION OF DIRECTOR – COLIN (COBB) JOHNSTONE

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

That Cobb Johnstone, who in accordance with Rule 16.13 of the Company's Constitution, is nominated for election and being eligible, is elected as a Director of the Company.

RESOLUTION 4: ELECTION OF DIRECTOR – LEN ELDRIDGE

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

That Len Eldridge, who in accordance with Rule 16.13 of the Company's Constitution, is nominated for election and being eligible, is elected as a Director of the Company.

RESOLUTION 5: GRANTING OF UNLISTED OPTIONS TO DIRECTORS

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, each Director of the Company 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 21 October 2019.

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by any Director of the Company and any of their 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: 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, 7,500,000 unlisted options in the Company be spread amongst corporate advisors and consultants for corporate advisory and consulting services provided. The exercise price and expiry dates of these options are upon the terms and basis described in the Explanatory Memorandum.

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 6 by these corporate advisors and consultants listed in the Explanatory Memorandum and any of their 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 KEY MEMBERS

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, 950,000 unlisted options in the Company be spread amongst key members of the Company based in Africa for consulting services provided. The exercise price for these options is \$0.70 with an expiry date of 3rd August 2019 and are upon the terms and basis described in the Explanatory Memorandum.

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 7 by these key members 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.

RESOLUTION 8: RATIFICATION OF PLACEMENT OF SHARES ANNOUNCED 12th FEBRUARY 2016 – WORKING CAPITAL

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 for all other purposes, Shareholders ratify the issue of 8,571,429 fully paid ordinary Shares at an issue price of \$0.35 per Share to sophisticated investors pursuant to a placement upon the terms and basis described in the Explanatory Memorandum, is approved.

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 8 by any person who participated in the issue and any associates of those persons.

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 9: RATIFICATION OF PLACEMENT OF SHARES ANNOUNCED 12TH OCTOBER 2015 – WORKING CAPITAL

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 for all other purposes, Shareholders ratify the issue of 10,000,000 fully paid ordinary Shares at an issue price of \$0.40 per Share to sophisticated investors pursuant to a placement upon the terms and basis described in the Explanatory Memorandum, is approved.

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 9 by any person who participated in the issue and any associates of those persons.

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 10: APPROVAL OF ISSUE OF CONSULTANT OPTIONS

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

That, for the purposes of ASX Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue up to 1,500,000 Options to consultants upon the terms and basis described in the Explanatory Memorandum

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11 and ASX Listing Rule 7.1, the Company will disregard any votes cast on Resolution 10 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

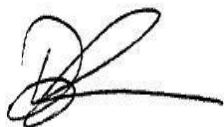
However the Company need not disregard a vote if:

- (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.

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, consisting of a stylized 'D' followed by a horizontal line and a loop.

Doug Richardson
Company Secretary
16 September 2016

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 19 October 2016 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 10:00am AEST on 19 October 2016. 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 10.00am AEST on Wednesday 19 October 2016, 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 21 October 2016.

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 10 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 2016 will be presented for consideration by Shareholders.

The 2016 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 2016 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 2015 AGM, and a subsequent vote of 25% or more against at the 2016 AGM, then a resolution must be put to Shareholders at the 2016 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 2015 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 – RE-ELECTION OF JOHANN JOOSTE-JACOBS

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

Mr Jooste-Jacobs was appointed as a Director of Magnis in August 2010. He is the Chairman of the the Audit and Remuneration Committees.

Johann has more than 35 years experience in the resource sector where he has managed established companies, acquisitions, expansions and start-up mining operations in Australia, South Africa and Indonesia. He is currently Executive Chairman of King Island Scheelite Limited and a Non-Executive Director of Australian Zircon NL. Johann is a Fellow member of both the Institute of Chartered Accountants and the Institute of Company Directors of Australia.

The Directors (with Mr Johann Jooste-Jacobs abstaining) recommend that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – ELECTION OF DIRECTOR COLIN (COBB) JOHNSTONE

In accordance with Rule 16.13 of the Company's Constitution, Mr Colin (Cobb) Johnstone is nominated for election and being eligible, is elected as a Director of the Company.

Mr Johnstone was appointed as a Director of Magnis in May 2016.

Cobb is a mining engineer with extensive experience building and operating mines in Africa, Australia, Asia and South America. He held the position of Chief Operating Officer for African copper miner Equinox Minerals until its acquisition by Barrick Gold in mid-2011, and Chief Operating Officer for China-focussed gold miner Sino Gold Mining until its acquisition by Eldorado in late 2009. Mr Johnstone's distinguished career spans more than 30 years and he has served as General Manager of some of Australia's largest mines including the Kalgoorlie Super Pit in Western Australia, Olympic Dam in South Australia and Northparkes in New South Wales.

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

RESOLUTION 4 – ELECTION OF DIRECTOR LEN ELDRIDGE

In accordance with Rule 16.13 of the Company's Constitution, Mr Len Eldridge is nominated for election and being eligible, is elected as a Director of the Company.

Mr Eldridge was appointed as a Director of Magnis in May 2016.

Len is a mining finance professional with a diverse commercial skillset. Previous roles he has held include Head of Investor Relations at Equinox Minerals, Head of Business Development and Investor Relations at Mount Gibson Iron, Associate Director and Senior Mining Analyst at Macquarie Group and Senior Resources Analyst at leading Australian institutional fund manager, JCP Investment Partners. Mr Eldridge is currently a principal of Fivemark Partners, a strategic financial, business development and investor relations advisory business.

The Directors (with Mr Len Eldridge abstaining) recommend that Shareholders vote in favour of Resolution 4.

RESOLUTION 5 – GRANTING OF UNLISTED OPTIONS TO DIRECTORS

As announced to the ASX on 30 May 2016, the Company advised that it had conducted a review of the Board and Senior Management remuneration. This was undertaken by the Remuneration Committee and highlighted a relatively low level of share-based incentives to Directors.

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 enters the development phase of 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 21 October 2019, three years from the date of the 2016 AGM.

Frank Poullas
Johann Jooste-Jacobs
Peter Tsegas
Colin (Cobb) Johnstone
Len Eldridge

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 21 November 2016. 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 each individual Director abstained from approving their own unlisted options) recommend that Shareholders vote in favour of Resolution 5.

RESOLUTION 6 – RATIFICATION OF SHARE BASED PAYMENTS OF UNLISTED OPTIONS TO CORPORATE ADVISORS

Share based payments since the 2015 AGM, aggregating to 7,500,000 unlisted options in the Company, were issued and spread across various corporate advisory firms 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 various exercise prices and varying expiry dates as depicted in 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.

Number of Options	Exercise Price	Issue Price	Expiry Date
1,000,000	\$0.395333	\$0.1255	6/11/2018
1,000,000	\$0.495333	\$0.1004	6/11/2018
1,500,000	\$0.395333	\$0.1095	30/11/2017
1,500,000	\$0.40	\$0.2390	30/11/2017
1,000,000	\$0.60	\$0.1539	30/11/2017
1,500,000	\$0.50	\$0.4472	23/02/2018

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

RESOLUTION 7 – RATIFICATION OF SHARE BASED PAYMENTS OF UNLISTED OPTIONS TO KEY MEMBERS

Share based payments since the 2015 AGM, aggregating to 950,000 unlisted options in the Company, were issued and spread across various key members of the Company based in Africa for consulting services provided during the past financial year.

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

All 950,000 securities were issued at an exercise price of \$0.70 and with an expiry date of 3rd August 2019. The terms are subject to the same terms of the Company's existing unlisted options. The issue price of these securities is \$0.2789. No funds are being raised by the issue of these options.

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

RESOLUTIONS 8 & 9

- **RATIFICATION OF PLACEMENT OF SHARES ANNOUNCED 12th FEBRUARY 2016 – WORKING CAPITAL**
- **RATIFICATION OF PLACEMENT OF SHARES ANNOUNCED 12th OCTOBER 2015 – WORKING CAPITAL**

Under ASX Listing Rule 7.1, a Company must not issue more than 15% of its equity securities without first obtaining the approval of shareholders. ASX Listing Rule 7.4.2 provides that shareholders may subsequently approve an issue of securities so that the securities issued are regarded as having been made with shareholder approval for the purposes of Listing Rule 7.1.

Accordingly, Resolutions 8 and 9 seek ratification for the following tranches of shares issued without Shareholder approval:

- 10,000,000 fully paid ordinary shares issued 16, 26 October and 23 November 2015 ; and
- 8,571,429 fully paid ordinary shares issued 19, 26 February and 1 April 2016.

Out of the issue of the 10,000,000 shares that began on 16 October 2015, 3,502,078 (issued on 16 October 2015) shares were within the 15% limit permitted by ASX Listing Rule 7.1 for the period up until the 2015 AGM. Then 2,900,422 shares were issued on 16 and 26 October 2015 as part of ASX Listing Rule 7.1A. As the 15% limit permitted by ASX Listing Rule 7.1 was approved and reset following shareholder approval at the AGM on 6 November 2015, the remaining 3,597,500 shares were issued and were within the 15% limit permitted by ASX Listing Rule 7.1 for the period up until the 2016 AGM.

The issue of the 8,571,429 shares on 19, 26 February and 1 April 2016 were within the 15% limit permitted by ASX Listing Rule 7.1 for the period up until the 2016 AGM.

ASX Listing Rule 7.1A enables small to mid-cap listed companies to seek shareholder approval by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placements over a 12 month period (**10% Placement Facility**). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

The Company will not be able to seek shareholder approval at the 2016 AGM for issuing securities via ASX Listing Rule 7.1A as the Company was included the S&P/ASX 300 index effectively at 16 September 2016 and currently has a market capitalisation of over \$300 million.

For the purposes of ASX Listing Rule 7.5, the following information is provided in respect of shares issued on 16 and 26 October and 23 November respectively.

Issue Date	16 & 26 October and 23 November 2015
Number of securities	10,000,000
Issue Price	\$0.40 per share
Terms of issue	The Shares rank equally with all existing Shares on issue
Allottees	The Shares were issued through a private placement to sophisticated investors sourced by the Company.
Use of funds raised	Working capital – exploration expenditure

For the purposes of ASX Listing Rule 7.5 the following information is provided in respect of shares issued on 19 & 26 February and 1 April 2016.

Issue Date	19 & 26 February and 1 April 2016
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Number of securities	8,571,429
Issue Price	\$0.35 per share
Terms of issue	The Shares rank equally with all existing Shares on issue
Allottees	The Shares were issued through a private placement to sophisticated and institutional investors from Australia and overseas.
Use of funds raised	Working capital – exploration expenditure

A voting exclusion statement in respect of Resolutions 8 and 9 respectively is set out in this Notice of Meeting.

The Directors recommend that Shareholders vote in favour of Resolutions 8 and 9.

RESOLUTION 10 – APPROVAL OF ISSUE OF CONSULTANT OPTIONS

Background and Listing Rule 7.1 Approval

A number of consultants of the Company have assisted the Company with its promotion objectives and battery test work and development stages and are 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 1,500,000 unlisted options to the consultants of the Company 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 purpose of ASX Listing Rule 7.3, the following information is provided:

- (1) a total of 1,500,000 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 consultants in consideration for assistance with the Company's progress and success;
- (6) each option entitled 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 equal to the VWAP of the Shares over the last fifteen (15) trading days on which sales were recorded up to and including the date of issue of the Options (**Exercise Price**);
- (8) Each Option will expire at 5pm (EDST) on 24 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.

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 21 October 2016 at the York Conference & Function Centre, Level 2, 99 York Street, Sydney NSW at 10:00am (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

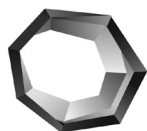
Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires

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

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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 **10:00am (AEDT) on Wednesday, 19 October 2016**, 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 **10:00am (AEDT) on Friday, 21 October 2016 at The York Conference & Function Centre, Level 2, 99 York Street, Sydney NSW 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 5, 6, 7, 8, 9 and 10: 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, 5, 6, 7, 8, 9 and 10, 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"/>	9 Ratification of Placement of Shares announced 12th October 2015 – Working Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Johann Jooste-Jacobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval of Issue of Consultant Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director – Colin (Cobb) Johnstone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Election of Director – Len Eldridge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Granting of Unlisted Options to Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Ratification of Share Based Payments of Unlisted Options to Corporate Advisors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Ratification of Share Based Payments of Unlisted Options to Key Members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Ratification of Placement of Shares announced 12th February 2016 – Working Capital	<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 PRX1602D