



8 November 2016

Notice pursuant to Listing Rules 7.12.1 and 7.12.9

Michael Hill International Limited ('the Company') hereby gives notice that it has issued the following ordinary shares as a consequence of the exercise of options issued by the Company to an employee of the Company between 8 November 2007 and 29 November 2013. The employee has now left the Company.

Listing Rule 7.12.1

(a) Class of Security and ISIN:	Ordinary Shares
(b) Number issued, acquired or redeemed:	3,600,000
(c) Nominal value and issue price, acquisition price or redemption price:	AUD\$3,999,248
(d) Whether payment was in cash:	In cash prior to issue
(e) Any amount paid up:	In full
(f) Principal terms of the Securities (other than for Quoted Securities), for example, the exercise price and exercise date in respect of an Option, or the conversion price and conversion date in respect of Convertible Securities or the ranking of the Securities in relation to other Classes of Securities:	Exercise of 3,600,000 Options with an exercise price of 2,000,000 options at NZ\$1.25 per option (AUD\$1.17 per option) 400,000 options at NZ\$0.94 per option (AUD\$ 0.88per option) 400,000 options at NZ\$0.88 per option (AUD\$0.82 per option) 400,000 options at NZ\$1.16 per option (AUD\$1.09 per option) 400,000 options at NZ\$1.41 per option (AUD\$1.32 per option) which could be exercised within 3 months of termination of employment with the Company.
(g) Percentage of the total Class of Securities issued, acquired or redeemed:	0.94%
(h) Reason for the issue, acquisition or redemption:	Pursuant to the exercise of options vested in an employee of the Company between November 2007 and November 2013 as a component of his remuneration package

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| (i) | Specific authority for the issue, acquisition or redemption: | The issue of the options was authorised by way of a Shareholder Resolution dated 8 November 2007 and Board Resolutions dated 5 November 2009 and 29 November 2013 and the issue of Ordinary Shares pursuant to the exercise of the options by a directors' resolution dated 2 November 2016 |
| (j) | Terms or details of the issue, acquisition or redemption: | n/a |
| (k) | Total number of Securities of the Class in existence after the issue, acquisition or redemption: | 387,238,513 |
| (l) | In the case of an acquisition of shares by an Issuer which is a company registered under the Companies Act 1993, whether those shares are to be held as Treasury Stock: | n/a |
| (m) | Dates of issue, acquisition or redemption: | 8 November 2016 |

Listing Rule 7.12.9

In respect of the same exercise of options the Company gives notice pursuant to Listing Rule 7.12.9 of the matters required by that rule:

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| (a) | Number and class of securities converted: | 3,600,000 options to acquire ordinary shares |
| (b) | Number and class of securities converted into: | 3,600,000 fully paid ordinary shares |
| (c) | Interest or dividend conditions: | The options to acquire ordinary shares held no entitlement to participate in dividends or vote. The new fully paid ordinary shares will rank equally with all other ordinary shares on issue in respect of future dividends and voting. |
| (d) | Number of securities of the same class remaining to be converted: | These options were amongst a class of options issued to employees since 2007 which in aggregate amount to 13,250,000.

7,250,000 options in that class, but all being held by other employees, remain to be exercised. |


 Yours faithfully
M A Greaves
Company Secretary