

For personal use only



21 July 2016

Ben Tippett
ASX Compliance
Adviser, Listings Compliance (Perth)
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

Ground Floor
22 Delhi Street
West Perth WA 6005
PO Box 1388
West Perth WA 6872
Telephone 08 9226 1777
Facsimile 08 9485 2840
info@magres.com.au
www.magres.com.au

ABN: 34 121 370 232

Dear Ben,

RE: Appendix 3Y's

I refer to your letter dated 21 July 2016 re the late lodgement of the Appendix 3Y's for Magnetic Resources NL directors.

Answers below correspond to the numbering of your questions in your letter.

1. Please explain why the Appendices 3Y were lodged late.

As advised in my email to ASX dated 20 July 2016, the issue was an oversight by the Company Secretary. Upon becoming aware of the oversight, the Company Secretary made the lodgements with the ASX and also provided an email explanation to the ASX advising of the oversight.

On 17 June 2016, the Appendix 3B and cleansing statement noting the issue of shares to related parties was made following shareholder approval at the 31 May 2016 meeting. The appendix 3Y's were prepared and ready to be lodged, but an administrative oversight saw them not lodged.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?

All directors are aware of their obligations and the Company has arrangements in place to report the movement in all director holdings under dealing rules. The issue of shares on this occasion was following shareholder approval and within the required 1 month time period as approved by shareholders. The lodgement was simply an administrative oversight.

3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with Listing Rule 3.19B?

Not Applicable. All arrangements are adequate. The lodgement was simply an administrative oversight.

Regards

Ben Donovan
Company Secretary



21 July 2016

Ben Donovan
Company Secretary
Magnetic Resources NL
22 Delhi Street
West Perth WA 6005

By Email

Dear Mr Donovan,

Magnetic Resources NL (the "Company")

I refer to the following:

1. The Company's announcements lodged with ASX Limited ("ASX") on 20 July 2016 regarding change of director's interest notices for Mr George Sakalidis and Mr Eric (Jin Huei) Lim ("Appendices 3Y").
2. Listing Rule 3.19A, which requires an entity to tell ASX the following:
 - 3.19A.1 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times:*
 - *On the date that the entity is admitted to the official list.*
 - *On the date that a director is appointed.*

The entity must complete an Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
 - 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete an Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
 - 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete an Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.*

For personal use only

3. Listing Rule 3.19B, which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by Listing Rule 3.19.A. The entity must enforce the arrangements with the director.

As the Appendices 3Y indicate that the changes in Mr Sakalidis's and Mr Lim's notifiable interests occurred on 16 June 2016, the Appendices 3Y should have been lodged with the ASX by 23 June 2016. As the Appendices 3Y were lodged on 20 July 2016, it appears that the Company may be in breach of Listing Rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the Listing Rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the Listing Rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the Listing Rules.

Having regard to Listing Rules 3.19A and 3.19B and Guidance Note 22 *Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*, we ask that you answer each of the following questions.

1. Please explain why the Appendices 3Y were lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with Listing Rule 3.19B?

Your response should be sent to me by e-mail to Ben.Tippett@asx.com.au. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than **3:00 pm WST on Monday 25 July 2016**.

Under Listing Rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Ben Tippett
Adviser, Listings Compliance (Perth)