

CBOE Research Circular #RS17-276

Date: May 12, 2017

To: Permit Holders
From: Scott Speer
RE: Mason Resources Corporation ("EGI")
Mandatory Exchange
Effective Date: May 12, 2017

On May 1, 2017, Shareholders approved a Plan of Arrangement ("Plan") for the reorganization of Entree Gold Inc. ("EGI"). As parts of the Plan, EGI Common Shares will undergo a mandatory exchange and effect a distribution of (New) Mason Resources Corporation Common Shares. Each Entrée Gold Inc. share will be exchanged for one (1.0) (New) Entrée Resources Ltd. Common Share, and each EGI shareholder will receive 0.45 of a Mason Resources Corporation share for each EGI share held. **The mandatory exchange will become effective before the open on Friday, May 12, 2017.**

Note: Mason Resources Corporation Common Shares will trade on the Toronto Stock Exchange and are not expected to trade on a U.S. exchange. Consequently, a USD cash equivalent for the Mason Resources Corporation shares will be determined and included in the EGI1 option deliverable.

Contract Adjustment

Pursuant to Article VI, Section 11 of OCC's By-Laws, all EGI options outstanding as of Friday, May 12, 2017, shall be adjusted to require the per-contract delivery or receipt of the following: **(A) 100 shares of (New) Mason Resources Corporation ("EGI") Common Stock; plus (B) the USD cash equivalent of 45 (0.45 x 100) Mason Resources Corporation Common Shares.** The EGI option symbol will change to **EGI1**. Premiums and strike-price amounts for the adjusted EGI1 options will continue to be calculated on the basis of a multiplier of 100, *i.e.*, for premium and strike-price extensions, 1.00 will equal \$100. Strike prices will remain the same. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

Adjusted Option Symbols

On Friday, May 12, 2017, trading in EGI series will be on an adjusted basis. At 8:30 A.M., Chicago time, an opening rotation will be effected with the following adjustments:

EXISTING SERIES					ADJUSTED SERIES				
EGI	2.50	2017-05-19	C/P	=>	EGI1	2.50	2017-05-19	C/P	
EGI	5.00	2017-05-19	C/P	=>	EGI1	5.00	2017-05-19	C/P	
EGI	2.50	2017-06-16	C/P	=>	EGI1	2.50	2017-06-16	C/P	
EGI	5.00	2017-06-16	C/P	=>	EGI1	5.00	2017-06-16	C/P	
EGI	2.50	2017-09-15	C/P	=>	EGI1	2.50	2017-09-15	C/P	
EGI	5.00	2017-09-15	C/P	=>	EGI1	5.00	2017-09-15	C/P	
EGI	2.50	2017-12-15	C/P	=>	EGI1	2.50	2017-12-15	C/P	
EGI	5.00	2017-12-15	C/P	=>	EGI1	5.00	2017-12-15	C/P	



EXECUTE SUCCESSSM

New Unadjusted Series

To facilitate the maintenance of a fair and orderly market in (New) Mason Resources Corporation ("EGI") options, new EGI series with a contract unit of 100 shares will be introduced on Monday, May 15, 2017. These series will be added for May, June, September, and December expirations at exercise prices nearest the money, and will use the standard security symbol of EGI.

Settlement Procedures

The EGI component of the EGI1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the EGI1 deliverable until the USD cash equivalent of MNR shares is determined. Upon determination of USD cash equivalent of the MNR shares, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

GTC Order Conversion

On Thursday, May 11, 2017, immediately after the CBOE close, the system will convert or cancel all resting orders in the EGI order book. If your firm has requested, all booked orders (phone, wire, and electronic) and all OHS orders residing outside the book (booth or crowd routed) will be converted reflecting the adjustments. If your firm has requested, all booked orders and OHS orders residing outside of the book will be canceled. If your firm receives CXL drops, the CXL confirms will print at your booth at 3:15 p.m. OHS CXLs will also be transmitted electronically to your branches.

A report will be available at the Help Desk listing the orders that are converted or canceled. If converted, this list will also show how the new orders will be adjusted. This report will be available on request anytime during the day prior to the night of the adjustment.

Position and Exercise Limits

The CBOE Regulatory Division has determined that: "The position and exercise limits will remain the same."

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

<http://www.cboe.com/ContractAdjustments>