



MAGNETITE MINES
High Grade Iron Ore Concentrate

ASX Announcement

7 May 2021

Commitments to raise \$7 Million

The Directors of Magnetite Mines Limited (ASX:MGT) (**Company**) are pleased to announce that the Company has received binding commitments from sophisticated and institutional investors (as defined under section 708 of the Corporations Act 2001) to raise up to \$7,008,000 (before costs) via a placement.

The Company will issue up to 120,827,586 fully paid ordinary shares (**Shares**) at an issue price of \$0.058 per share (**Placement**). The Shares are expected to be issued on Friday 14 May 2021 under the Company's Listing Rule 7.1 placement capacity and are therefore not subject to further shareholder approval. Shares issued under the Placement will rank equally with all existing shares from the date of issue.

The Placement is priced at a premium of 2% to the 5 day volume weighted average price of the Company's shares traded over the 5 days on which sales in the shares were recorded up to and including 5 May 2021.

Funds raised from the Placement will be used for the costs to the issue, to advance studies for the Razorback High Grade Iron Ore Project and general working capital.

Reflecting on the capital raise, Executive Chairman, Peter Schubert said, "We welcome two new institutions, both with substantial expertise in the resource sector, to the register who, through this investment, have demonstrated their confidence in the Company and its project. We look forward to working with them as the Company moves toward its goal of becoming a high-grade iron ore producer.

Your Board is very conscious of the large number of shareholders who have supported the Company on our journey so far. We believe that this placement, which is modest in proportion to the Company's market capitalisation, has considerable longer-term benefits for all shareholders. It brings sophisticated and institutional investors on to our register, which is a positive development as we move the Razorback iron ore project forward, it underpins the financial position of the business and it increases the funds available for the Company's exciting development programme.

Most importantly, it provides a firm financial foundation for your Company as we work towards completing the PFS, which is due by the end of the first half of this year.

Not for release to US wire services or distribution in the United States

This announcement has been authorised for release to the market by the Board.

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