

ASX ANNOUNCEMENT

19 APRIL 2022

RENOUNCEABLE RIGHTS ISSUE TO RAISE UP TO \$15.8 MILLION

- **1 for 5 Renounceable Rights Issue to raise up to \$15.8 million**
- **Partially underwritten to \$5 million by Lead Manager Mahe Capital**
- **Attractively priced at 2.5 cents per share**
- **Discount of 39% to the last price of 4.1 cents and 26% to the 30-day VWAP**
- **With every 2 New Shares, shareholders receive 1 free attaching New Option**
- **New Options will have Exercise Price of 5 cents, term of 1 year and will be listed**
- **Shareholders can trade their rights and apply for additional shares and options**
- **Rights to start trading from 21 April 2022**
- **Directors intend to participate in full or in part**
- **Funds to be used to complete the Definitive-Feasibility Study (DFS) for the Company's flagship Razorback Iron Ore Project and to advance discussions with project financiers.**

Magnetite Mines Limited ("MGT" or "the Company") is pleased to announce that it is undertaking a 1 for 5 renounceable rights issue ("**Rights Issue**") at 2.5 cents per share to raise up to approximately \$15.8 million before costs. For every 2 new shares subscribed, eligible shareholders will receive 1 free attaching new option with an exercise price of 5 cents expiring 12 months from issue. The Company will apply for the quotation of the new options on the ASX.

The rights issue price represents a discount of:

- 39% to the Company's last close of \$0.041 on 14 April 2022; and
- 26% to the Company's 30-day VWAP of \$0.0336.

The Rights Issue is open to all eligible shareholders who have a registered address within Australia or New Zealand, and who hold Shares on the Record Date. The Rights Issue will close on 13 May 2022 (unless extended), and eligible shareholders can apply for shortfall in excess of their entitlement. Shareholders can also trade their rights from 21 April 2022.

Funds raised will be used to materially complete technical investigations and engineering for the Definitive-Feasibility Study (DFS) for the Company's flagship Razorback Iron Ore Project (based on current forecasts and proposed work) and to advance discussions with project financiers. Additionally, the proceeds will be used for general working capital and to cover costs associated with the Offer. The Rights Issue is partially underwritten to \$5 million by Lead Manager and Underwriter Mahe Capital Pty Ltd (ACN 634 087 684) (AFSL 517246) ("Mahe Capital"). All Directors intend to participate in full or in part in the Rights Issue.

All New Shares issued will rank equally with existing shares on issue and the Company will apply for quotation of the New Shares and Options. A prospectus in relation to the Rights Issue was lodged with

ASIC on 19 April 2022 and, together with a personalised entitlement acceptance form, will be sent to eligible shareholders shortly after the Record Date.

Eligible shareholders should consider the prospectus in deciding whether to acquire securities under the Rights Issue and will need to follow the instructions on the entitlement and acceptance form that will accompany the prospectus. The following are indicative dates in respect of the capital raising:

Event	Date
Ex entitlement date	21 April 2022
Rights trading commences on a deferred settlement basis	
Record Date for determining entitlements (5:00pm AEST)	22 April 2022
Prospectus and personalised Entitlement and Acceptance Forms sent out to Eligible Shareholders	27 April 2022
Rights trading ends	6 May 2022
Closing date of entitlement issue (5:00pm AEST)	13 May 2022
Notify ASX of results of the Offer	18 May 2022
Issue of entitlement securities	
Normal trading of New Shares expected to commence	20 May 2022

These dates are indicative only and may change, subject to the Corporations Act and Listing Rules.

Magnetite Mines' Executive Chairman Peter Schubert said: *"We thank our shareholders for their continued support which has been instrumental in taking the Company to this exciting point of transformation.*

With this rights issue, the Board continues to ensure shareholders have priority access to fundraising and the opportunity to share in the Company's growth and development as it positions itself for long-term success as a significant iron ore producer."

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

For further information contact:

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