



magnetic resources<sup>NL</sup>

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## **SPIN-OUT OF WESTERN AUSTRALIAN NI-PD AND REE ASSETS TO FORM AUREOLE RESOURCES**

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- **Magnetic intends to spin-out its 100%-owned Western Australian nickel and rare earth tenements into a new Initial Public Offering (IPO) to form a dedicated ASX-listed critical mineral focused exploration vehicle, Aureole Resources Limited.**
  - **The spin-out allows Magnetic to focus on its gold assets located in the Laverton district of Western Australia**
  - **Aureole Resources will undertake an IPO to raise a minimum of \$5M and up to \$7M at an issue price of \$0.20 subject to shareholder and regulatory approvals**
  - **Eligible Magnetic shareholders will be entitled to participate in a priority offer of IPO shares**
  - **Magnetic will retain upside exposure through an approximate 30% cornerstone equity holding in Aureole Resources (implied value of \$2.68M at \$0.20 IPO price)**
  - **Ventnor Securities Pty Ltd have been appointed Lead Manager to the IPO**
  - **Prospectus for the IPO to be lodged in the coming months**

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Magnetic Resources NL (ASX:MAU) ("**Magnetic**" or the **Company**) is pleased to confirm that it has decided to spin out its non-gold assets being predominantly the nickel and rare earth tenements held around the Julimar area of Western Australia, into a new listed, Aureole Resources Ltd ("Aureole").

The spin-out will enable Magnetic to focus its attention on the ongoing development of its gold assets located around the Laverton region of Western Australia, while simultaneously providing an opportunity for investors to gain increased exposure to the Company's earlier-stage nickel and rare earth exploration projects in Western Australia.

The proposed spin-off assets include 6 projects covering 523 sq km of ground including, Benjabbering (E70/5537), Goddard (E70/5538), Trayning (E70/5534), Trayning West (E70/6304), and Korrelocking (E70/5771) and Koorda (E70/6305). All tenements are within 90km out to 150km northeast of Chalice Gold Mines Limited's Julimar Ni-Pd Discovery.

All tenements have been selected based on aeromagnetic interpretation after noting the structural setting of the Julimar complex and the Gonville mineralised discrete magnetic mineralised Ni-Cu-PGE rich intrusion.

Magnetic will seek shareholder approval for the spin-out of the nickel and rare earths to Aureole at an upcoming General Meeting to be held shortly.

Aureole proposes to undertake an IPO to raise a minimum of \$5m and up to \$7m at an issue price of \$0.20 per share. The proposed IPO will include a priority offer to eligible Magnetic shareholders as well as a public offer to new investors (see Table 1 below).

Commenting on the spin off, Managing Director George Sakalidis said “*we have decided to spin off these assets to allow for their development as stand-alone assets while we focus on the development of our gold assets. The nickel and rare earth assets have significant potential for a major discovery which Magnetic shareholders will continue to maintain exposure to through the large shareholding that Magnetic will continue to hold.*”

Ventnor Securities Pty Ltd have been appointed Lead Manager to the IPO.

**Table 1: Indicative capital structure of Aureole following completion of IPO**

	Number of Shares	
	Min \$5,000,000	Max \$7,000,000
Magnetic Resources	13,400,000	13,400,000
Directors	1,500,000	1,500,000
Advisers, seed and others	5,000,000	5,000,000
IPO (with priority entitlement to MAU shareholders)	25,000,000	35,000,000
<b>TOTAL (undiluted)</b>	<b>44,900,000</b>	<b>54,900,000</b>
<b>Market Cap (undiluted)</b>	<b>\$8,980,000</b>	<b>\$10,980,000</b>
Options <sup>1</sup>	12,500,000	12,500,000
Performance Rights <sup>2</sup>	3,000,000	3,000,000
<b>TOTAL (diluted)</b>	<b>60,400,000</b>	<b>70,400,000</b>
<b>Market Cap (diluted)</b>	<b>\$12,080,000</b>	<b>\$14,080,000</b>

1. Options exercisable at \$0.25 on or before 3 years from listing and options exercisable at \$0.30 on or before 3 years from listing.

2. Performance rights based on a \$0.30 and \$0.40 share price hurdle.

Further details around the IPO will be available in the prospectus to be lodged by Aureole for the IPO in the coming months.

For more information on the Company visit [www.magres.com.au](http://www.magres.com.au)

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This announcement has been authorised for release by Managing Director George Sakalidis.