



ASX Announcement and Media Release

16 May 2018

Results of the Renounceable Rights Issue and Private Placement

Magnetite Mines Limited (ASX: MGT) (**Company**) is delighted to advise that the renounceable pro-rata rights issue to eligible shareholders announced to the ASX on Wednesday, 11 April 2018 (Rights Issue) closed on Thursday 10 May 2018, oversubscribed after taking into account the demand for possible shortfall.

Strong support from existing shareholders and from new investors buying rights on market resulted in the Company receiving valid entitlements for 83,690,045 shares, raising approximately \$1.255 million (before costs) and representing a 60% take-up under the issue.

The maximum number of New Shares that were available to be issued was 139,724,133 leaving a shortfall of 56,034,088 shares (**Shortfall Securities**). Applications from existing shareholders for additional shares, when combined with the high demand from new investors to participate in any shortfall, led to the total demand for Shortfall Securities far exceeding the number of Shortfall Securities available.

To accommodate this demand, the Company has agreed to undertake an additional private placement (**Additional Placement**). The Additional Placement, to unrelated sophisticated investors to be issued on the same terms as the Rights Issue for 19,965,912 shares and 19,965,912 options to raise an additional \$299,488 (before costs) using a portion of the Company's capacity available under Listing Rule 7.1. The funds raised from the Additional Placement will be allocated pro-rata to the proposed uses of funds set out in the Prospectus.

Funds raised by the Rights Issue and Additional Placement total approximately \$2.395 million (before costs).

Mr Gordon Toll, Chairman, said: *"On behalf of the Board I want to thank shareholders for their tremendous support for the Offer – it is a great endorsement by shareholders of the Company's and its strategy going forward with the merger transaction."*

The Company is delighted with the level of support from existing shareholders and from CPS Capital which acted as Lead Manager and partial Underwriter; we welcome new shareholders including those who took advantage of the opportunity to purchase renounceable rights.

Holding statements for the new shares and new options will be issued in accordance with the Rights Issue timetable laid out in the Prospectus.

For further information contact:

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MAGNETITE MINES LIMITED

Issued Shares: 558.9M (pre-rights issue)

ASX Code: MGT