

## ASX Announcement

23 April 2020

# *Results of the Renounceable Rights Issue and Private Placement*

- **Renounceable rights issue oversubscribed raising in excess of the \$1.206 million**
- **Significant support from shareholders, directors and new investors in an extremely challenging market**

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 Monday 23 March 2020 (**Rights Issue**) closed on Tuesday 21 April 2020, oversubscribed after taking into account the demand for possible shortfall.

Strong support from existing shareholders and from new investors has resulted in the Company receiving valid entitlements for shares, raising approximately \$857,637 (before costs) and representing a 71% take-up under the issue.

The maximum number of New Shares that were available to be issued was 1,206,134,287 leaving a shortfall of 348,497,547 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 some of 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 shares to raise an additional \$75,000 (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 used for general working capital purposes.

Funds raised by the Rights Issue and Additional Placement total approximately \$1.281 million (before costs).

The new shares are expected to be issued on Tuesday 28 April 2020 in accordance with the timetable outlined in the Prospectus. The final allocation of the new shares under the rights issue is set out below:

	<b>Funds raised</b>	<b>Number of Shares</b>
Entitlements taken up	857,636.74	857,636,740
Additional shortfall applications	348,497.55	348,497,547
<b>Total shares to be issued pursuant to the rights issue</b>	<b>\$1,206,134.29</b>	<b>1,206,134,287</b>

Mr Peter Schubert, Chairman, said: *“On behalf of the Board I want to thank the eligible shareholders for their tremendous support for the rights issue under these extremely challenging market conditions – it is a great endorsement by shareholders and new investors of the Company and its strategy going forward. The Company is also delighted with the level of support from Mahe Capital which acted as Lead Manager and partial Underwriter.*

*Subsequent to the Rights Issue announcement, the Company received a non-binding indicative farm-in proposal from Braemar Mining Developments Pty Limited (**BMD**), a Company founded by RFC Ambrion Group Limited (**RFC Ambrion**) announced on 15 April 2020, the Company will now continue negotiating the BMD farm-in proposal which could provide a positive development pathway and the funding for completion of the Pre-Feasibility Study and Definitive Feasibility Study on the Project.”*

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

**For further information contact:**

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