

18 September 2020

CORPORATE UPDATE

- Continuation of suspension from official quotation
- Company to evaluate mineral exploration and development opportunities in Australia
- Company has issued convertible notes and entered into loan agreements to raise a total of \$400,000 for working capital

Ragnar Metals Limited (the **Company**, ASX code: **RAG**) provides the following update to the market.

1. Continuation of suspension from quotation – Listing Rules 12.1 and 12.2

Following the suspension of the Company's securities from quotation, ASX requested that the Company make a submission to ASX to demonstrate that the Company is in compliance with Listing Rules 12.1 as to having a sufficient level of operations and Listing Rule 12.2 as to its financial condition.

ASX determined following its consideration of the Company's submission that it is of the view that the Company does not presently have a sufficient level of operations or financial condition to warrant the reinstatement to quotation of its securities. ASX has indicated that it will review whether the Company complies with these Listing Rules in six months' time, and that the suspension from quotation of the Company's securities will continue until then.

The Company is considering its options to be able to satisfy ASX that it has a sufficient level of activities and financial condition to warrant the reinstatement to quotation of its securities. These options include the acquisition of additional mineral exploration assets, and raising of additional equity capital. The Company continues to evaluate appropriate opportunities to augment its exploration and development portfolio. Any substantial acquisitions are likely to require shareholder and regulatory approval.

The Company will update the market as and when there are any relevant developments.

2. Swedish operations

The Company is considering options to fund the next stage of exploration at its Granmuren project.

3. Working capital

To meet its immediate working capital requirements, the Company has raised \$400,000 to fund its working capital requirements by the issue of convertible notes to the value of \$200,000 to sophisticated investors (**Convertible Notes**), and unsecured loans from director-related entities and an unrelated party of \$200,000.

The issue of the Convertible Notes, which are convertible into a maximum number of 47,013,608 fully paid ordinary shares, has been made without shareholder approval using the Company's placement capacity under Listing Rule 7.1.



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RAG

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The Company chose to raise these funds by way of the issue of Convertible Notes rather than by way of a pro rata entitlements issue or securities purchase plan in order to be able to access the funds immediately. The Company's cash balance as at 30 June 2020 was \$142,060.

4.1 Convertible Notes

The key terms and conditions of the Convertible Notes are as follows.

Securities	Unsecured Convertible Notes (Notes)
Face Value	\$1.00 per Note
Purchase Price	Each Note has a purchase price of A\$1.00
Maturity Date	12 August 2021
Interest Rate	10% per annum
Interest Payments	In cash and payable quarterly or on the Conversion Date, or Redemption date where there are no outstanding Notes, as applicable.
Conversion Price	The lesser of: (a) \$0.004; and (b) 80% of the volume weighted average price of the Shares as traded on ASX on the 5 trading days immediately prior to the date of giving the Conversion Notice.
Conversion Securities	That number of Shares equal to the Face Value being converted divided by the Conversion Price, subject to the Maximum Conversion Number.
Maximum Conversion Number	The maximum number of Shares into which the Notes can be converted is 47,013,608. If following the issue of the Maximum Conversion Number of Shares to the Company upon conversion(s) of Notes, there remains an amount of the Principal outstanding (Amount Outstanding), the Noteholder cannot convert any of the Amount Outstanding into Shares, and that amount is subject to Redemption as set out below.
Redemption	Notes that have not been converted are redeemable for cash at 120% of Face Value at the Company's election at any time, or at the Maturity Date.
Events of Default	(a) An event of insolvency occurs with respect to the Company or any of its subsidiaries; or (b) The Company defaults on any payments or issues of securities due to the Noteholder.
Adjustments	In the event the Company conducts: <ul style="list-style-type: none"> a reorganisation of capital (as defined in the ASX Listing Rules), the number of securities or the Conversion Price or both must be reorganised so that the holder of the Notes will not receive a benefit that holders of Shares do not receive; or a bonus issue of shares or other securities to Shareholders (except in lieu of dividends) and Conversion Securities have not been issued in respect of a Note before the record date for the bonus issue, the number of Conversion Securities into which a Note will convert will be increased by the number of Shares the

	Noteholder would have received if the Note had converted before the record date.
Ranking	The Notes are unsecured debt obligations and rank pari passu with all other Notes

4.2 Loans

The Company has entered into agreements to borrow a total of \$200,000 from an entity controlled by Mr Steve Formica, an entity controlled by Mr Eddie King and an unrelated party lender (**Loans**). The Loans are unsecured, can be drawn down until 11 October 2020, will be repayable by 12 August 2021, and carry an interest rate of 10% per annum. The Company will pay a facility fee to the lenders of 6% of the funds drawn down. The terms of the Loans do not confer on either the Company or the lender a right to convert the Loan into equity securities. If the Company wishes to convert any amount of these Loans into equity in future, this would be subject to prior shareholder approval in accordance with Listing Rule 10.11 or Listing Rule 7.1 as appropriate.

This announcement has been authorised by the Board.

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