Rule 2.7, 3.10.3, 3.10.4, 3.10.5

### **Appendix 3B**

# New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Magnetic Resources NL

ABN

34 121 370 232

We (the entity) give ASX the following information.

#### Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- 1 +Class of +securities issued or to be issued
- 1 Fully paid ordinary shares (ASX: MAU)
- 2 Options
- 3 Contributing Shares (ASX: MAUCA)
- Number of \*securities issued or to be issued (if known) or maximum number which may be issued
- 1. 3,142,838
- 2. 1,050,000
- 3. 450,000
- Principal terms of the \*securities (e.g. if options, exercise price and expiry date; if partly paid \*securities, the amount outstanding and due dates for payment; if \*convertible securities, the conversion price and dates for conversion)

As per existing securities on issue

<sup>+</sup> See chapter 19 for defined terms.

4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? Yes. Options are unlisted If the additional +securities do not rank equally, please state: the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 5 Issue price or consideration \$0.07 per share 2. Nil 3. Nil Purpose of the issue 6 Issued as part of a placement as announced on 6 (If issued as consideration for the March 2013 and approved by shareholders on acquisition of assets, clearly 22 May 2013. identify those assets) 6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? Yes If Yes, complete sections 6b - 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i 6b The date the security holder 29 November 2012 resolution under rule 7.1A was passed Number of +securities issued 6c N/a without security holder approval under rule 7.1 Number of \*securities issued with Nil 6d security holder approval under rule 7.1A

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<sup>+</sup> See chapter 19 for defined terms.

6e Number of \*securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)

3,142,838 shares 450,000 contributing shares 1,050,000 options

General meeting held 22 May 2013.

6f Number of \*securities issued under an exception in rule 7.2

N/a

6g If \*securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the \*issue date and both values. Include the source of the VWAP calculation.

N/a

6h If \*securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements N/a

6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

See below

5 July 2013

7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

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Cross reference: item 33 of Appendix 3B.

8 Number and \*class of all
\*securities quoted on ASX
(including the \*securities in section
2 if applicable)

Number	+Class
83,246,192	Ordinary fully paid shares
19,668,862	Nil shares partly paid, \$0.20 unpaid

<sup>+</sup> See chapter 19 for defined terms.

9 Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)

Number	+Class
2,295,000	Options to acquire fully paid ordinary shares expiring 23.12.2014 with an exercise price of \$0.2709 each
2,145,000	Options to acquire fully paid ordinary shares expiring 21.12.2015 with an exercise price of \$0.4607 each
8,007,143	Options to acquire fully paid ordinary shares expiring 27.12.2.16 with an exercise price of \$0.1499 each

Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

N/a

#### Part 2 - Pro rata issue

11	Is security holder approval required?	N/a
12	Is the issue renounceable or non-renounceable?	N/a
13	Ratio in which the *securities will be offered	N/a
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	N/a
15	<sup>+</sup> Record date to determine entitlements	N/a
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/a

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<sup>+</sup> See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	N/a
18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.	N/a
	Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	N/a
20	Names of any underwriters	N/a
21	Amount of any underwriting fee or commission	N/a
22	Names of any brokers to the issue	N/a
23	Fee or commission payable to the broker to the issue	N/a
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/a
25	If the issue is contingent on security holders' approval, the date of the meeting	N/a
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/a
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/a
28	Date rights trading will begin (if applicable)	N/a
29	Date rights trading will end (if applicable)	N/a

<sup>+</sup> See chapter 19 for defined terms.

30		do security holders sell their ments in full through a r?	N/a
31	their o	do security holders sell <i>part</i> of entitlements through a broker ecept for the balance?	N/a
32	their	do security holders dispose of entitlements (except by sale th a broker)?	N/a
33	<sup>+</sup> Issue	date	N/a
	ed only c	Quotation of second place of the securities	
(a)	(tick o	ne) +Securities described in Part 1	
(b)	All other +securities  Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities  ties that have ticked box 34(a)		
Addit	ional s	ecurities forming a new cla	ass of securities
Tick to docume		e you are providing the informat	ion or
35			securities, the names of the 20 largest holders of the number and percentage of additional *securities held by
36	If the *securities are *equity securities, a distribution schedule of the addition *securities setting out the number of holders in the categories  1 - 1,000  1,001 - 5,000  5,001 - 10,000  10,001 - 100,000  100,001 and over		
37		A copy of any trust deed for the	ne additional <sup>+</sup> securities

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<sup>+</sup> See chapter 19 for defined terms.

Entit	ies that have ticked box 3	4(b)	
38	Number of *securities for which *quotation is sought		
39	<sup>+</sup> Class of <sup>+</sup> securities for which quotation is sought		
40	Do the *securities rank equally in all respects from the *issue date with an existing *class of quoted *securities?  If the additional *securities do not rank equally, please state:  • the date from which they do  • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment  • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment		
41	Reason for request for quotation now  Example: In the case of restricted securities, end of restriction period  (if issued upon conversion of another *security, clearly identify that other *security)		
42	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX ( <i>including</i> the <sup>+</sup> securities in clause 38)	Number	+Class

<sup>+</sup> See chapter 19 for defined terms.

#### **Quotation agreement**

- <sup>+</sup>Quotation of our additional <sup>+</sup>securities is in ASX's absolute discretion. ASX may quote the <sup>+</sup>securities on any conditions it decides.
- We warrant the following to ASX.
  - The issue of the \*securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those \*securities should not be granted \*quotation.
  - An offer of the \*securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any \*securities to be quoted and that no-one has any right to return any \*securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the \*securities be quoted.
- If we are a trust, we warrant that no person has the right to return the \*securities to be quoted under section 1019B of the Corporations Act at the time that we request that the \*securities be quoted.
- We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before <sup>†</sup>quotation of the <sup>†</sup>securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: .8 July 2013....

(Company secretary)

Print name: ....Ben Donovan...

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<sup>+</sup> See chapter 19 for defined terms.

## Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

Rule 7.1 – Issues exceeding 15% of capital  Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Add the following:	
<ul> <li>Number of fully paid *ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>Number of fully paid *ordinary securities issued in that 12 month period with shareholder approval</li> <li>Number of partly paid *ordinary securities that became fully paid in that</li> </ul>	N/a 14,999,406
<ul> <li>Note:</li> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	N/a
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	N/a
"A"	83,246,192

<sup>+</sup> See chapter 19 for defined terms.

Step 2: Calculate 15% of "A"		
"B"	0.15	
	[Note: this value cannot be changed]	
Multiply "A" by 0.15	12,486,927	
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used		
Insert number of +equity securities issued or agreed to be issued in that 12 month period not counting those issued:	443,662 fully paid shares	
• Under an exception in rule 7.2		
• Under rule 7.1A		
<ul> <li>With security holder approval under rule 7.1 or rule 7.4</li> </ul>		
<ul> <li>Note:</li> <li>This applies to equity securities, unless specifically excluded – not just ordinary securities</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>		
"C"	443,662	
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1		
"A" x 0.15	12,486,927	
Note: number must be same as shown in Step 2		
Subtract "C"	443,662	
Note: number must be same as shown in Step 3		
<i>Total</i> ["A" x 0.15] – "C"	12,043,265	
	[Note: this is the remaining placement capacity under rule 7.1]	

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<sup>+</sup> See chapter 19 for defined terms.

#### Part 2

Rule 7.1A – Additional placement capacity for eligible entities		
Step 1: Calculate "A", the base figure from which the placement capacity is calculated		
"A"	68,246,786	
Note: number must be same as shown in Step 1 of Part 1		
Step 2: Calculate 10% of "A"		
"D"	0.10	
	Note: this value cannot be changed	
Multiply "A" by 0.10	6,824,678	
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used		
Insert number of *equity securities issued or agreed to be issued in that 12 month period under rule 7.1A	2,000,000 shares	
Notes:  This applies to equity securities – not just ordinary securities  Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed  Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained  It may be useful to set out issues of securities on different dates as separate line items	2 000 000	
"E"	2,000,000	

<sup>+</sup> See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A		
"A" x 0.10	6,824,678	
Note: number must be same as shown in Step 2		
Subtract "E"	2,000,000	
Note: number must be same as shown in Step 3		
<b>Total</b> ["A" x 0.10] – "E"	4,824,678	
	Note: this is the remaining placement capacity under rule 7.1A	

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<sup>+</sup> See chapter 19 for defined terms.