



## Announcement Summary

**Entity name**

MAGNETITE MINES LIMITED.

**Announcement Type**

New announcement

**Date of this announcement**

19/4/2022

**The Proposed issue is:**☒ A standard pro rata issue (including non-renounceable or renounceable)☒ A placement or other type of issue**Total number of +securities proposed to be issued for a standard pro rata issue (including non-renounceable or renounceable)**

ASX +security code	+Security description	Maximum Number of +securities to be issued
New class-code to be confirmed	Option to be issued one FPO MGT share at an exercise price of \$0.05 expiring 12 months from issue	315,974,688
MGT	ORDINARY FULLY PAID	631,949,376

**Ex date**

21/4/2022

**+Record date**

22/4/2022

**Offer closing date**

13/5/2022

**Issue date**

20/5/2022

**Total number of +securities proposed to be issued for a placement or other type of issue**

ASX +security code	+Security description	Maximum Number of +securities to be issued
New class-code to be confirmed	Option to be issued one OFP MGT share at an exercise price of \$0.05 expiring 12 months from issue	47,396,202

**Proposed +issue date**

20/5/2022



Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

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**1.1 Name of +Entity**

MAGNETITE MINES LIMITED.

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

**1.2 Registered Number Type**

ABN

**Registration Number**

34108102432

**1.3 ASX issuer code**

MGT

**1.4 The announcement is**☒ New announcement**1.5 Date of this announcement**

19/4/2022

**1.6 The Proposed issue is:**☒ A standard +pro rata issue (non-renounceable or renounceable)☒ A placement or other type of issue**1.6a The proposed standard +pro rata issue is:**☒ + Renounceable



## Part 3 - Details of proposed entitlement offer issue

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### Part 3A - Conditions

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**3A.1 Do any external approvals need to be obtained or other conditions satisfied before the entitlement offer can proceed on an unconditional basis?**

☒ No

### Part 3B - Offer details

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**Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued**

**ASX +security code and description**

MGT : ORDINARY FULLY PAID

**Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?**

☒ Existing class

**Will the proposed issue of this +security include an offer of attaching +securities?**

☒ Yes

**If the entity has quoted company options, do the terms entitle option holders to participate on exercise?**

☒ No

### Details of +securities proposed to be issued

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**ASX +security code and description**

MGT : ORDINARY FULLY PAID

**ISIN Code (if Issuer is a foreign company and +securities are non CDIs)**

**ISIN Code for the tradable rights created under a renounceable right issue (if Issuer is foreign company and +securities are non CDIs)**

**Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)**

**The quantity of additional +securities to be issued**

1

**For a given quantity of +securities held**

5



**What will be done with fractional entitlements?**

Fractions rounded down to the nearest whole number or fractions disregarded

**Maximum number of +securities proposed to be issued (subject to rounding)**

631,949,376

**Offer price details for retail security holders**

**In what currency will the offer be made?**

AUD - Australian Dollar

**What is the offer price per +security for the retail offer?**

AUD 0.02500

**Oversubscription & Scale back details**

**Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?**

☒ Yes

**Describe the limits on over-subscription**

Refer to Prospectus dated 19 April 2022 (Prospectus) Section 8

**Will a scale back be applied if the offer is over-subscribed?**

☒ Yes

**Describe the scale back arrangements**

Refer to Prospectus Section 8

**Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?**

☒ Yes

Attaching +Security

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**Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?**

☒ New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

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**Details of attaching +securities proposed to be issued**

**ISIN Code (if Issuer is a foreign company and +securities are non CDIs)****ISIN Code for the tradable rights created under a renounceable right issue (if Issuer is foreign company and +securities are non CDIs)****Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?**☒ No**Will the entity be seeking quotation of the 'new' class of +securities on ASX?**☒ Yes**ASX +security code**

New class-code to be confirmed

**+Security description**

Option to be issued one FPO MGT share at an exercise price of \$0.05 expiring 12 months from issue

**+Security type**

Options

**Offer ratio (ratio of attaching securities at which the new +securities will be issued)****The quantity of attaching +securities to be issued**

1

**For a given quantity of the new +securities issued**

2

**What will be done with fractional entitlements?**

Fractions rounded down to the nearest whole number or fractions disregarded

**Maximum number of +securities proposed to be issued (subject to rounding)**

315,974,688

**Offer price details for retail security holders****In what currency will the offer be made?**

AUD - Australian Dollar

**What is the offer price per +security for the retail offer?**

AUD 0.00000

**Oversubscription & Scale back details****Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?**☒ Yes**Describe the limits on over-subscription**

Refer to Prospectus dated 19 April 2022 (Prospectus) Section 8

**Will a scale back be applied if the offer is over-subscribed?**☒ Yes



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**Describe the scale back arrangements**

Refer to Prospectus Section 8

**Will all the +securities issued in this class rank equally in all respects from their issue date?**

☒ Yes

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**Options details****+Security currency**

AUD - Australian Dollar

**Exercise price**

AUD 0.0500

**Expiry date**

18/5/2023

**Details of the type of +security that will be issued if the option is exercised**

MGT : ORDINARY FULLY PAID

**Number of securities that will be issued if the option is exercised**

One fully paid MGT share

**Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.**

The Rights Issue Prospectus has been lodged with ASX in a separate announcement and can be found on the Company's website <https://magnetitemines.com/>

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**Part 3C - Timetable****3C.1 +Record date**

22/4/2022

**3C.2 Ex date**

21/4/2022

**3C.3 Date rights trading commences**

21/4/2022

**3C.4 Record date**

22/4/2022

**3C.5 Date on which offer documents will be sent to +security holders entitled to participate in the +pro rata issue**

27/4/2022



**3C.6 Offer closing date**

13/5/2022

**3C.7 Last day to extend the offer closing date**

10/5/2022

**3C.8 Date rights trading ends**

6/5/2022

**3C.9 Trading in new +securities commences on a deferred settlement basis**

9/5/2022

**3C.11 +Issue date and last day for entity to announce results of +pro rata issue**

20/5/2022

**3C.12 Date trading starts on a normal T+2 basis**

23/5/2022

**3C.13 First settlement date of trades conducted on a +deferred settlement basis and on a normal T+2 basis**

25/5/2022

Part 3E - Fees and expenses

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**3E.1 Will there be a lead manager or broker to the proposed offer?**

☒ Yes

**3E.1a Who is the lead manager/broker?**

Mahe Capital Pty Ltd

**3E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?**

(a) A lead managers fee of \$60,000 (b) 3 New Options for every \$1 raised under this Prospectus (c) A management fee of 1% of the total amount raised under the Offer (d) An underwriting fee of 5% of the Underwritten Amount; (e) A placement fee of 5% of any Shortfall and other securities placed by the Underwriter beyond the Underwritten Amount. The Underwriter will, in the event the Underwriting Agreement is terminated in certain circumstances, be entitled to a termination fee of \$30,000; Reimbursement of reasonable costs

**3E.2 Is the proposed offer to be underwritten?**

☒ Yes

**3E.2a Who are the underwriter(s)?**

Mahe Capital Pty Ltd

**3E.2b What is the extent of the underwriting (ie the amount or proportion of the offer that is underwritten)?**

\$5,000,000



**3E.2c What fees, commissions or other consideration are payable to them for acting as underwriter(s)?**

(a) A lead managers fee of \$60,000 (b) 3 New Options for every \$1 raised under this Prospectus (c) A management fee of 1% of the total amount raised under the Offer (d) An underwriting fee of 5% of the Underwritten Amount (e) A placement fee of 5% of any Shortfall and other securities placed by the Underwriter beyond the Underwritten Amount. The Underwriter will, in the event the Underwriting Agreement is terminated in certain circumstances, be entitled to a termination fee of \$30,000;  
Reimbursement of reasonable costs

**3E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated**

Refer Section 8.4 of the Prospectus

**3E.2e Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed offer?**

☒ Yes

**3E.2e (i) What is the name of that party?**

See Section 10.2 of the Prospectus

**3E.2e (ii) What is the extent of their underwriting or sub-underwriting (ie the amount or proportion of the offer they have underwritten or sub-underwritten)?**

See Section 10.2 of the Prospectus

**3E.2e (iii) What fee, commission or other consideration is payable to them for acting as underwriter or sub-underwriter?**

See Section 10.2 of the Prospectus

**3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?**

☒ No

**3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer****Part 3F - Further Information****3F.1 The purpose(s) for which the entity intends to use the cash raised by the proposed issue**

Refer Section 5.2 of the Prospectus

**3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?**

☒ No

**3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?**

☒ No

**3F.4 Countries in which the entity has +security holders who will not be eligible to participate in the proposed issue**

All countries other than security holders in Australia and New Zealand

**3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing +securities**



☒ Yes

**3F.5a Please provide further details of the offer to eligible beneficiaries**

Refer to Section 8.9 of the Prospectus

**3F.6 URL on the entity's website where investors can download information about the proposed issue**

<https://magnetitemines.com/>

**3F.7 Any other information the entity wishes to provide about the proposed issue**

**3F.8 Will the offer of rights under the rights issue be made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act (as applicable)?**

☒ Yes

**3F.9 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:**

☒ The publication of a +disclosure document or +PDS for the +securities proposed to be issued



## Part 7 - Details of proposed placement or other issue

### Part 7A - Conditions

**7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?**

☒ No

### Part 7B - Issue details

**Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?**

☒ New class

**Will the proposed issue of this +security include an offer of attaching +securities?**

☒ No

Details of +securities proposed to be issued

**ISIN Code (if Issuer is a foreign company and +securities are non CDIs)**

**Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?**

☒ No

**Will the entity be seeking quotation of the 'new' class of +securities on ASX?**

☒ Yes

**ASX +security code**

New class-code to be confirmed

**+Security description**

Option to be issued one OFP MGT share at an exercise price of \$0.05 expiring 12 months from issue

**+Security type**

Options

**Number of +securities proposed to be issued**

47,396,202

**Offer price details**

**Are the +securities proposed to be issued being issued for a cash consideration?**

☒ No

**Please describe the consideration being provided for the +securities**

Part consideration to Mahe Capital Pty Ltd for the management and underwriting of a Rights issue dated 19 April 2022.

**Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities**

0.008200

**Will all the +securities issued in this class rank equally in all respects from their issue date?**

☒ Yes

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**Options details**

<b>+Security currency</b>	<b>Exercise price</b>	<b>Expiry date</b>
AUD - Australian Dollar	AUD 0.0500	18/5/2023

**Details of the type of +security that will be issued if the option is exercised**

MGT : ORDINARY FULLY PAID

**Number of securities that will be issued if the option is exercised**

47396202

**Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.**

Refer Prospectus dated 19 April 2022 lodged separately with ASX

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**Part 7C - Timetable****7C.1 Proposed +issue date**

20/5/2022

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**Part 7D - Listing Rule requirements****7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?**

☒ No

**7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?**

☒ Yes

**7D.1b ( i ) How many +securities are proposed to be issued without security holder approval using the entity's 15%**



**placement capacity under listing rule 7.1?**

47396202

**7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?**

☒ No

**7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?**

☒ No

**7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?**

☒ No

**7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?**

☒ No

Part 7E - Fees and expenses

**7E.1 Will there be a lead manager or broker to the proposed issue?**

☒ No

**7E.2 Is the proposed issue to be underwritten?**

☒ No

**7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue**

The options will be valued for accounting purposes on the day of issue. An indicative estimate of valuation has been derived using Black Scholes valuation methodology and the 30 day VWAP, which amounts to \$0.0082 per option.

Part 7F - Further Information

**7F.01 The purpose(s) for which the entity is issuing the securities**

Part consideration to Mahe Capital Pty Ltd for the management and underwriting of a Rights issue dated 19 April 2022.

**7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?**

☒ No

**7F.2 Any other information the entity wishes to provide about the proposed issue**

**7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:**

☒ The publication of a +disclosure document or +PDS involving the same class of securities as the +securities proposed to be issued that meets the requirements of section 708A(11) or 1012DA(11)

