

# Appendix 3B

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

Name of entity

**MAGNETIC RESOURCES NL**

ABN

**34 121 370 232**

We (the entity) give ASX the following information.

### Part 1 - All issues

#### No new issues to be issued

- 1 Class of securities issued or to be issued

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- 2 Number of securities issued or to be issued (if known) or maximum number which may be issued

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- 3 Principal terms of the securities (eg, 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)

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- 4 Do the securities rank equally in all respects from the date of allotment 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

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- 5 Issue price or consideration

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6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)		
7	Dates of entering securities into uncertificated holdings or despatch of certificates		
8	Number and class of all securities quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	Number	Class
9	Number and class of all securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	Number	Class
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)		

## Part 2 - Bonus issue or pro rata issue

### No issues to be advised

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the *securities will be offered	
14	Class of securities to which the offer relates	
15	Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	

18	Names of countries in which the entity has security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
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	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements <i>in full</i> through a broker?	
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do security holders dispose of their entitlements (except by sale	

through a broker)?

33      Despatch date

### Part 3 - Quotation of securities

34 Type of securities  
(tick one)

(a) ☐ Securities described in Part 1

(b) ☒ All other securities

#### Entities that have ticked box 34(a)

##### Additional securities forming a new class of securities

##### No new class of securities being formed

35 ☒ If the securities are equity securities, the names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders

36 ☒ If the securities are equity securities, a distribution schedule of the additional 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 additional securities

**Terms and conditions relating to Contributing Shares are attached**

#### Entities that have ticked box 34(b)

38	Number of securities for which quotation is sought	18,945,572
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39	Class of securities for which quotation is sought	Contributing shares nil paid with \$0.20 payable
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Do the securities rank equally in all respects from the date of allotment 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

No existing class of quoted securities

Refer to attachment for terms and conditions relating to the contributing shares already issued

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)

Quotation requested in respect of all contributing shares

42

Number and class of all securities quoted on ASX (*including* the securities in clause 38)

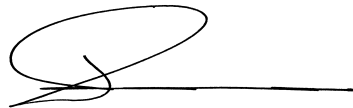
Number	Class
51,086,253	Ordinary fully paid
18,945,572	Contributing shares nil paid \$0.20 payable

### Quotation agreement

- Quotation of our additional securities is in ASX's absolute discretion. ASX may quote the 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.
  - 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.

- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the securities to be quoted, it has been provided 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.
- 3 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.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Signed:

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a horizontal line.

Company Secretary

Date: 15 January 2010

Print name:

Rudolf Tieleman

**MAGNETIC RESOURCES NL****SCHEDULE OF TOP 20 HOLDERS OF CONTRIBUTING SHARES**

<b>FULLNAME</b>	<b>Contributing Shares Held</b>
BARON IAN RONALD	2,051,999
SAKALIDIS GEORGE + JACQUELINE <SAKALIDIS SUPER FUND A/C>	2,040,333
THOMSON ROGER MICHAEL <THOMSON SUPER FUND A/C>	2,000,000
CAIRNGLEN INV PL	1,245,505
RIBTON FREDERICK DENIS L	1,099,049
SAKALIDIS GEORGE	958,114
BRISPOT NOM PL <HOUSE HEAD NOMINEE NO 1 A/C>	725,930
TPT NOM PL	500,000
DANCE BARRINGTON + JEAN PATRICIA <THE DANCE SUPER FUND A/C>	450,000
DANCE BARRINGTON	360,438
BASKERVILLE LINDSAY + VALERIE <THE BASKERVILLE SUPER FUND A/C>	225,000
AUTO MGNT PL	218,654
GILPIN PARK PL	205,556
TAYLOR PETER W + MAUREEN JUNE <THE GOOD OIL SUPER FUND A/C>	194,500
WHEATLEY VERNON C + JOYCELYN EDITH <PULO RD SUPER FUND A/C>	173,214
BASKERVILLE L C + VALERIE	153,333
THOMSON ROGER MICHAEL	152,669
JOVE MGNT PL	128,771
FOBIRA PL	116,666
RUSSELL NOM PL	100,000
<b>TOTAL NUMBER OF CONTRIBUTING SHARES</b>	<b>13,099,731</b>

**DISTRIBUTION SCHEDULE OF HOLDERS OF CONTRIBUTING SHARES**

<b>Categories</b>	<b>Number of Holders in each category</b>
1 - 1,000	1,135
1,001 - 5,000	597
5,001 - 10,000	118
10,001 - 100,000	107
100,001 and over	20
	<b>1,977</b>



## Terms And Conditions Of Contributing Shares

Refer to terms having the meanings ascribed to them as per prospectus dated 16 February 2007

The Contributing Shares will rank equally with all Shares on issue, except that:

- (a) each Contributing Share:
  - (i) will be issued at no cost;
  - (ii) has an amount unpaid of 20 cents;
  - (iii) carries the right to participate in new issues of securities to holders of Shares (except bonus issues) on the same basis as holders of Shares;
  - (iv) carries the right to participate in bonus issues of securities in the proportion which the amount paid bears to the total amounts paid and payable; and
  - (v) carries the right to vote in the proportion which the amount paid bears to the total amounts paid and payable;
- (b) the Company shall not make a call in respect of any amount unpaid on a Contributing Share unless the day on which the call will be payable is on or after 5 years from the date on which the Company is admitted to the Official List;
- (c) holders of Contributing Shares have no obligation to meet a call made by the Company, however, non-payment of a call will result in the forfeiture of the relevant Contributing Shares;
- (d) except as called by Magnetic, holders of Contributing Shares may only pay up all or part of the amount remaining unpaid at any time with the leave of the board (which leave may be granted with or without reason and either with or without conditions). The board shall have no obligation to consider any application for leave;
- (e) subject to (d), if a holder of a Contributing Share tenders all or part of the amount remaining unpaid on the Contributing Share other than in satisfaction of a call:
  - (i) the rights attaching to the Contributing Share will not change (including the amounts paid and unpaid); and
  - (ii) the amount tendered will be returned; and
- (f) if there is a re-organisation of the issued capital of the Company (including, but not limited to, a consolidation, subdivision, cancellation, reduction or return of capital):
  - (i) the number of Contributing Shares must be reorganised in the same proportion as all other classes of shares on issue; and
  - (ii) the re-organisation must not involve a cancellation or reduction of the total amount payable and unpaid by holders of Contributing Shares.