

RIGHTS ISSUE CLOSES, SECURES \$15.8M AS TARGETED

Highlights

- **Rights issue closes raising \$15.8 million as targeted**
- **Strong support from shareholders, directors, and new investors - a vote of confidence in the Razorback High Grade Iron Ore Project**
- **The Company now funded to complete technical investigations and engineering for the Definitive Feasibility Study (DFS) and to advance discussions with project financiers**
- **Critical work planned includes DFS process plant design, additional metallurgical and water drilling, geotechnical investigations and advancing permitting and approvals.**

Magnetite Mines Limited (ASX: MGT) (Company) is pleased to advise that the renounceable pro-rata rights issue to eligible shareholders announced to the ASX on 19 April 2022 (Rights Issue) closed on Friday, 13 May 2022, raising \$15.8 million (before costs) as targeted.

The total amount raised is \$15,798,734 (before costs). The Company will issue 631,949,376 new fully paid ordinary shares (Shares) and 315,974,688 new options exercisable at \$0.05 and expiring on 20 May 2023 (Options). The Options will be listed on the ASX and have the ASX code MGTOE.

Mahe Capital Pty Ltd (Mahe Capital) acted as the Lead Manager and Underwriter to the Offer. The Company would like to thank all its shareholders for their support and welcomes new shareholders, including institutional shareholders introduced by Mahe Capital to the register.

The new securities are expected to be issued on Friday, 20 May 2022, in accordance with the timetable in the Prospectus.

The final allocation is set out below:

	Funds raised	Shares	MGTOE Options*
Entitlements taken up	8,328,348	333,133,936	166,566,968
Shortfall placed	7,470,386	298,815,440	149,407,720
TOTAL	\$15,798,734	631,949,376	315,974,688

*The number of new shares and MGTOE Options issued is subject to rounding. A further 47,396,203 MGTOE options will be issued to the underwriter as described in the Prospectus.

The net proceeds of the Rights Issue will be used to materially complete technical investigations and engineering for the Definitive Feasibility Study (DFS) for the Company's flagship Razorback Iron Ore Project (based on current forecasts and proposed work) and to advance discussions with project financiers. Critical work planned includes DFS process plant design, additional metallurgical and water drilling, geotechnical investigations and advancing permitting and approvals. Additionally, the proceeds will be used for general working capital and to cover costs associated with the Offer.

Chief Executive Officer, Stephen Weir said: *"On behalf of the Board of Directors, I wish to thank all shareholders for their comprehensive support of this rights issue and welcome a number of new shareholders, including professional and institutional investors.*

This capital raising builds on the momentum that MGT has generated through the technical milestones achieved since completing the PFS for its Razorback Iron Ore Project last July. It was designed to reward shareholders with access to additional shares at what we believe to be a significantly discounted price and a preferential opportunity to share in the Company's future growth.

Our recent Expansion Study confirmed Razorback's significant upside potential and we are committed to ensuring the market recognises the inherent value of our extensive Braemar resources and the attractive high-grade iron ore product we plan to produce.

The funds raised will cover critical work required to complete the DFS, ensuring future infrastructure requirements for expansion are factored into project design and the Company is positioned for long-term success as a premium iron ore producer.

The Company will continue to keep the market fully informed as we progress the DFS and implement the optimal mine funding plan which we believe is the catalyst for a substantial rerating."

This release has been approved by the Board

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