



MAGNETITE MINES LIMITED
Making Steel Stronger

ASX Announcement

27 May 2016

Placement to Investors

The Board of Magnetite Mines Limited (ASX:MGT) (**Company**) is very pleased to announce the successful completion of a placement to raise \$875,000 (before costs) by the issue of 35,000,000 shares at an issue price of \$0.025 per share (Placement).

The placement was conducted under the Company's existing placement capacity available under ASX Listing Rule 7.1 and was made to unrelated sophisticated and professional investors under section 708 of the Corporations Act 2001.

The funds raised will be used to pay the costs of the capital raising and provide working capital to allow the Company to continue working diligently towards delivering strategic partner agreements that will facilitate the development of the Company's large magnetite resources in South Australia.

The Chairman of the Company, Mr. Gordon Toll said, "The Board is pleased with the response from the sophisticated and professional investors, who understand the project and its implications, and chose to participate in the capital raising at a premium to the 30 day VWAP. While the funding is small it will allow the Company to advance the multiple tasks involved in delivering the first phase of the project in a manner that results in the least dilution for existing shareholders.

The Company's high grade magnetite product is in demand worldwide due to its very clean chemical makeup, and energy/environmental efficiencies - in simple terms the Company has the product, there is a large existing global market for the product and the Company has a strategic vision to deliver the product cost effectively. Backed by an experienced, compact, committed and energetic team focused on unlocking the vast iron resources of the Braemar formation."

For further information contact:

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