**ASX Release**

DATE: 10 July 2013

ASX Code: MGS

Registry: Computershare

Issued Shares: 288,157,040

Tin Price: US$19,255/t

Gold Price: US$1,247/oz

# *A$6 million financing facility secured to progress Mt Garnet Tin Project*

**Highlights**

- MGT raises $6 million through convertible notes
- Funding to further progress the production plan for MGT's Mt Garnet tin project

MGT Resources Limited ('**MGT'** or the '**Company'**) has agreed binding terms with two separate parties for the provision of A$6 million in convertible note facilities (together '**Convertible Notes'** or **'Notes'**).

The Notes have been signed by two private investors, Marvel Network Limited and Cloud Adventurer Limited, with proceeds intended to allow the company to pursue its strategy of near-term tin production at its Mt Garnet tin project.

MGT's Executive Chairman and Managing Director Jonathan Back said:

*"This agreement with two new investors is a significant step in our drive to complete our transition from an explorer to tin producer.*

*"The funds from this agreement provide financing to further define our JORC resource at our Summer Hills mining lease, which surrounds our Mt Veteran Tin Processing Plant, and to increase the current mill input capacity.*

*"We believe the terms of these facilities are attractive to both parties, as the funding comes with limited dilution to existing shareholders, whilst the premium on the conversion price demonstrates the investors' faith in the long term prospects of MGT."*

**SUMMARY OF THE TERMS**

| | |
|---|---|
| **Subscribers** | Marvel Network Limited for $3,000,000<br>Cloud Adventurer Limited for $3,000,000 |
| **Conversion** | Convertible at $0.11 per share |
| **Coupon** | 8% paid semi-annually in arrears |
| **Security** | Unsecured |
| **Maturity** | 3 years from date of issue |
| **Redemption** | If not previously converted or redeemed, the Notes will be redeemed at the Maturity Date provided the price of MGT shares on the maturity date is $0.11 or less |

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## CONDITIONS PRECEDENT

The Convertible Notes are subject to MGT shareholder approval. ASX Listing Rule 7.1 limits the number of equity securities (including convertible securities) that a company can issue within any 12 month period to 15% of the company's existing issued capital without shareholder approval.

Immediately following this announcement, an extraordinary general meeting of shareholders (EGM) will be called where shareholder approval for the Notes will be sought. If Shareholders vote to approve the Convertible Notes then the issue of Shares on conversion of the Notes will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.1.

## ABOUT THE MT GARNET TIN PROJECT

MGT's flagship Mt Garnet Tin Project is 3 hours' drive south west of Cairns in far North Queensland.

MGT's primary mining lease Summer Hills ML20547 (Summer Hills ML) was granted in late January 2013. The Summer Hills ML, the main tenement on MGT's flagship Mt Garnet Tin Project, is 1,170 Ha in area, making it one of the largest mining leases in the region. MGT's Mt Veteran Tin Processing Plant sits within the Summer Hills ML. The mining lease was granted for a period of 21 years.

*ML Contains Mill And Mining And Exploration Targets*

Within the Summer Hills ML sits the Mt Veteran Tin Processing Plant on its own ML4349, along with a number of tin mining and exploration targets, including the Dalcouth and Extended prospects.

Dalcouth is MGT's first open pit mining target. Recent petrographic results confirmed a rhyolite porphyry dyke system throughout the ML, and present within the Dalcouth resource.

Grades of up to 15.75% tin have been intersected at Extended. For investors unfamiliar with tin, 1% tin is approximately equivalent in value terms to 4.5 grams per tonne of gold, or 3% copper.

**Competent Persons statement**
Information in this report related to exploration results or mineral resources are based on information compiled by MGT technical staff and checked by Max Rangott of Rangott Mineral Exploration Pty Ltd, who is a member of both the AIG and the AusIMM. Mr Rangott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ' Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Rangott consents to the inclusion in the report of the statements based on the information in the form and context in which it appears.

ENDS

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