MAGNETITE MINES LIMITED
Making Steel Stronger

ASX Announcement

16 September 2019

Executive Chairman Provides Loan to Company

Magnetite Mines Limited (ASX: MGT) (**Company**) wishes to advise that Mr Peter Schubert, the Company's Executive Chairman, has provided the Company with a loan of $200,000 (**Loan**) pursuant to a Convertible Loan Agreement to assist the Company with its general working capital requirements.

The terms of the Convertible Loan Agreement are as follows:

Loan Amount	$200,000
Interest	5% per annum. Interest which accrues on the Loan will be capitalised and is payable on the earlier of the date on which the Loan is repaid in full and the Repayment Date (see below).
Security	The Loan is unsecured.
Repayment Date	The Loan is repayable on the date that is six months after the date of the Convertible Loan Agreement (or such later date as may be agreed between the parties in writing). If there is an event of default, the Lender may demand repayment of the Loan and payment of any interest, immediately. The Company can prepay the Loan at any time.
Establishment Fee	Subject to and conditional upon the Company obtaining the approval of its members in general meeting by the requisite majority for the purposes of ASX Listing Rule 10.11 and section 208 of the Corporations Act 2001 (Cth) (**Corporations Act**) , the Company must pay to the Lender an establishment fee (**Establishment Fee**), which will be satisfied by the issue to the Lender of 40,000,000 options

Establishment Fee **(continued)**	exercisable at $0.01 each on or before the date that is three years from the date of issue of the options (**Lender Options**). The Company will seek member approval for the issue of the Lender Options at the Company's annual general meeting in November 2019.
Conversion Right	Subject to and conditional upon the Company obtaining the approval of its members in general meeting by the requisite majority for the purposes of ASX Listing Rule 10.11 and section 208 of the Corporations Act (**Conversion Approval**), the Lender can elect to convert all or part of the Loan and any interest amount into fully paid ordinary shares at the price equal to a 10% discount to the VWAP for the 15 Trading Days prior to the date of the conversion notice.
Use of funds	General working capital purposes.

Mr Mal Randall, Non-executive Director, said “The board appreciates Peter providing the Company with a loan at a stage where the Company is completing an investigation in relation to a low-capital, low tonnage start-up available at the Razorback project and surrounding areas exploiting the higher grade mineralisation together with established mining related infrastructure.”

For further information contact:

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