



magnetic resources^{NL}

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RAISES \$300,000 IN CONVERTING LOANS

Magnetic Resources NL (**Magnetic** or the **Company**) is pleased to announce that it has raised \$300,000 through converting loans (**Loans**), with the funds raised to be used for ongoing working capital purposes.

The Loans have been obtained from sophisticated investors, including current shareholders and non-executive Director Mr Eric Lim and associated entities.

Key terms of the Loans include:

- The funds from the Loans will be placed into an escrowed account and released on the later to occur of 1 February 2016 and the date of the shareholders' meeting pursuant to section 249D of the Corporations Act (**Conversion Date**).
- The Loans are convertible into ordinary fully paid shares at the election of the Loan holder from the Conversion Date at an issue price of \$0.06 per share.
- The Loans mature 12 months from the date of issue (**Maturity Date**), and if not converted by the Loan holder prior to this time, will automatically be converted into shares on the Maturity Date.
- The Loans attract an interest rate of 9% per annum with interest compounding until the Maturity Date.
- The Loans contain various events of default relating to an insolvency event occurring in relation to the Company. If an event of default occurs, the Loan holder may elect to convert the Loan into shares.

The ability to convert the Loans obtained from non-executive Director, Mr Eric Lim, and associates, into shares is subject to shareholder approval. If shareholder approval is not obtained for these Loans, the outstanding amounts of these loans will be repayable by the Company on the Maturity Date.

An Appendix 3B will follow this announcement.

For more information on the Company visit www.magres.com.au

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