

Macarthur Minerals Ltd

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Macarthur Minerals strengthens balance sheet by raising A\$6.25 million and securing A\$20 million finance package

Macarthur Minerals Ltd (ASX:MIO) (CVE:MMS) (OTCMKTS:MMSDF) has strengthened its balance sheet through a private placement raising almost A\$6.25 million and a A\$20 million standby equity finance facility secured under a Controlled Placement Agreement.

Commitments have been received from sophisticated and institutional investors for the private placement at A\$0.55 per share which will be completed in two tranches.

A standby equity commitment has also been made with L1 Capital Global Opportunities Master Fund to provide up to A\$20 million in equity financing, which can be drawn at the discretion of the company.

Well-positioned

These arrangements position the company well as it transitions to the next critical phase of project delivery and targets simultaneous completion of its main project financing strategy for the Lake Giles Iron Project.

Proceeds will be used for working capital purposes as Macarthur continues to advance towards completion of a feasibility study for the project in the Yilgarn region of Western Australia.

Opening the door to next phase

President and executive chairman Cameron McCall said Macarthur Minerals was delighted with the interest in the placement, which was a strong endorsement from the investment community.

"With iron ore prices continuing to defy broader global impacts from the COVID-19 pandemic, investor demand in the placement demonstrates market confidence continues to build around Macarthur and its ability to deliver the Lake Giles Iron Project for shareholders.

"That confidence is pleasing, but it is also matched by the determination of the board and management to ensure that every opportunity is maximised to deliver Macarthur's high-grade, low impurity magnetite product with the development of one of the first new-generation magnetite mines in Western Australia.

"The completion of this financing package is material for the company - balance sheets 'open doors', and as Macarthur approaches the next phase of key negotiations to deliver its feasibility study for the Lake Giles Iron Project, the flexibility that the package will provide is extremely important."

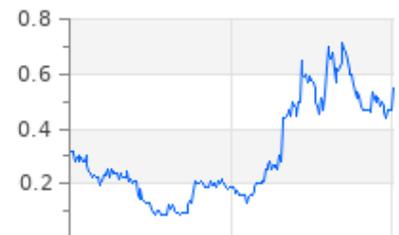
Private placement

Each placement unit is comprised of one new share and one attaching whole option to acquire one fully paid ordinary

Price: 0.545

Market Cap: \$55.78 m

1 Year Share Price Graph



December 2019 June 2020 December 20

Share Information

Code: MIO

Listing: ASX

52 week High Low
0.795 0.085

Sector: General mining & base metals

Website: www.macarthurminerals.com

Company Synopsis:

Macarthur Minerals Ltd (ASX:MIO) is an iron ore development, gold and lithium exploration company focused on bringing to production its Western Australia iron ore projects.

action@proactiveinvestors.com.au

share in the company and each attaching option has an exercise price of A\$0.90, with an expiry date that is 24 months from the date of issuance.

The placement price per new share of A\$0.55 represents a 7.08% discount to the 30-day volume weighted average price of the company's Australian Stock Exchange (ASX) listed shares to October 7, 2020.

New shares will rank equally with the company's existing ordinary shares.

Subject to exchange approvals and acceptance:

- The first tranche of the placement securities will be 11,362,629 new shares and 5,137,371 options issued within the company's existing ASX Listing 7.1 capacity; and
- The second tranche, being the balance of 6,225,258 options, will close on November 2, 2020. This will be subject to receipt of shareholder approval to be sought at the company's upcoming Annual General Meeting on October 30.

Equity finance facility

In addition, Macarthur's Controlled Placement Agreement with L1 Capital Global Opportunities Master Fund, will provide flexibility to the company in regard to supplementary access to additional equity, if required.

The agreement entitles the Macarthur to issue shares to L1 over 36 months under placement notices at the company's discretion.

There is no immediate dilutionary impact from this equity finance facility, which the company will maintain and may draw upon as necessary, to support the pre-delivery phase for Lake Giles project and other value accretive endeavours for the benefit of Macarthur and its shareholders.

EAS Advisors LLC, through Odeon Capital Group LLC, and CST Capital Pty Ltd acted as joint advisers for arranging the Controlled Placement Agreement.

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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