

ASX ANNOUNCEMENT**21 December 2022****UNMARKETABLE PARCEL SALE FACILITY**

Magnetite Mines Limited (“MGT” or “Company”) is pleased to announce it is establishing an opt-out unmarketable parcel sale facility (**Facility**) for shareholders who hold fully paid ordinary shares in the Company valued at less than \$500.

As at market close on Wednesday, 21 December 2022 (**Record Date**), the closing price of the Company’s shares on the ASX was \$0.635. On this basis, an unmarketable parcel is any holding less than 787 shares (**Unmarketable Parcel**).

In accordance with the Company’s Constitution and ASX Listing Rules, the attached letter and Share Retention Form will be sent to all shareholders holding an Unmarketable Parcel of shares as at the Record Date.

Shareholders with an Unmarketable Parcel who wish to retain their shareholding need to either:

- give the Company written notice by returning the Share Retention Form; or
- acquire additional shares such that their holdings are greater than an Unmarketable Parcel,

in each instance, by no later than 5.00pm (Sydney time) on Thursday, 9 February 2023; otherwise, their shares will be sold under the Facility.

Shareholders with a beneficial interest in an Unmarketable Parcel held by a nominee or custodian will not be entitled to participate in the Facility if the relevant nominee or custodian held more than \$500 worth of fully paid ordinary shares in the Company at the Record Date (i.e., aggregated with holdings on behalf of other beneficial shareholders). Where a nominee or custodian holds an Unmarketable Parcel on behalf of multiple beneficial owners, and only some beneficial owners instruct the custodian or nominee to opt out. On request from the nominee or custodian, the Company will work with the registered holder on a case-by-case basis to accommodate each beneficial holder.

Shareholders wishing to take advantage of the Facility to sell their Unmarketable Parcel do not need to take any action.

In the event that a takeover bid is made over the Company’s shares, the Company’s power to sell Unmarketable Parcels under the Facility will lapse. The procedure may be restarted again after the close of the offers made under the takeover bid.

A summary of key dates in relation to the Facility is as follows:

Unmarketable Parcels Record Date	7.00pm (Sydney time), Wednesday, 21 December 2022
Despatch of Letter to holders of Unmarketable Parcels	Thursday, 29 December 2022

Closing Date for Receipts of Share Retention Form	5.00pm (Sydney time) Thursday, 9 February 2023
Estimated Unmarketable Parcels payment date	As soon as practicable after Thursday, 16 March 2023

The Company may modify these dates or suspend or terminate the Facility. Any modification, suspension or termination will be notified to shareholders by way of a market announcement.

This announcement has been authorised for release to the market by the Board.

For further information contact:

Gemma Brosnan

General Manager - External Affairs

+61 8 8427 0516

21 December 2022

Dear Shareholder,

Unmarketable Parcels Sale Facility – Notice of Divestiture

We are writing to advise you that Magnetite Mines Limited (**Company**) (ASX: MGT) has established an unmarketable parcel sale facility (**Facility**) for shareholders that hold less than \$500 in value of fully paid ordinary shares in the Company as at 7.00pm (Sydney time) Wednesday, 21 December 2022 (**Record Date**). Based on the closing price of the Company's shares on ASX on the Record Date of \$0.635, an unmarketable parcel comprises fewer than 787 shares (**Unmarketable Parcel**).

The Company is providing this Facility to allow holders of Unmarketable Parcels to monetise their otherwise unmarketable holdings and without incurring a brokerage fee. Holders of Unmarketable Parcels may opt out of the Facility as noted below.

Our registry records show that you held an Unmarketable Parcel on the Record Date and, accordingly, will be required to sell your shares unless you opt out of the Facility.

Shares divested under the Facility will be sold on the ASX in the ordinary course of trading at the prevailing market price. The Company will pay all brokerage and handling costs of the sale of Unmarketable Parcels under the Facility, excluding any tax consequences resulting from the sale, which remain the shareholder's responsibility. The sale price of each of your shares will be the average price of every share sold on ASX under the Facility.

All holders of an Unmarketable Parcel participating in the Facility will receive the same sale price per share, and the payment for your holding will be the sale price multiplied by the number of your shares sold. As the sale price is an average, the proceeds that you receive may be more or less than the actual price received by the broker for the sale of your shares.

If you hold Company shares in a CHESS Holding and they remain in a CHESS Holding after the Closing Date (as defined in the timetable below), the Company may, without further notice, remove those Company shares from the CHESS Holding to an Issuer Sponsored Holding for the purposes of their sale under the Facility.

In the event that a takeover bid is made over the Company's shares, the Company's power to sell Unmarketable Parcels under the Facility will lapse. The procedure may be restarted again after the close of the offers made under the takeover bid.

As the Company has determined that all payments to shareholders are to be made via direct credit to their nominated bank account, please ensure your account details are up to date with the Company's share registry, Computershare (**Computershare**) as soon as practicable, and in any event, before the Closing Date. You can update your banking and personal details with Computershare at www.computershare.com.au/easyupdate/MGT or call them on Australia: 1300 308 185 Overseas: +61 3 9415 4181.

Key Dates

A summary of key dates in relation to the Facility is as follows:

Unmarketable Parcels Record Date	7.00pm (Sydney time), Wednesday, 21 December 2022
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Despatch of Letter to holders of Unmarketable Parcels	Thursday, 29 December 2022
Closing Date for Receipts of Share Retention Form	5.00pm (Sydney time) Thursday, 9 February 2023
Estimated Unmarketable Parcels payment date	As soon as practicable after Thursday, 16 March 2023

The Company may modify these dates or suspend or terminate the Facility. Any modification, suspension or termination will be notified to shareholders through a market announcement on ASX.

What do you need to do to sell your Unmarketable Parcel under this Facility?

You do not need to take any action. However, we encourage you to ensure that your banking and personal details are up to date with Computershare before the Closing Date. Your shares will be sold through the Facility after the Closing Date, and the proceeds of the sale will be paid to you in accordance with the timetable above.

What do you need to do to retain your Unmarketable Parcel?

If you wish to retain your shares, you must complete the attached Share Retention Form and ensure it is received by Computershare before the Closing Date, being 5.00pm (Sydney time) on Thursday, 9 February 2023.

Alternatively, you can acquire additional shares so that you hold more than an Unmarketable Parcel as at the Closing Date. In this event, the Facility will not apply to any of your shares.

Important Notes

The Company is not licensed to provide financial product advice. The Company makes no recommendation as to whether you should participate in the Facility. You are encouraged to seek advice from your legal or financial adviser if you are unsure what to do in response to this notice.

The market price of shares is subject to change from time to time. Current information on the price of Company shares is available on the ASX website www.asx.com.au.

The attached Information Sheet provides further information about the Facility. You can update your banking and personal details with Computershare at www.computershare.com.au/easyupdate/MGT or call them on Australia: 1300 308 185 Overseas: +61 3 9415 4181.

Yours sincerely



Mark Eames
Chair

INFORMATION SHEET - UNMARKETABLE PARCEL SALE FACILITY

Why is the Company implementing the Facility?

The Company welcomes the support of all shareholders; however, the administrative cost of producing and distributing shareholder communications, as well as registry fees related to maintaining small holdings on the register, are disproportionately high relative to the value of small holdings. The Facility also assists holders with a small number of shares who would find it difficult or expensive to dispose of them through the usual means.

Does the Company have the authority to sell my shares?

Under ASX Listing Rule 15.13 and clause 3.8 of the Company's constitution, the Company has the right to sell Unmarketable Parcels, unless shareholders give notice to the Company before the Closing Date that they wish to retain their shares or acquire additional shares such that their holding at the Closing Date comprises a marketable parcel.

When will my shares be sold under the Facility?

The sale of shares under the Facility will be sold as soon as practicable after the Closing Date.

Can I purchase more shares, so my shares won't be sold?

If you increase your holding so that the number of shares held is equal to or greater than 787 shares (i.e., greater than an Unmarketable Parcel) at the Closing Date, then your shares will not be sold under the Facility.

What if I hold multiple Unmarketable Parcels?

If you hold multiple holdings that, in isolation, are deemed to be Unmarketable Parcels, but, when aggregated, would constitute a Marketable Parcel, you can contact Computershare to have those holdings merged into one holding so that this is reflected on the register before the Closing Date. If you do not do this, each of your holdings will be treated as Unmarketable Parcels.

When and how will I receive the sale proceeds?

The proceeds from the sale of your shares will be remitted to you as soon as practicable after all Unmarketable Parcels capable of being sold under the Facility have been sold. The expected payment date is as soon as practicable after Thursday, 16 March 2022. Please ensure you have provided Computershare with your nominated bank details, as payments will only be made by direct credit.

Can I sell my shares on-market?

Yes, you can still sell your shares on-market instead of taking advantage of the Facility; however, you will have to pay any transaction costs (such as brokerage and handling costs) on that sale. Further, the price that you receive for your shares may be higher or lower than the price that you would have received under the Facility, as the price per share that would have been payable to you under the Facility would be the average price per share at which all Unmarketable Parcels were sold under the Facility.

✉ **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:

📞 **Phone:**
(within Australia) 1300 308 185
(outside Australia) +61 3 9415 4181

MGT

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Share Retention Form

🔔 **If you wish to retain your shares, your form must be received by 5:00pm (Sydney time) on
Thursday, 9 February 2023**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Shareholding Details

Use this form if you wish to retain your shares in Magnetite Mines Limited. If you have recently bought or sold shares your shareholding may differ from that shown. If you have already sold all your shares in Magnetite Mines Limited, do not complete or return this form. If you have more than one shareholding on Magnetite Mines Limited's register and you do not wish to sell your shares under the Small Shareholding Sale Facility, you should consider consolidating them. For further advice on how to do this, contact Computershare Investor Services Pty Limited (CIS) on the number above.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored shareholding, please contact your Controlling Participant to notify a change of address.

Step 2: Signing Instructions

Individual: Where the shareholding is in one name, the shareholder must sign.

Joint Shareholding: Where the shareholding is in more than one name, all of the shareholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the shareholding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the shareholding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: Where the shareholding is in the name of a deceased estate, all executors must sign; and a certified copy or original, of the required documentation must accompany this form. Details of the documentation required can be found by searching "deceased estates" on our website www.computershare.com or by calling Computershare Investor Services Pty Limited on 1300 850 505 or +61 3 9415 4000. If the shareholding is in more than one name the surviving shareholder may sign the form and return it together with a certified copy of the death certificate of the other joint shareholder.

Step 3: Contact Details

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form ➔

Magnetite Mines Limited

Share Retention Form




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I ND

STEP 1

Shareholding Details

 For your security keep your SRN/
HIN confidential.

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001



Change of address. If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.

Shares held as at 7:00pm (Sydney time)
on Wednesday, 21 December 2022 :

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STEP 2

Signature of Shareholder(s)

This section must be completed.

By signing and returning this form, in accordance with the requirements set out in 'Step 2: Signing Instructions' overleaf, I/we confirm that I/we understand that my/our **SHARES WILL NOT BE SOLD** under the Small Shareholding Sale Facility.

Individual or Shareholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Shareholder 2

Director

Shareholder 3

Director/Company Secretary
(cross out titles as applicable)

STEP 3

Contact Details

Contact
NameContact
Daytime
Telephone

Date / /

Email

Address

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

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