

ASX ANNOUNCEMENT

22 NOVEMBER 2023

RIGHTS ISSUE CLOSES OVER TARGET, SECURES \$6.5 MILLION

Highlights:

- Rights Issue closes raising \$6.5 million, above \$6.2 million target
- Strong support from shareholders, directors and new investors introduced via Mahe Capital signals a vote of confidence in MGT and the Razorback Iron Ore Project
- Company now funded to complete and submit Razorback Project Mining Lease Proposal, and to advance strategic partnering and value engineering work

Magnetite Mines Limited (**ASX: MGT**) is pleased to advise that the renounceable pro-rata rights issue to eligible shareholders announced to the ASX on 26 October 2023 (**Offer**) closed on Thursday, 16 November 2023.

The Offer, together with the shortfall offer and the underwriting, raised the original amount sought of \$6.2 million. In addition, the Board exercised its discretion to accept over-subscriptions received via Mahe Capital such that the total amount raised is \$6.5m (before costs).

The Company will issue 21,666,649 new fully paid ordinary shares (**Shares**) and 10,833,188 new options (subject to rounding) exercisable at \$0.45 and expiring on 23 May 2025 (**Options**). The Options will be listed on the ASX and have the ASX code "MGTO". The Shares and Options to be issued under the over-subscription will be issued pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1.

Mahe Capital Pty Ltd (**Mahe Capital**) acted as the lead manager and underwriter to the Offer. The Company would like to thank all its shareholders for their support and welcomes new shareholders introduced by Mahe Capital to the register.

The new securities are expected to be issued on Thursday, 23 November 2023, in accordance with the timetable in the Prospectus, and will commence trading on the ASX on a normal settlement basis from Friday, 24 November 2023.

The final allocation is set out below:

	Funds raised	Shares	Options
Entitlements taken up	\$1,957,979	6,526,597	3,263,299
Shortfall offer	\$1,322,797	4,409,323	2,204,662
Additional shortfall underwritten and placed by Mahe Capital	\$3,000,000	10,000,000	5,000,000
Over-subscriptions accepted	\$219,224	730,729	365,227
TOTAL	\$6,500,000	21,666,649	10,833,188

Magnetite Mines Chair Jim McKerlie commented:

“On behalf of the Board, I would like to thank all shareholders that have participated in this Rights Issue, and to warmly welcome new shareholders on to MGT’s register. There is no doubt that raising equity capital this year has been challenging, and we truly appreciate your support against this backdrop.

“Two years ago, our Company correctly identified that the steel industry transformation is both gaining momentum and that a supply deficit for premium-grade iron ore products like those that we believe will be produced from our Razorback Iron Ore Project will emerge. Accordingly, we have transformed the business to become a credible project development company that is now in detailed discussions with potential project partners for the development of Razorback. We are progressing the Definitive Feasibility Study for a 5Mtpa Stage 1 production operation, and we will soon lodge our Mining Lease Proposal with the South Australian Government.

“Our vision is to become a substantive premium-grade iron ore producer that will support Australia becoming a value-adding leader in the green steel supply chain, creating jobs, economic prosperity for South Australia, and long-lasting deep value for shareholders.”

Magnetite Mines CEO Tim Dobson commented:

“In contrast to tough equity markets over the course of 2023, the momentum in green steel supply chain transformation has gathered steam. Our Razorback Project has never been more in focus by regional steelmakers seeking to invest in offshore green iron development centred around premium-grade iron ore supply. The opportunity for Australia to develop a value-added, green iron export industry has not been lost on government either, with both South Australian and Federal governments now openly discussing the importance of magnetite and setting strategy accordingly.

“I welcome and appreciate the support from patient and committed shareholders in this Rights Issue, as well as from new shareholders, backing MGT and its vision. Our team is committed to the rapid and rigorous development of Razorback, timed to meet the emerging demand for premium-grade iron ore products and the attraction of international investment in future green iron hubs.”

Razorback Iron Ore Project

The Company confirms that it remains focused on the development of the Razorback Iron Ore Project (**Project**) and that funds raised under the Offer will primarily be deployed in three priority areas:

- Completion and submission of the Mining Lease Proposal to the South Australia Department of Energy and Mining. This event will initiate the formal approvals process for the development of the Project. Final impact assessments are currently in progress and will be completed in the first quarter of 2024.
- Completion of value engineering programs aimed at improving the economics and risk profile of key project elements including product suite, water supply and power supply. This work is a precursor to the completion of a Definitive Feasibility Study for the Project.
- Strategic partnering. In addition to advancing discussions with potential joint venture partners and offtakers for the Project, MGT recently announced a non-binding Memorandum of Understanding with Pacific Partnerships, part of the CIMIC Group, that will potentially initiate Early Contractor Involvement in the Project. The MoU has a fixed term and will expire in November 2024.

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

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ABOUT MAGNETITE MINES

Magnetite Mines Ltd is an ASX-listed iron ore company focused on the development of magnetite iron ore resources in the highly prospective Braemar iron region of South Australia. The Company has a 100%-owned Mineral Resource of 6 billion tonnes of iron ore and is developing the Razorback Iron Ore Project, located 240km from Adelaide, to meet accelerating market demand for premium iron ore products created by iron & steel sector decarbonisation, with the potential to produce high-value Direct Reduction (DR) grade concentrates. Razorback is set to become a long-life iron ore project with expansion optionality in a Tier 1 jurisdiction that will produce a superior iron ore product sought by steelmakers globally. For more information visit magnetitemines.com.