

ASX ANNOUNCEMENT

20 JUNE 2024

ENTITLEMENT OFFER TO RAISE UP TO \$5 MILLION

Highlights:

- **1 for 6 pro rata non-renounceable entitlement offer to raise up to approximately \$5 million.**
- **Issue price \$0.31 per share representing a 16.1% discount to the 15-day VWAP on ASX of \$0.36 per share**
- **All Magnetite Mines Directors, CEO and CFO intend to participate in full or in part**
- **Funds raised (net of costs) will be used to provide the working capital needed to continue operations whilst negotiations with potential strategic partners continue, and a decision on a potential transaction finalised.**

MGT Chair Jim McKerlie commented

“The Company has strategically positioned itself to take full advantage of the emerging ‘green iron’ production and export opportunity. Both the South Australian and Federal governments’ have recently commenced formal industry consultation, recognising green iron production as a priority industry for Australia’s economic future. Green iron can only be made using premium-quality magnetite iron ore concentrates, and Magnetite Mines’ Razorback Project is one of only a handful of magnetite projects worldwide that can produce that quality at scale.

“The Company’s priority focus is to conclude negotiations with one or more groups that will partner with the Company in the completion of the Company’s DFS and FID.

“I am happy to advise that all directors, the CEO and CFO are participating in the offer; we all believe in this Project and are using our combined experience and skills with a view to ensuring that the Project is a success with maximising shareholder value at top of mind.

“On behalf of the Board, I encourage every shareholder to carefully consider participating in this offer and to take full advantage of the value proposition presented by this exciting shift in Australia’s economic landscape. Please read the Entitlement Offer booklet that will be made available to eligible shareholders in due course before making that decision.”

MGT CEO Tim Dobson commented:

“We have signalled for some time that strategic partnerships and an operating joint venture are essential for Razorback’s successful development. This is a lengthy and detailed process and we are in advanced stages of negotiations with two parties that the Company has coveted as potential strategic partners, with a view to entering into joint venture and/or off-take arrangements that, if entered into, would provide funding for the completion of a Definitive Feasibility Study (DFS) and other activities required to reach FID.

“In parallel we have been working closely with both the South Australian and Federal governments to ensure alignment of our strategy with state and federal government policy development for the creation

of a new domestic green iron production, and export, industry. Industry consultation has commenced separately during the past several weeks at both levels of government and we are positioning Razorback magnetite concentrates as an essential enabling element for this economy-changing opportunity.

“Finally, we have also commenced our Project approvals process at the federal level and completed the work required for our Razorback Mining Lease Proposal to the South Australian government, with part of the funding from the offer to be used to complete this submission.”

Magnetite Mines Limited (“MGT” or “the Company”) is pleased to announce that it is undertaking a 1 for 6 pro rata non-renounceable entitlement offer (“**Entitlement Offer**”) at \$0.31 per share to raise up to approximately \$5 million before costs.

The issue price under the Entitlement Offer represents a discount of 16.1% to the Company’s 15-day VWAP on ASX of \$0.36 per share.

The Entitlement Offer is open to all eligible shareholders who are registered shareholders with a registered address within Australia or New Zealand as at 7.00pm (AEST) on Tuesday, 25 June 2024 (**Record Date**) (**Eligible Shareholders**). Ineligible shareholders are all those shareholders with a registered address as at the Record Date outside those jurisdictions (**Ineligible Shareholders**). The Entitlement Offer is expected to open on Friday, 28 June 2024 and will close at 5.00pm on Friday, 12 July 2024 (unless extended). Eligible Shareholders who subscribe for their full entitlement can apply for additional shares in the shortfall in excess of their entitlement. To the extent there is any shortfall shares remaining the Board reserves the right to place those remaining shortfall shares within 3 months of the closing date of the Entitlement Offer.

All Magnetite Mines Directors, CEO and CFO intend to participate in full or in part in the Entitlement Offer.

All New Shares issued will rank equally with existing shares on issue and the Company will apply for quotation of the New Shares on ASX.

Use of proceeds

The proceeds from the Entitlement Offer (net of costs) will be used to finalise and lodge a mining lease proposal application with South Australia’s Department for Energy and Mining and to provide the working capital needed to continue operations whilst negotiations with potential strategic partners continue, and a decision on a potential transaction is finalised.

There is an unprecedented opportunity for Magnetite Mines to become a major iron ore player and key enabler of Australia’s green iron industry with a very long life mine in South Australia. The Company is committed to using all of its endeavours to realise this opportunity.

Entitlement Offer

Details of the Entitlement Offer (and the Shortfall Offer) will be set out in an entitlement offer booklet (**Entitlement Offer Booklet**) which is expected to be released by the Company to ASX on Friday, 28 June 2024, the date on which the Entitlement Offer is expected to open to applications.

Indicative Timetable

The indicative timetable for the Entitlement Offer is detailed below:

Event	Date*(2024)
Ex-date for Entitlement Offer	Monday, 24 June
Record Date to determine Entitlements	7.00PM (AEST) Tuesday, 25 June
Offer Booklet and personalised Application Form made available at: www.computersharecas.com.au/mgtoffer Entitlement Offer opens (Opening Date)	Friday, 28 June
Entitlement Offer closes (Closing Date)	5.00PM (AEST), Friday 12 July
Unless otherwise determined by ASX, New Shares quoted on a deferred settlement basis from market offer	Monday, 15 July
Announcement of results and shortfall (if any) under the Entitlement Offer	Wednesday, 17 July
Issue and allotment of New Shares	Friday, 19 July
Commencement of trading of New Shares on ASX on a normal settlement basis	Monday, 22 July
Dispatch of holding statements for New Shares	Tuesday, 23 July

** These dates are indicative only and are subject to change. Magnetite Mines, reserves the right, subject to the Corporations Act and the ASX Listing Rules, to amend this indicative timetable by sending a revised timetable to ASX. In particular Magnetite Mines reserves the right to extend the Closing Date, accept late applications under the Entitlement Offer (generally or in particular cases), and to withdraw or vary the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the allotment and issue of the New Shares and Options. All times are to Australian Eastern Standard Time (AEST).*

Further Information

If you have any questions in relation to any of the above matters, please contact the Magnetite Mines Offer Information Line on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia) from 8.30am to 5.00pm (AEST), Monday to Friday, until the Closing Date. For other questions, you should consult your stockbroker, accountant or other independent professional adviser.

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

For further information contact:

Gemma Brosnan, General Manager - External Affairs

gemma.brosnan@magnetitemines.com

+61 8 8427 0516

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.