

ASX ANNOUNCEMENT

24 JULY 2024

ENTITLEMENT OFFER CLOSES SECURING \$1.17M; SHORTFALL PLACEMENT COMMENCED

Highlights:

- Entitlement Offer closes raising **\$1.17 million** from existing shareholders
- **Mahe Capital** appointed to place remaining shortfall
- **All Magnetite Mines Directors, CEO and CFO** participated in full or in part
- **Funds raised (net of costs) will be used to provide the working capital needed to finalise its transaction with JFE Shoji and to continue operations whilst negotiations with other strategic partners continue**

Magnetite Mines Limited (**ASX: MGT**) advises that the 1 for 6 pro rata non renounceable Entitlement Offer to eligible shareholders announced to the ASX on 20 June 2024 (**Offer**) closed on Friday, 19 July 2024. The Offer, together with the shortfall taken up to date, raised \$1.17 million.

In accordance with the terms of the Offer, the Company has appointed Mahe Capital Pty Ltd (**Mahe Capital**) as its placement agent to place the remaining shortfall within the three month period following the close of the Offer.

The Board's priority was to preserve shareholder value via an Entitlement Offer in the first instance and would like to thank shareholders for their support. As previously noted, amongst other things, the funds will assist the Company in finalising its significant transaction with JFE Shoji that was announced to ASX on 8 July 2024.

In connection with the Offer, the Company will issue 3,769,666 new fully paid ordinary shares (**New Shares**). The New Shares are expected to be issued on Friday 26th July 2024 and will commence trading on the ASX on a normal settlement basis from Monday, 29 July 2024.

The final allocation under the Offer is set out below:

	Funds raised	Shares
Entitlements taken up	\$753,611	2,431,005
Shortfall Offer to date	\$414,985	1,338,661
TOTAL	\$1,168,596	3,769,666

Magnetite Mines Chair Jim McKerlie said:

“The Company is committed to achieving its long-term aim of developing our extremely valuable, large-scale magnetite resources as we enter an exciting new phase of development. The recently signed Heads of Agreement with JFE, Japan’s second largest steelmaker, provides validation of the opportunity and both parties are committed to finalising Definitive Agreements. We extended the Offer when the JFE announcement was made to give all shareholders an opportunity to understand the major implications of this partnership.

“We have also just signed an MoU with Australian renewable energy company ZEN Energy to support the development of a Green Iron industry in South Australia, which is fully aligned with ambitious new State and Federal government policies. Building these relationships and furthering discussions with other potential strategic partners is an ongoing priority for the Company.

“We were also delighted to announce earlier this week that our team pioneered testwork that demonstrated the potential to produce Green Iron feed grade magnetite concentrates using saline water. Water is a key ingredient in a project of this scale and the use of saline water has enormous positive implications on capital and operating costs.

“The Board are very conscious that we will need substantial capital to become a tier 1 iron ore producer. It is for this reason that we wanted to offer shareholders what may be their final chance to participate in an Entitlement Offer. The remaining shortfall from the Offer will now be placed at the same price with those parties that could not participate in the shareholder offer.

“On behalf of the Board, I would like to thank shareholders, including fellow directors and management, who have participated in the Entitlement Offer. We truly appreciate your support and recognition of the unprecedented opportunity for Magnetite Mines to become a major iron ore player and key enabler of Australia’s emerging Green Iron industry.”

Magnetite Mines CEO Tim Dobson said:

“On behalf of the MGT team, we welcome and appreciate the continued support from shareholders that participated in this Entitlement Offer. Razorback is one of only a handful of new projects globally that can meet the requirements for Green Iron and Steel production at scale, and we are excited by the interest from both strategic partners and government as this new industry opportunity emerges.

“We are now seeing a clear trajectory towards the establishment of a new Green Iron industry in Australia and globally. To this end, the Company recently lodged a submission in response to the Federal Government’s Green Metals Industry Consultation Paper and it is currently preparing a separate submission in response to the South Australian Government’s Expression of Interest process for creating a Green Iron industry in the State by 2030.

“As the demand for Green Iron continues to accelerate, MGT remains focused and committed to the rapid development of our world-class Razorback magnetite resource.”

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.