MAGNETITE MINES

2024 ANNUAL REPORT

For the Year Ended 30 June 2024

ASX:MGT

magnetitemines.com

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Corporate Directory

Directors

Mr Paul White
Chair of the Board
(appointed as Chair on 23 September 2024)

Mr Jim McKerlie
Non-Executive Director
(Chair of the Board until 23 September 2024)

Mr Tim Dobson
Managing Director

Mr Peter Schubert
Non-Executive Director

Mr Simon Wandke
Non-Executive Director

Dr Carmen Letton
Non-Executive Director

Company Secretary (Joint)

Ms Inthu Siva

Mr Simon Smith

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Stock Exchange Listing

Australian Securities Exchange Ltd

ASX Code

MGT

Statement from the Chair

Dear Fellow Shareholders,

> **The 2024 financial year has seen your Company make strong headway on the development of the Razorback Iron Ore Project, our 100% owned flagship project.**

This is a major undertaking that will have a profound impact on both South Australia and Australia.

The South Australian Government's recognition of the Braemar Iron Province through its Green Iron Strategy for the State, and more specifically the Expression of Interest process announced in June 2024, underscores the Project's strategic importance as a key enabler of South Australia's emerging green iron industry.

Over these past 12 months, the Company has made significant progress in delivering our strategy from advancing strategic partnerships to progress the Razorback Project, through completing the substantive work required to lodge a Mining Lease Proposal with the South Australian Government, to delivering breakthrough technical studies designed to further derisk the Project.

These are big steps forward in our journey The materiality of a 6 billion tonne magnetite resource ensures our Project is attracting attention from global industry players, but it also means a commensurate amount of due diligence, testing and de-risking is required. This year has seen very good progress and has set the Company up to complete the necessary steps to reach Final Investment Decision (FID).

Strategic Partnerships Established to Support Razorback Financing

Magnetite Mines' efforts to secure a strategic partner has focused on North Asian steelmakers seeking to secure long-term, high-grade magnetite supply in support of their transition to decarbonised steelmaking.

Of particular significance was the signing of a non-binding Heads of Agreement with JFE Shoji Australia Pty Ltd, (JFE). This landmark agreement with Japan's second largest steelmaking group sets the framework for funding towards the Definitive Feasibility Study (DFS), the completion of which is central to progressing the Razorback Project to FID. Just as significant is the public acknowledgement by JFE of the opportunity the project presents to them, and its alignment with their strategic interests including the decarbonisation of steelmaking.

The Company will continue to seek out and establish binding strategic relationships with preferred partners aimed at securing the necessary financing for Razorback's development. To support this process, we engaged Azure Capital in May 2024 to provide corporate advisory services relating to the structuring of partnering, financing and offtake agreements for the Razorback Project.

Mining Lease Proposal Completed

During the course of 2024, Magnetite Mines achieved a significant milestone having completed all of the work required to lodge a Mining Lease Proposal (MLP) and associated Miscellaneous Purposes Licence applications with the South Australia Department for Energy and Mining.

The MLP is central to the Project's regulatory approvals and has been rigorously completed to meet the required assessment of the environmental and social impacts associated with the Razorback Project. The MLP documentation includes an outline of the comprehensive stakeholder consultation conducted by the Company with

6 billion tonne Mineral Resource. 2 billion tonne Ore Reserve with access to existing rail & ports

Supportive SA government committed to green iron industry development

High-quality management team & board with extensive global mining experience

Advanced negotiations with potential strategic JV funding & offtake partners

individuals, groups and communities interested in, or impacted by, the Project.

Technical Studies Substantially Derisking Razorback

In July 2024, the Company announced pioneering laboratory test results demonstrating the potential to produce 'Green Iron' feed grade magnetite concentrates using saline water (seawater), instead of fresh water, from a composite sample of Iron Peak deposit ore. This important breakthrough provides a promising pathway for a considerably lower cost water solution for the Razorback Iron Ore Project.

Board Transition

As recently announced by the Company, I have retired as Chair and will remain on the Board as Non-Executive Director. I welcome the appointment of Paul White to the Chair role and the appointment of Tim Dobson to the role of Managing Director. I acknowledge the work of Simon Wandke who continues on the Board, and thank Peter Schubert for his 8 years' of loyal service and Carmen Letton for her contributions during her time on the Board.

Outlook

We enter the new financial year focused on executing a strategy to support the global transition to low carbon steelmaking, and in doing so delivering significant value to our shareholders. Our focus is building on the foundational work achieved this year and continuing to demonstrate real progress and momentum.

The Board recognises the strong support and faith provided by shareholders in 2024.

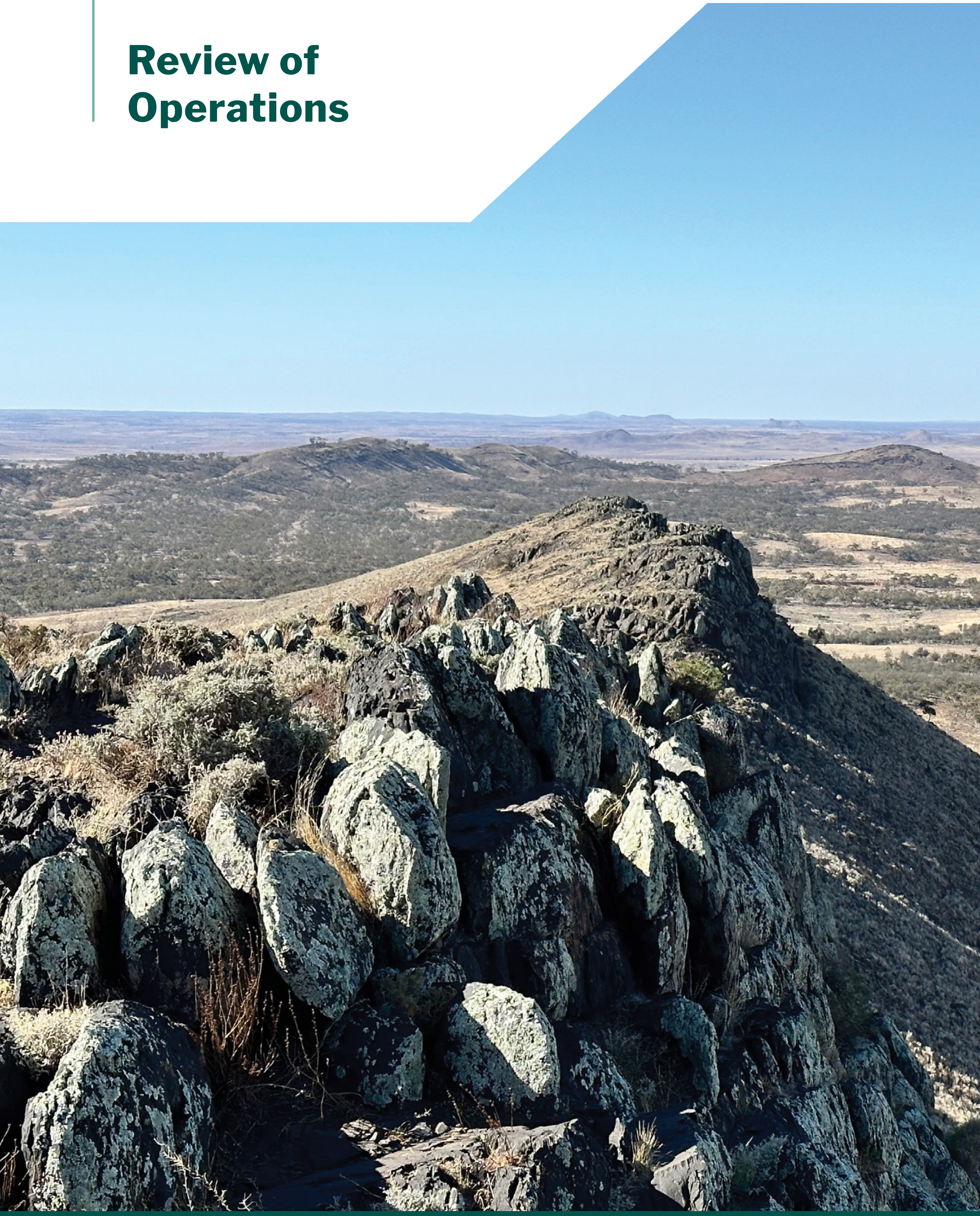
> **With your support, the Company has demonstrated that it has a premium iron ore resource, the ability to attract high-calibre partners seeking long-term involvement in the Project, and strong support across the highest levels of Federal and State Governments.**

On behalf of the Board of Magnetite Mines, I extend our sincere appreciation for your ongoing support and involvement. We are confident that our focus on strategic goals will deliver the value that you have been seeking and reward the trust you have placed in us.

Yours sincerely,

Jim McKerlie
Non-Executive Director
(Chair of the Board until 23 September 2024)

Review of Operations



EXECUTIVE SUMMARY

Magnetite Mines Limited ("Magnetite Mines" or "the Company") made significant progress in the development of its 100% owned flagship Razorback Iron Ore Project during the 2024 financial year.

Key achievements included:

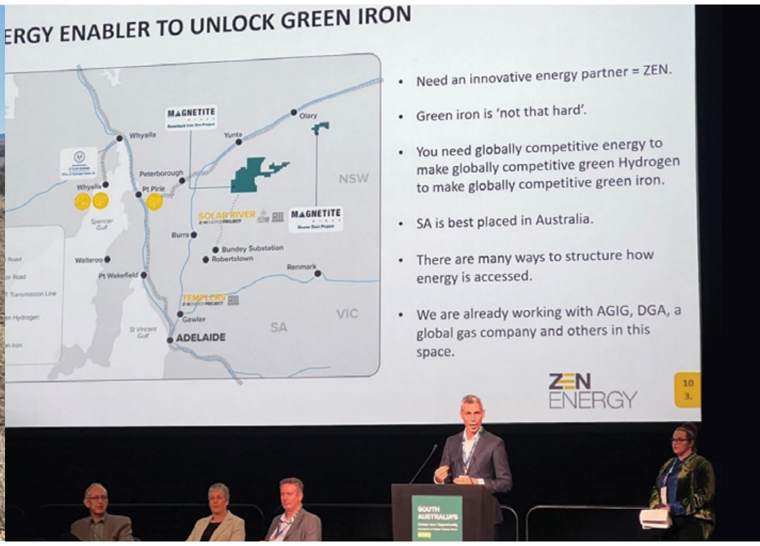
- **Advancing strategic partnerships, including signing agreements with JFE Shoji Australia Pty Ltd and ZEN Energy**
- **Progressing regulatory approvals, with federal environmental approvals in progress and a Mining Lease Proposal being prepared for submission.**
- **Achieving a technical breakthrough with testwork revealing the potential to use saline water for ore processing instead of fresh water**
- **Engaging extensively with state and federal government to support the emerging green iron industry opportunity**

These strategic advancements have established Magnetite Mines as a leader in South Australia's emerging green iron sector, while simultaneously advancing the Razorback Project towards a Final Investment Decision (FID). The Company's progress throughout the year has prioritised securing a robust foundation for aligning the Project with growing global demand for premium DR-Grade iron ore products essential to decarbonised steelmaking.

RAZORBACK IRON ORE PROJECT DEVELOPMENT

Strategic Partnering

During the year, Magnetite Mines prioritised the establishment of strategic partnerships that will be crucial for the development of the Razorback Iron Ore Project. The transition of the global steel industry to low-carbon steelmaking is creating entire new supply chains and the Company understands that collaborative relationships will be fundamental to Australia's success in taking advantage of this opportunity. These collaborations are being developed to secure funding, technical expertise, and market access, positioning the Company as a key player in the emerging green iron industry.[1,2,3,4,5,6,7,8,9]



Key partnering announcements:

1. **JFE Shoji Australia Pty Ltd:**
   In July 2024, the Company achieved a major milestone by signing a non-binding Heads of Agreement with JFE Shoji Australia, a subsidiary of JFE Shoji Corporation.[7]

   The Agreement provides the framework under which the parties will negotiate a binding transaction to support the completion of a Definitive Feasibility Study (DFS) for the Razorback Project. Completion of a DFS is an essential step in reaching a Final Investment Decision (FID) for the development of the Project.[7]

   In exchange, JFE will earn offtake rights for 10% of the planned Stage 1 production of DR-grade magnetite concentrates over a 15-year period. The agreement also allows JFE to elect to convert these offtake rights into equity or joint venture participation in the Razorback Project. Both parties aim to execute a Definitive Agreement by 31st January 2025. The Agreement represents the culmination of an extensive period of due diligence by JFE that commenced in April 2023 and included several site visits to the Razorback site in South Australia with the MGT team. During this period, MGT and JFE have developed a strong relationship formed on a basis of mutual understanding, trust and respect. These aspects are viewed by both parties as essential to underpinning potential long-term joint venturing.[7]

   The timing of this new partnership aligns well with both global efforts to decarbonise the steel industry, as well as the requirements of the South Australian Green Iron Opportunity EOI process launched in June 2024.[7]

2. **ZEN Energy Pty Ltd:**
   In July 2024, Magnetite Mines signed a Memorandum of Understanding with ZEN Energy, an Australian renewable energy company. This agreement focuses on potential collaboration in renewable energy offtake and emerging green iron opportunities. The partnership with ZEN Energy underscores the Company's commitment to sustainable practices and its strategic positioning in the evolving landscape of green energy and iron production.[8]

3. **Pacific Partnerships:**
   In November 2023, the Company entered into a Memorandum of Understanding with Pacific Partnerships, a subsidiary of CIMIC Group. The MoU establishes a foundation for Early Contractor Involvement (ECI) at the appropriate time in the Project's development sequence. It also enables collaboration on other possible commercial outcomes, including the potential for debt or equity-based project financing, joint venture partnering, and procurement of equipment and other services.[2]

4. **Port Pirie Regional Council:**
   In February 2024, Magnetite Mines signed a Memorandum of Understanding with the Port Pirie Regional Council, positioning Port Pirie as a future hub for green iron production and potential downstream processing. The MoU provides a framework for strategic engagement with State

and Federal Government on the development potential for green iron production in Port Pirie, preliminary planning including community and First Nations engagement, and assessment of other partnerships that support a future green iron industry. Additionally, the MoU covers cooperation on the development of supporting infrastructure for the Razorback Iron Ore Project, including potential water supply elements and port development for the bulk export of magnetite products.[5]

5. **Partnership with Ngadjuri Nation:** A landmark achievement in FY2024 was the signing of the "*Walking Together – One Team*" Partnering Agreement with the Ngadjuri Nation Aboriginal Corporation, the Native Title owner of the land hosting the Razorback Iron Ore Project. This historic agreement represents a significant step forward in the Company's commitment to Indigenous engagement and shared value creation. It establishes a framework for a long-term, respectful, and collaborative relationship between Magnetite Mines and the Ngadjuri Nation, providing a structured approach to addressing project regulatory and cultural matters, including Native Title, heritage, education, and economic development. The partnership acknowledges the spiritual and cultural connections to Country while creating opportunities for enduring benefits for both parties. Key initiatives under this agreement include:[5]
    - Commencement of negotiations for an Indigenous Land Use Agreement (ILUA).[5]
    - Further characterisation of the Project's cultural heritage environment and development of a Cultural Heritage Management Plan.[5]
    - Mutual discovery of 'value-add' participation programs, including employment, cultural heritage management, and land management.[5]

Magnetite Mines' partnership with the Ngadjuri Nation underscores the Company's dedication to building respectful and enduring relationships with Indigenous communities. By safeguarding cultural heritage and creating economic and educational opportunities for the Ngadjuri people, the agreement ensures the project honours the land's significance while delivering tangible community benefits.[5]

> **These strategic partnerships reflect the growing interest in the Razorback Project from both Australian and international parties, demonstrating the Project's strategic importance in the wider context of the global transition towards decarbonised 'green' iron and steel production.**

Magnetite Mines has specifically sought to attract long-term strategic partners and potential joint venture partners at an early stage in the Project, specifically to secure funding that will support the completion of works required to achieve a Final Investment Decision (FID). Under the Company's invitation, the Razorback Project has undergone extensive due diligence processes by a number of major interested potential strategic partners, leading to detailed and ongoing transactional negotiations. These efforts are aimed at securing both near-term funding to advance Project studies and long-term partnerships for its development and operation.

The Company's ability to attract partners of this calibre underscores the Razorback Project's potential to become a long-life, high-value iron ore production operation capable of producing premium-grade magnetite concentrates at scale. The partnerships sought will seek to position the Company to play a crucial role in global steel industry decarbonisation. Further, they also help strengthen and support longstanding commercial relationships between Australia and its key trading partners such as Japan, at a time of increasing geopolitical instability.[1,4,6,9,11]

Technical Studies and Project Optimisation

Throughout the year, Magnetite Mines maintained a focus on advancing technical and commercial de-risking of the Razorback Project with particular attention to value engineering, water supply solutions, and DR-grade metallurgical testwork. These advancements are critical to optimising the Project's design, reducing costs, and progressing towards the completion of a Definitive Feasibility Study (DFS).

Value Engineering

The Company continued to progress a number of high-value work streams collectively termed "Value Engineering." These initiatives aim to identify capital and operating cost-saving opportunities as well as validate infrastructure options prior to finalising the Project scope and committing to cost intensive DFS engineering. Key focus areas included:

1. Confirmation of Project water supply; [12]
2. Optimisation of Process flow sheet with a focus on DR-grade concentrate production; and [1,4,6,9,11,13]
3. Alignment and permitting pathway for Project high-voltage electricity supply. [1,4,11]

The outcomes of these studies will be integral to de-risking the Project and enhancing its attractiveness to potential investors as part of the DFS.

Water Supply Options

Securing a reliable, sustainable and cost-effective water supply has been a critical focus for the Razorback Project, and is fundamental to de-risking the Project in support of a Final Investment Decision (FID). During the year, the Company advanced two primary water supply options, each offering unique advantages. [1,4,6,9,12]

The current base case solution involves drawing and desalinating seawater from the Upper Spencer Gulf, and pumping the desalinated water via a pipeline to the Razorback Project site. This approach was selected based on its ability to provide long-term security of supply and to support potential future mine expansion. [4]

> **By sourcing water from an effectively unlimited water source (the ocean), the Company aims to establish the lowest risk pathway for a consistent, long-term and expandable water supply to the Project.**

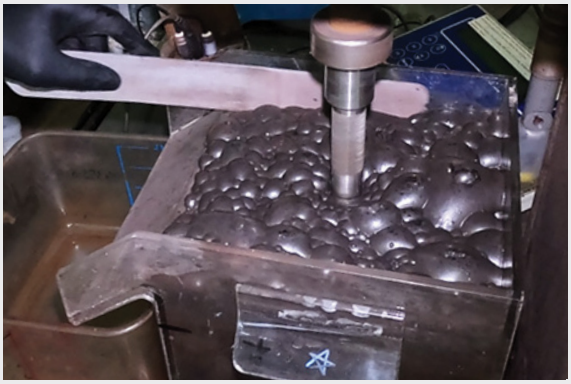
In parallel, the Company also advanced studies on an innovative inland solution that would repurpose brackish groundwater from regional salinity management schemes. This water currently has no other beneficial use and is considered a waste stream. An unsolicited bid for exclusive rights to negotiate water supply from the Murray River Saltwater Interception Scheme was approved by the South Australian Cabinet in September 2023. The endorsement underscores the alignment of the Razorback Project with broader environmental and economic objectives for South Australia. [1,4,11]

Both options underwent rigorous assessment and have been deemed viable. The Upper Spencer Gulf desalination option has been selected as the base case solution due to its scalability and long-term supply security. However, the inland option remains a viable alternative, offering attractive sustainability benefits, including the potential to extend the operational life of existing salinity management infrastructure. [4]

Metallurgical Testwork

Important metallurgical testwork was completed during FY2024, including a breakthrough demonstration of the potential to use saline water for ore processing instead of fresh water:

1. **Saline Water Processing:**
   The Company successfully completed laboratory testwork demonstrating the feasibility of using saline water (seawater) for flotation processing, a key component of the Project's processing flow sheet. Currently, conventional practice is to use fresh water for flotation. [13]



Saline Water Testwork | Bench scale flotation testwork at Bureau Veritas laboratories, Adelaide.

This breakthrough has the potential to reduce capital and operating costs significantly for the Project, along with reduced approval timelines. Further test work is required to prove this concept across all ore types, however the initial work is robust and highly promising.[13]

2. **Geometallurgical Program:**
   A comprehensive geometallurgical testwork program has been planned and designed in collaboration with potential strategic partners. This program aims to further characterise the Razorback orebody's metallurgical performance across its extent, mitigating risks associated with orebody variability. The execution of this program is subject to additional funding and is part of ongoing negotiations with potential strategic partners.[6]

> **These technical advancements demonstrate Magnetite Mines' commitment to developing a robust, efficient, and sustainable operation capable of producing high-grade iron ore products over a multi-decade timeframe.**

Power Supply Alignment and Permitting Pathway

The Company progressed power supply and related infrastructure optimisation for the Razorback Project during FY2024. A Connections Options Report (COR) commissioned by the Company confirmed the Bundey substation as the preferred offtake point for the Project's 140-150MW Stage 1 power requirement. This validation aligns with previous findings and supports the use of a double-strung, 275kV transmission line to deliver 150MW to the site.[4]

Additionally, Magnetite Mines continued to work closely with ElectraNet, South Australia's electricity grid manager. The Company is strongly advocating for ElectraNet's new 'Green Energy Network' project, previously known as the Mid North Expansion (Northern) project, which is designed to significantly enhance the region's transmission capacity. This development would enable the Project to source electricity from a much closer tie-in point to the state high-voltage electricity network, substantially reducing transmission line costs to the Company while supporting South Australia's world-leading strategy to achieve 100% net renewable energy by 2027.[1,4,11]

Sustainability

> **Magnetite Mines remained steadfast in its commitment to leading sustainability practices in FY2024. Under the banner of foresight, the Company's bespoke sustainability platform, Magnetite Mines advanced environmental approvals, strengthened community engagement, and deepened partnerships with traditional owners. These initiatives reflect Magnetite Mines' dedication to sustainable development and ensuring long-term value for all stakeholders associated with the development of Razorback.** [1,3,4,6,9,11]

Environmental Approvals

Magnetite Mines has made substantial progress in securing the necessary environmental and mining lease approvals for the Razorback Iron Ore Project.

A comprehensive Mining Lease Proposal (MLP) for the Razorback Project has been prepared, with submission deferred to allow for the completion of additional tailings technical studies as requested by the Department of Energy and Mining. A land surveying program was completed to support the definition of the mining lease and infrastructure corridor licences, and legal reviews commenced to ensure compliance with statutory requirements under the Mining Act 1971 (SA). Additionally, a series of presentations to SA Government stakeholders, including community consultation programs, have been held ahead of the MLP submission to both familiarise stakeholders with the Project and to ensure alignment with any policy changes.[1,4,6,9,11]

In January 2024, the Company lodged a referral for the Razorback Project under the Environment Protection and Biodiversity Conservation (EPBC) Act 1999 with the Department of Climate Change, Energy, the Environment and Water (DCCEEW). Following statutory public consultation and the submission of additional requested information, and subsequent to the reporting period, the Commonwealth regulator determined that the Project is a 'Controlled Action' under the EPBC Act. This important milestone affirms that the Project will undergo a formal assessment process, with the potential for a streamlined pathway in collaboration with the SA Government, and sets a clear path forward for the Project's environmental assessment at the federal level.[4,6]

foresight

Community Engagement

Magnetite Mines has consistently prioritised building strong relationships with Project stakeholders and local communities. During the year, a comprehensive community engagement program was launched, featuring multiple information sessions across Adelaide and the Mid-North region of South Australia. These sessions provided stakeholders and local residents with valuable opportunities to learn about the Razorback Iron Ore Project and the Company's proposed operations and intended environmental performance. Feedback from these sessions has been overwhelmingly positive. Additionally, Magnetite Mines has actively participated in local sporting and cultural events, and sponsored regional initiatives, reinforcing its commitment to community development.[1,4,6,9,11]

These efforts have been critical in fostering local support for the Project and ensuring that community perspectives are deeply integrated into the company's planning and decision-making processes.[1,4,6,9,11]

Government Engagement

Increasingly, as the importance of the Razorback Project is recognised in context of the wider green iron economic opportunity for Australia, Magnetite Mines has engaged with both State and Federal Governments, aligning the Company's vision with those of the rapidly emerging from both levels of government.

> **The Company participated in key events and private meetings throughout the year aimed at securing government support for the Project's infrastructure needs, including water supply, power supply, and port capacity.**

Federal Government 'Green Metals' Industry Consultation Submission

On 31 May 2024, the Commonwealth Department of Industry & Science launched an industry consultation process to explore Green Metals opportunities in Australia, including the production of green iron and green steel. Having previously met with Ministerial advisors in Canberra during March this year, Magnetite Mines prepared and lodged a 30-page submission outlining the South Australian Braemar Iron Region opportunity with a focus on the advanced status of the Company's Razorback Project development.[9]

The Company's submission recommends the policies necessary to establish a green iron industry founded on new premium-grade magnetite concentrates production. Magnetite Mines is following up its submission with a range of meetings with Federal Government departments, ministers' and shadow ministers' offices, along with South Australian senators.[9]

South Australian Government's Green Iron and Steel Strategy

On 20 June 2024, the South Australian government unveiled its ambitious Green Iron and Steel Strategy, marking a significant milestone in the state's commitment to becoming a global leader in decarbonised iron and steel production. Coinciding with this announcement, the government launched a Green Iron Expression of Interest (EOI) process and hosted a major industry forum, which Magnetite Mines attended alongside representatives from over 150 organisations, including global leaders in the mining, steel, and energy sectors.[9,15]

The strategy, supported by a $3.6 million government investment, aims to establish a world-leading green iron industry in South Australia by 2030, centred around a new hydrogen-based green iron plant.[9,15]

> **The government has recognised the potential of the Braemar Iron Region, including the Razorback Iron Ore Project, as a key opportunity for development. Magnetite Mines intends to leverage this initiative to benefit the Project through advocacy for essential water, power and logistics infrastructure.**[9,15]

Alongside selected industry partners, the Company plans to submit a formal EOI submission in October, positioning the Razorback Project as a crucial component in realising South Australia's green iron ambitions.[9]

Corporate

Board and Management Changes

In September 2023, Mr. Jim McKerlie assumed the role of Chair of the Board, succeeding Mr. Mark Eames. Mr. McKerlie, who joined the Board in January 2022, brings over three decades of experience in business leadership and transformation. His track record includes significant roles in ASX-listed companies, notably as Chair of Drillsearch Energy Limited, where he oversaw substantial growth driven by successful M&A transactions and international capital raisings. He also served as a Director of Beach Energy Ltd following the Beach-Drillsearch merger. Mr. McKerlie's appointment is strategically aligned with Magnetite Mines' vision to transition into a future-facing high-grade iron business, positioning the Company to capitalise on the emerging green steel industry.[16]

The Company also strengthened its executive team in July 2023 with the appointment of Mr. Simon Smith as Chief Financial Officer.[17]

Capital Raising and Financial Management

In November 2023, the Company completed a renounceable pro-rata rights issue, raising $6.5 million, exceeding the original target of $6.2 million. This demonstrated strong support from existing shareholders and new investors, signalling confidence in MGT and the Razorback Iron Ore Project.[18]

The Company also successfully negotiated an amendment to the terms of a redeemable convertible note held by Mintech Resources Pty Ltd (in liquidation), allowing for their repayment in March 2024. In December 2023, the convertible note was repaid in full, leaving the Company debt-free.[4,19,20]

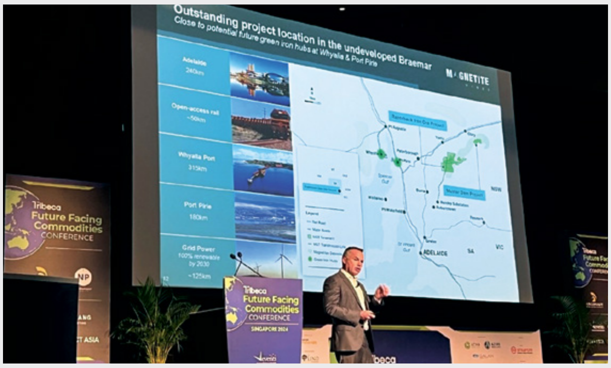
To support its financing efforts, in May 2024 the Company appointed Azure Capital, a leading Australian corporate advisory firm, to assist with funding and partnering options for the Razorback Iron Ore Project.[21]

The equity capital market environment deteriorated during the course of 2024 making follow on capital raising more challenging. In July 2024, the Company closed a 1 for 6 pro rata non-renounceable Entitlement Offer, raising $1.17 million from existing shareholders, falling short of the targeted amount of approximately $5 million. The Company appointed Mahe Capital Pty Ltd to place the remaining shortfall and subsequently launched a further Rights Issue on 3 September 2024, seeking to raise a further $4.1 million with $2.0 million underwritten by Mahe Capital Pty Ltd.[22]

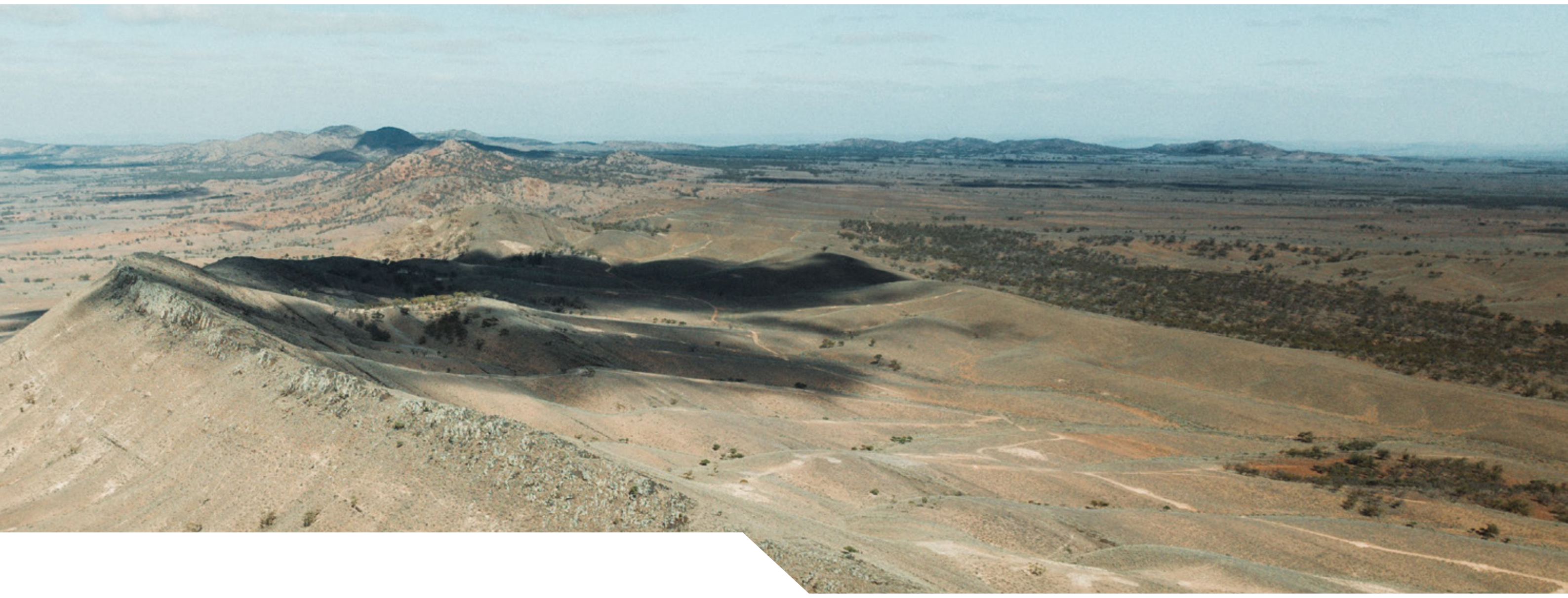
The Company remains focused on securing necessary funding for ongoing operations and project development while partner funding transactions are completed.

Investor Relations and Marketing

Throughout FY2024, Magnetite Mines intensified its investor relations and marketing efforts, resulting in increased visibility and engagement with both domestic and international stakeholders. The Company maintained an active presence at several high-profile industry events, including the International Mining and Resources Conference (IMARC) in Sydney, Australian-Japan Business Co-operation Committee Conference in Melbourne, the Future Minerals Forum in Riyadh, Tribeca's Future Facing Commodities Conference in Singapore and The Australian Hydrogen Conference in Adelaide.[1,4,6,9,11]



In parallel, the Company launched a new website and expanded its digital presence across various platforms, leveraging social media and online channels to effectively communicate the strategic value of the Razorback Iron Ore Project. These efforts have been crucial in communicating the Company's vision and progress to a broader audience, particularly in the context of the emerging green iron industry opportunity.[9]



Exploration and Evaluation

Exploration Activities

During the year, Magnetite Mines continued its exploration activities, focusing on environmental field programs, permitting consultations, and collaboration with the Ngadjuri Nation. These efforts are critical to advancing the Razorback Iron Ore Project and supporting the Company's long-term growth strategy.[1,4,6,9,11]

Limited exploration activities were conducted at the Razorback and Muster Dam tenement packages, with the bulk of expenditure commitments met by small scale exploration programs including geochemical analysis and reconnaissance.

Significant work related to technical program planning and other study related derisking programs was undertaken in support of pending DFS studies.[1,4,6,9,11]

Subsequent to the reporting period, both the Lipson (EL6754) the Muster Dam (EL6746) tenements were reduced in area, with ground not prospective for magnetite iron mineralisation surrendered in line with statutory guidelines. The partial tenement area reductions have resulted in significant expenditure commitment reduction for these tenements. The Muster Dam mineral resource and key exploration targets Duffields, Peaked Hill and Muster Catch were retained.

Outlook for FY2024

As Magnetite Mines enters FY2025, the Company is focussed on achieving several critical milestones. Key focus areas include completing the Definitive Feasibility Study (DFS) in line with our funding partner's requirements, securing strategic and financial partnerships to support project development, and advancing sustainability initiatives aligning with global decarbonisation trends. Additionally, the Company will drive forward the Mining Lease Application process, a key regulatory milestone.

> **"The Company remains steadfast in its vision to become a substantive premium-grade iron ore producer, supporting Australia's position as a value-adding leader in the green steel supply chain, and creating long-lasting value for shareholders.**

Summary of the Company's Global Iron Resource Estimates

Razorback Iron Ore Project (Razorback and Iron Peak Combined) *a4

Classification	Tonnes (Mt)	Mass Rec (eDTR%)	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %	Mag %
Indicated	1,680	15.9	18.4	48.0	8.1	0.18	5.5	15.0
Inferred	1,570	16.1	17.7	48.6	8.2	0.18	5.5	15.5
Total	**3,250**	**16.0**	**18.1**	**48.3**	**8.1**	**0.18**	**5.5**	**15.3**

Results presented at 11% eDTR cut-off

Ironback Hill *b29

Classification	Tonnes (Mt)	Mass Rec (eDTR%)	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %	Mag %
Inferred	1,187	-	23.2	44.4	7.2	0.21	5.4	12.9

Results presented with no cut-off

Muster Dam Iron Project *c6

Classification	Tonnes (Mt)	Mass Rec (eDTR%)	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %	Mag %
Inferred	1,550	15.2	18.7	49.6	8.8	0.2	2.8	-

Results presented with 10% Mass Recovery cut-off

Combined Mineral Resource Estimate

Classification	Tonnes (Mt)	Mass Rec (eDTR%)	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %	Mag %
Inferred & Indicated	5,982	-	19.4	48.1	8.2	0.2	4.8	-

Results presented as weighted averages of items A, B and C

Razorback Iron Ore Project, Ore Reserve *5

Classification	Tonnes Ore (Mt)	eDTR %	Fe %	Mag %
Probable	1,977	14.6	17.5	13.7

Ore Reserves are a sub-set of Razorback Iron Ore Project Indicated Mineral Resource Estimate. All figures quoted at an 8% eDTR cut-off.

** The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements above, and in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.*
The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements. Tonnages and grades presented above are estimates of in-situ rock characteristics.

No new nor changes to existing Ore Reserves are applicable to this Mineral Resource Estimate Update.

References		
1.	30/10/23	ASX Announcement – First Quarter Activities Report
2.	14/11/23	ASX Announcement – MOU Signed with CIMIC's Pacific Partnerships
3.	21/12/23	ASX Announcement – Historic Partnering Agreement Signed with Ngadjuri Nation
4.	29/01/24	ASX Announcement – Second Quarter Activities Report
5.	13/02/24	ASX Announcement – Partnership Positions Port Pirie as Future Green Iron Hub
6.	29/04/24	ASX Announcement – Third Quarter Activities Report
7.	08/07/24	ASX Announcement – Heads of Agreement Signed with JFE Shoji Australia Pty Ltd
8.	18/07/24	ASX Announcement – Memorandum of Understanding with Zen Energy
9.	30/07/24	ASX Announcement – Fourth Quarter Activities Report
10.	29/02/24	ASX Announcement – MGT Strategy Aligned with SA Gov Green Iron Vision
11.	01/09/23	ASX Announcement – Razorback Iron Ore Project Update
12.	27/09/23	ASX Announcement – Water Supply Exclusive Negotiation Rights Secured
13.	22/07/24	ASX Announcement – 'Green Iron' Grade Concentrates Produced Using Saline Water
14.	27/06/23	ASX Announcement – Magnetite Mines Launches 'Foresight' Sustainability Platform
15.	20/06/24	SA Government White Paper – "South Australia's Green Iron and Steel Strategy"
16.	13/09/23	ASX Announcement – Appointment of New Chair
17.	5/07/23	ASX Announcement – Appointment of Chief Financial Officer
18.	22/11/23	ASX Announcement – Rights Issue Closes Over Target, Secures $6.5 Million
19.	23/08/23	ASX Announcement – Agreement Reached to Extend Convertible Notes Repayment
20.	13/11/23	ASX Announcement – Redeemable Convertible Notes Update
21.	09/05/24	ASX Announcement – Azure Capital Appointed as Financial Advisors
22.	24/07/24	ASX Announcement – Entitlement Offer Closes Securing $1.17M; Shortfall Placement Commenced

Director's Report

Director's Report

FOR THE YEAR ENDING 30 JUNE 2024

The directors present their report on the Consolidated Entity consisting of Magnetite Mines Limited and the entities it controlled at the end of, or during, the year ended 30 June 2024.

INFORMATION ON DIRECTORS

The following persons were Directors of Magnetite Mines Limited ("Company") and were in office during the financial year and until the date of this report unless otherwise stated.

Mr Paul White	Chair of the Board	(Appointed as Chair on 23 September 2024)
Mr Tim Dobson	Managing Director	(Appointed as Managing Director on 23 September 2024)
Mr Jim McKerlie	Non-Executive Director	(Resigned as Chair on 23 September 2024)
Ms Carmen Letton	Non-Executive Director	
Mr Peter Schubert	Non-Executive Director	
Mr Simon Wandke	Non-Executive Director	
Mr Mark Eames	Non-Executive Director	(Resigned 23 November 2023)

PRINCIPAL ACTIVITY

The principal activity of the Consolidated Entity during the year was mineral exploration in Australia. Other than the foregoing, there were no significant changes in those activities during the year.

RESULT OF OPERATIONS

A review of operations of Magnetite Mines Limited during the financial year are set out on pages 6 - 19.

Financial results from FY24 are summarised below:

- Group operating loss attributable to equity holders of Magnetite Mines after tax was $4,847,855 (FY23: $5,331,191).
- Interest and other income recognised was $371,856 (FY23: $486,471)

Total assets decreased by $745,003 to $38,226,143 during the period and cash balances decreased by $3,921,755 to $1,212,955, primarily due to:

- Cash outflow from operating activities of $3,665,887;
- Cash outflow from investing activities of $3,774,964; and
- Cash inflow from financing activities of $3,519,096.

Total liabilities decreased by $2,278,732 to $1,382,269 primarily due to the repayment of the Convertible Loan Note.

Total equity increased by $1,533,730, primarily due to the Rights Issue, which closed in November 2023, raising $6.5 million above target.

FUNDING AND CAPITAL MANAGEMENT

As at 30 June 2024, Magnetite Mines held cash and cash equivalents of $1,212,955.

The consolidated entity has prepared a cash flow forecast, which indicates that current cash balances are insufficient to meet its ongoing planned expenditure unless further capital is raised. These conditions indicate the existence of a material uncertainty that may cast doubt over the consolidated entity's ability to continue as a going concern over the next 12 months.

The Directors remain confident, based on past performance, that they will be successful in their plan to raise further funds from the issue of equity, Razorback project sell-down or an interest carry, to manage cash flows, and/or secure debt to fund the Group's ongoing planned expenditure on the Razorback project. Directors can also defer or reduce corporate and/or exploration and evaluation expenditures at relatively short notice if required. The Company has sufficient funds to meet its confirmed commitments.

Should the Group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.

MATERIAL BUSINESS RISKS

Magnetite Mines recognises that effective risk management is a critical component of its operations. The company has developed a robust framework for identifying, understanding, managing, and reporting risks. As outlined in our Board Charter, the Board bears the responsibility for overseeing our risk management framework and monitoring significant business risks. The Audit & Risk Committee assists the Board in ensuring the existence of an appropriate corporate risk management framework and in identifying business, operational, financial, and regulatory risks along with mitigation measures.

Given the nature of Magnetite Mines' operations, the material business risks that could have an adverse impact on the Company's financial position or performance include economic risks, operational risks, social licence- to-operate and health, safety and environmental risks. A description of the nature of the risks and how such risks are managed is set out below. This list is neither exhaustive nor in order of importance.

ECONOMIC RISKS

Ability to access funding

Magnetite Mines operates in the iron ore industry, undertaking exploration and development activities. To fund this activity, the Group relies on access to debt and equity markets. The ability to access funding may be negatively impacted by factors such as the Group's capital structure and financial markets volatility. This may result in postponement of or reduction in planned capital expenditure, relinquishment of rights in relation to assets, an inability to take advantage of opportunities or otherwise respond to market conditions. Any of these outcomes could have a material adverse effect on the Group's financial position, its ability to expand its business and/or maintain its operations at current levels. The annual capital and operating budgeting processes are approved by the Board to ensure appropriate allocation of resources.

OPERATIONAL RISKS

Material changes to reserves and resources

The estimated quantities of reserves and resources are based upon interpretations of geological, geophysical and engineering models and assessment of the technical feasibility and commercial viability of production. Estimates that are valid at a certain point in time may alter significantly or become uncertain when new information becomes available through field research, additional drilling or technical analysis. As reserves and resources estimates change, development and production plans may be altered in a way that may adversely affect Magnetite Mines' operations and financial results. Magnetite Mines prepares its reserves and resources estimates in accordance with the JORC 2012 standard and guidelines.

Major Project Delivery

Magnetite Mines is focused on creating shareholder value through the future commercial development of the Razorback Iron Ore Project. However, with any future significant capital project, there is a risk of failure or incomplete achievement of project objectives, which could result in lower investment returns than initially anticipated. These risks could emerge from various factors, including challenges in obtaining necessary regulatory approvals within expected timelines, obstacles in securing land access (including navigating native title agreements), procurement issues resulting from delays in equipment fabrication or constraints in global supply chains, labour shortages, inflationary pressures, failure to effectively define or meet project scope, budget, and definition, deficiencies in project design and quality, concerns regarding process safety, failures in cost control and delivery schedule management, limitations in available resources and suboptimal decision-making.

Cyber Risk

The integrity, availability and confidentiality of data within Magnetite Mines' information and operational technology systems may be subject to intentional or unintentional disruption (for example, from a cyber security attack). Given the current size of Magnetite Mines business, the Company engages a third party IT support company who have robust processes and technology, supported by specialist cyber security skills to prevent, detect, respond and recover from such attacks should one occur.

People and Capability

The industry Magnetite Mines operates in faces challenges in attracting and retaining personnel with specialised skills and expertise. The inability to attract and retain such individuals could potentially disrupt business continuity through the loss of critical human resource capability. To address this risk, we have implemented employment arrangements that are specifically designed to secure and retain key personnel.

SOCIAL LICENCE TO OPERATE RISKS

Regulatory risk

Changes in government policy (such as in relation to taxation, environmental and cultural protection, and licensing) or statutory changes may affect Magnetite Mines' business operations and its financial position. A change in government regime may significantly result in changes to fiscal, monetary, property rights and other issues which may result in a material adverse or positive impact on Magnetite Mines' business. Magnetite Mines monitors changes in relevant regulations and engages with regulators and governments to ensure policy and law changes are appropriately influenced and understood.

Disputes and litigation

The nature of the operations of Magnetite Mines means it may be involved in litigation or disputes from a range of sources, including contractual disputes, breach of laws, lawsuits or personal claims. Magnetite Mines engage experienced external legal firms and keeps abreast of claims, changes to legislation and regulatory requirements.

Permitting risk

All Exploration licences held by Magnetite Mines are subject to the granting and approval of relevant government bodies and ongoing compliance with licence terms and conditions. Tenure management processes and standard operating procedures are utilised to minimise the risk of losing tenure. The Company regularly engages with principal regulator Department for Energy and Mining regarding its tenement compliance management.

Land access, cultural heritage Native Title and community stakeholders

Magnetite Mines is required to notify owners and occupiers of land within its licence areas prior to undertaking exploration works and must negotiate access conditions prior to commencing mine development activities.

Magnetite Mines operates in a number of areas within South Australia that are subject to Native Title determination or claim. Native title rights are acknowledged by Magnetite Mines and the Company must comply with relevant obligations under Federal and State regulation. A Native Title agreement is generally required before the commencement of exploration activities upon a tenement or prior to the granting of a mining lease; consequently, this may impact the timing and cost of exploration, development and production. Magnetite Mines notes that it already has a relevant agreement in place for exploration activities upon the Razorback tenements and negotiation for a mining agreement is scheduled into the development process.

The iron ore industry is also subject to interest from a wide range of stakeholders from the broader community who may be opposed to the role of the industry. Magnetite Mines' standard operating procedures and stakeholder engagement processes are used to manage land access, cultural heritage, native title and community stakeholder risks. The Company actively engages with its stakeholders and monitors for any emerging risks.

HEALTH, SAFETY AND ENVIRONMENTAL RISKS

The business of exploration and development involves a variety of risks that may impact the health and safety of personnel, the community and the environment. Potential failure to manage these risks could result in injury or loss of life, damage to the environment, legal liability and damage to Magnetite Mines' reputation. Losses and liabilities arising from such events could increase costs and have a material adverse effect on the operations and/or financial conditions of Magnetite Mines. Magnetite Mines has implemented an online safety management system to identify and manage risks in this area, and works closely with contractors and consultants to ensure planned activities are conducted safely and with supervision, as may be required.

Insurance policies, standard operating procedures, contractor management processes and facility design and integrity management systems, amongst other things, are important elements of the system that support the mitigation of these risks. Magnetite Mines seeks to maintain appropriate policies of insurance consistent with those customarily carried by organisations in the resources sector. Any future increase in the cost of such insurance policies, or an inability to fully renew or claim against insurance policies as a result of the current economic environment (for example, due to a deterioration in an insurers ability to honour claims), could adversely affect Magnetite Mines' business, financial position and operational results.

CLIMATE CHANGE

Magnetite Mines is likely to be subject to increasing regulations and costs associated with climate change and, specifically, management of carbon emissions. Strategic, regulatory and operational risks and opportunities associated with climate change and the energy transition are progressively being incorporated into Company policy, strategy and risk management processes and practices. The Company actively monitors current and potential areas of climate change and energy transition risk.

DIVIDENDS

No dividends have been paid during the financial year and no dividend is recommended for the current year.

NATIVE TITLE

Claims of native title over certain of the Consolidated Entity's tenements have been made, and may in the future be made under the Commonwealth Native Title Act. In the event that native title is established by an indigenous community over an area subject to the Consolidated Entity's mining tenements, the nature of the native title may be such that consent to mining may be required from that community but is withheld.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year not otherwise dealt with in this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Details of important developments in the operations of the Consolidated Entity are set out in the review of operations section of this report. The Consolidated Entity will continue to explore its Australian tenement areas of interest for minerals, and any significant information or data will be released in the market and to shareholders.

ENVIRONMENTAL ISSUES AND REGULATIONS

The Consolidated Entity has interests in mining tenements (including prospecting, exploration and mining leases). The leases and licence conditions contain environmental obligations. The Consolidated Entity has assessed whether there are any particular or significant environmental regulations that apply. It has determined that the risk of non-compliance is low and has not identified any compliance breaches during the year. The directors are not aware of any environmental matters that would have a significant adverse effect on the Consolidated Entity. During the year the Company has paid $5,000 as part of Environmental Rehabilitation for the Razorback tenement. The Company has also made a provision of $4,000 for remaining rehabilitation work required to finalise rehabilitation at Razorback and Iron Peak. The provision represents minor works following significant rehabilitation completed in the preceding reporting periods and includes remediation of access tracks, drill sites and ongoing environmental monitoring of previously disturbed areas in line with statutory requirements.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial period, other than the matters disclosed below, the directors are not aware of any other matter or circumstance that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity.

Entitlement Offer

On 26 July 2024, the Company issued 3,769,666 fully paid ordinary shares as part of the 1-for-6 pro rata non-renounceable Entitlement Offer to eligible shareholders, which closed on Friday, 19 July 2024, raising $1.17 million.

Conversion of Sign-On Rights

On 14 August 2024, 125,000 fully paid ordinary shares were issued following the vesting of Tranche 2 of the CEO sign-on rights.

Rights Offer

On 3 September 2024, the Company launched a renounceable Rights Issue at $0.20 per share to raise approximately $4.1 million before costs, partially underwritten up to $2 million, which closed on 25 September 2024. According to the Rights Issue timetable, the results will be announced on 2 October 2024.

Corporate & Board Update

On 23 September 2024, the Company announced the below changes.

- CEO, Mr Tim Dobson was appointed as Managing Director effective 23 September 2024 with no change to compensation.
- Mr Jim McKerlie resigned as Chair of the Board on 23 September 2024 but will remain a Non-Executive Director.
- Mr Paul White was appointed as Chair of the Board effective 23 September 2024 until such time that a replacement Chair is appointed with no change to compensation.
- Mr Peter Schubert will not stand for re-election at the upcoming AGM.
- Dr Carmen Letton will resign as Non-Executive Director at the upcoming AGM.
- The Company will be scaling back its corporate operations in Sydney.

CORPORATE INFORMATION

Magnetite Mines Limited	Parent entity
Razorback Iron Pty Ltd	100% owned controlled entity
Razorback Operations Pty Ltd	100% owned controlled entity
Red Dragon Mining Pty Ltd	100% owned controlled entity
Ironback Pty Ltd	100% owned controlled entity

INFORMATION ON DIRECTORS

PAUL WHITE	***Chair***
Qualifications	Master of Business Administration, Member of AICD
Skills and Experience	Mr White is a highly accomplished and experienced business leader with a track record of driving organisational performance and delivering superior outcomes in both corporate and board positions. He has substantial executive experience with global mining companies including FTSE-listed Anglo American and Xstrata, with expertise in people strategy, business transformation and community stakeholder relations. Until 28 February 2021, Mr. White was the CEO of ASX-listed Brisbane Broncos, a position he held for a decade. Prior to his role with the Broncos, Mr. White gained considerable experience within the mining sector over an 8-year period in a variety of senior leadership and executive roles, both within site-based operations and corporate roles. He also spent 17 years in the Queensland Police Service finishing his career as the Officer in Charge of Mount Isa. Paul is currently the Independent Chair of the Coal Network Capacity Company, established in 2019 by major Queensland coal industry participants as the Independent Expert overseeing the capacity of the Central Queensland Coal Network. Throughout his career, Mr White has been extensively involved in working with Aboriginal and Torres Strait Islander communities and in particular, Aboriginal and Torres Strait Islander youth programmes. In 2017, his work in this area was recognised in his nomination for Queensland's Australian of the Year Award. Mr White was appointed as director on 12 January 2022 and was appointed as Chair of the Board on 23 September 2024.
Other current Directorships	Independent Chairman - Coal Network Capacity Company Director - Country to Coast PHN, Queensland
Former Directorships in the last three years	None
Special Responsibilities	Chair of Audit & Risk Committee Member of People & Culture Committee
Interest in Shares and Options at the date of this report	• 760,218 Ordinary shares • 183,708 Quoted options exercisable at $0.45 each expiring 23 May 2025

TIM DOBSON	***Managing Director***
Qualifications	B.AppSc in Extractive Metallurgy, GAICD, FAusIMM
Skills and Experience	Mr Dobson is a mining leader with over 36 years experience leading and developing world-class operations, Mr Dobson has a track record in transformational leadership through the application of sound strategy, technical capability and building high-performance teams. Prior to joining Magnetite Mines, he was CEO of Heron Resources, which he joined in early 2020 as Covid-19 impacts forced mine closures and established a strategic process leading to the refinancing and resumption of mining operations. Prior to that, he worked for six years with Sherritt International Corporation where he was President of its US$8bn Ambatovy nickel operations in Madagascar during its transition from early ramp-up to stable operations before assuming responsibility for the company's nickel and cobalt operations in Canada and Cuba. He has also held a series of executive leadership and CEO roles with Norilsk Nickel, Lihir Gold (PNG), Kimberley Rare Earths, Anova Metals and Polymetals, where Mr Dobson lead the development of the successful White Dam gold project in South Australia. Mr Dobson was appointed as CEO on 23 August 2022 and was appointed as Managing Director on 23 September 2024.
Other current Directorships	None
Former Directorships in the last three years	None
Special Responsibilities	None

Interest in Shares and Options at the date of this report	• 909,462 Ordinary shares • 41,590 Quoted options exercisable at $0.45 each expiring 23 May 2025 • 218,541 performance rights expiring on 30 November 2024 • 382,883 unquoted options with an exercise price of $1.34 each expiring on 1 December 2028 • 1,064,736 unquoted options with an exercise price of $0.556 each expiring on 5 December 2029.

JIM MCKERLIE	***Non-Executive Director***
Qualifications	Bachelor of Economics, Diploma in Financial Management, FAICD, Fellow of Chartered Accountants ANZ.
Skills and Experience	Mr McKerlie has an extensive career as an international chief executive with public and private companies, management consultant with Deloitte and KPMG and as a public company director including Chair of Drillsearch for 8 years, Beach Energy and ELMO. He has chaired four IPOs and has depth of experience in technology and energy sectors. Mr McKerlie's primary interests are growing businesses, building shareholder value and ensuring appropriate governance procedures are in place. He also has 20 years broadcast experience as a national media presenter in finance and economics. Mr McKerlie was appointed as director on 12 January 2022 and was appointed as Chair of the Board on 25 September 2023. Mr McKerlie resigned as Chair of the Board on 23 September 2024.
Other current Directorships	None
Former Directorships in the last the three years	None
Special Responsibilities	Chair of People & Culture Committee Chair of Capital Management Committee Member of Audit & Risk Committee
Interest in Shares and Options at the date of this report	• 99,952 Ordinary shares • 10,363 Quoted options exercisable at $0.45 each expiring 23 May 2025

PETER SCHUBERT	***Non-Executive Director***
Skills and Experience	Mr Schubert is a professional investor with business development and entrepreneurial skills teamed with over 33 years of direct experience in international and domestic markets. Mr Schubert has strong, established ties to the investment community, particularly in relation to the Australian resource sector. During his career Mr Schubert has developed a range of businesses across various sectors with an emphasis on support for the establishment of various Australian resource companies. Mr Schubert was first appointed to the board on 17 December 2015 as non-executive director and appointed as executive director on 9 December 2016 and subsequently appointed as Executive Chair on 3 September 2018 and as Interim CEO on 16 March 2021. Effective from 15 May 2022, Mr Schubert was appointed as non-executive director.
Other current Directorships	Chairman - Natural MedTech
Former Directorships in last three years	None.
Special Responsibilities	Member of Audit & Risk Committee
Interest in Shares and Options at the date of this report	• 2,731,040 Ordinary shares • 66,666 Quoted options exercisable at $0.45 each expiring 23 May 2025 • 240,000 Unquoted options exercisable at $1.76 each expiring 13 December 2024 • 400,000 Unquoted options exercisable at $0.915 each expiring 15 December 2025

SIMON WANDKE	***Non-Executive Director***
Qualifications	Bachelor of Arts (Psychology), Graduate of Australia Institute of Company Directors (GAICD), Diploma in Corporate Finance
Skills and Experience	Mr Wandke is a highly accomplished C-suite leader, with extensive global iron ore leadership, strategy, value chain and commercial experience in major resource organisations. Most recently, Mr Wandke was Executive Vice President and Chief Executive Officer of ArcelorMittal Mining, the world's leading steel company with the fifth largest iron ore business globally. During his tenure, Mr Wandke played a key role in helping to drive the mining division forward to the next stage of its development as one of the largest global producers of iron ore, coking coal and other minerals. Mr Wandke has over 40 years' experience in the mining and minerals industry, holding senior management, strategy and commercial positions internationally with a particular focus on the development of greenfield and brownfield projects, designing and implementing major change and effective commercial strategies, strategic marketing, risk management and ESG. Mr Wandke was appointed a director on 6 June 2022.
Other current Directorships	None
Former Directorships in the last three years	Kalium Lakes Ltd (from October 2022 to August 2023)
Special Responsibilities	Member of Audit & Risk Committee Member of Capital Management Committee
Interest in Shares and Options at the date of this report	• 55,222 Ordinary shares • 5,000 Quoted options exercisable at $0.45 each expiring 23 May 2025

CARMEN LETTON	***Non-Executive Director***
Qualifications	PhD Mineral Economics, Bachelor of Engineering (Hon) (Mining)
Skills and Experience	Dr. Carmen Letton is a mining engineer and mineral economist with over 35 years of global mining experience in more than 10 world-class and tier-one assets and has a diverse background in senior leadership roles in operations, business improvement, operational excellence, major mergers and acquisitions, and corporate strategy development. She has particular technical expertise in the optimisation and value maximization of open-pit and underground mines across multiple commodities and the various stages of asset development and spent over 10 years leading the turnaround of mining portfolios and individual assets. Most recently, Dr. Letton has played key roles on the Board of Directors of international mining companies, having previously worked at Anglo American, BHP, Rio Tinto, Newmont, Newcrest, and Alcoa. Dr Letton was selected as one of the "100 Global Inspirational Women in Mining" in 2016 and 2018 by Women in Mining UK.
Other current Directorships	None
Former Directorships in the last three years	None
Special Responsibilities	Member of People & Culture Committee
Interest in Shares and Options at the date of this report	• 129,090 Ordinary shares • 9,545 Quoted options exercisable at $0.45 each expiring 23 May 2025

MARK EAMES	*Non-Executive Director (ceased on 23 November 2023)*
Qualifications	BA (Metallurgy) (Hons)
Skills and Experience	Mr Eames has a successful track record in the global minerals industry in exploration, evaluation, development, acquisitions, operations, marketing and senior corporate management. He is a qualified metallurgist with extensive experience in Australia and overseas and has held senior roles working with the iron ore businesses of Glencore, Rio Tinto and BHP. Mr Eames graduated with a BA (Metallurgy)(Hons) from the University of Cambridge, UK. He is a member of the Australasian Institute of Mining and Metallurgy. Mr Eames is a past and present Director of other publicly listed Australian companies, including Universal Coal, where he was interim Chair, and Sphere Minerals Ltd, where he was the Chief Executive Officer. Mr Eames was first appointed to the board on 11 March 2020 as a Non-Executive Director and was appointed as Technical Director on a part-time basis on 1 May 2021. Effective 15 May 2022, Mr Eames was appointed as Chair. Mr Mark Eames resigned as Chair of the Board on 25 September 2023 and resigned as Non-Executive Director on 23 November 2023.
Other current Directorships	None
Former Directorships in the last three years	Universal Coal (from 2019 to 2020)
Special Responsibilities	Member of Audit & Risk Committee Member of People & Culture Committee
Interest in Shares and Options at the date of this report	• 1,310,909 Ordinary shares • 140,454 Quoted options exercisable at $0.45 each expiring 23 May 2025 • 300,000 Unquoted options exercisable at $1.76 each expiring 13 December 2024 • 200,000 Unquoted options exercisable at $0.915 each expiring 15 December 2025.

JOINT COMPANY SECRETARIES

Inthu Siva – Joint Company Secretary

Ms. Siva was appointed as Company Secretary on 14 April 2023. She has been employed by the Company since 2010 and also holds the position of Financial Controller. Ms. Siva is an affiliated member of the Governance Institute of Australia and is a Certified Practising Accountant (CPA).

Simon Smith – Joint Company Secretary

Mr. Smith was appointed as Company Secretary on 30 October 2023. Mr Smith is a highly accomplished CFO and Company Secretary with extensive experience in both ASX and TSX listed companies and was appointed as Chief Financial Officer on 4 September 2023. Mr Smith holds a BCom and is a Chartered Accountant.

SHARES UNDER OPTIONS AND PERFORMANCE RIGHTS

As at the date of this report, there were 20,245,761 unissued ordinary shares of the Company as follows:

Date options issued	Expiry date	Vesting date	Exercise price of options ($)	Number of options
Unquoted options				
2 Dec 2019	1 Dec 2024	2 Dec 2019	0.57	300,000
16 Dec 2020	15 Dec 2025	16 Dec 2020	0.915	600,000
9 Dec 2021	8 Dec 2024	9 Dec 2021	1.810	1,052,000
14 Dec 2021	13 Dec 2024	14 Dec 2021	1.760	540,000
29 Jun 2022	27 Jun 2025	29 Jun 2022	1.95	135,360
17 Nov 2022	14 Oct 2025	17 Nov 2022	2.03	286,071
1 Dec 2022	1 Dec 2025	1 Dec 2022	1.39	1,049,654
1 Dec 2022	1 Dec 2028	30 Nov 2025	1.34	382,883
2 Feb 2023	1 Feb 2029	1 Feb 2026	0.78	167,940
5 Dec 2023	5 Dec 2029	5 Dec 2026	0.556	1,978,713
Performance Rights				
5 Dec 2023		30 September 2024		2,922,942
Quoted options				
23 Nov 2023	23 May 2025	23 Nov 2023	0.45	10,830,198

During the financial year:

(1) On 7 August 2023, 426,910 employee performance rights were converted into fully paid ordinary shares following the performance evaluation process.
(2) On 8 August 2023, 374,930 CEO performance rights were converted into fully paid ordinary shares following the performance evaluation process.
(3) 140,000 unquoted employee options with an exercise price of $0.595 each expired on 11 August 2023.
(4) On 7 August 2023, 134,709 employee performance rights lapsed following the performance evaluation process.
(5) On 8 August 2023, 23,508 CEO performance rights lapsed following the performance evaluation process.
(6) On 20 December 2023, 2,827 quoted options with an exercise price of $0.45 expiring on 23 May 2025 were exercised.
(7) On 13 June 2024, 163 quoted options with an exercise price of $0.45 expiring on 23 May 2025 were exercised.

Option and performance rights holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any other entity.

Post 30 June 2024,
(1) On 14 August 2024, 125,000 sign-on rights that vested on 1 July 2024 were issued as shares.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and has practices in place to ensure they meet the interests of shareholders.

Under ASX Listing Rule 4.10.3, ASX listed entities are required to benchmark their corporate governance practices against the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Recommendations). Magnetite Mines Limited is compliant with all relevant ASX Recommendations. Our Corporate Governance Statement is available at www.magnetitemines.com/corporate.

Message from Jim McKerlie, People & Culture Committee Chair

Dear Shareholders,

On behalf of the Board, I am pleased to introduce Magnetite Mines Limited's Remuneration Report for the year ended 30 June 2024.

Year in Review

The Company significantly progressed the development of its Razorback Iron Ore Project this year, advancing regulatory approvals, technical optimisation, strategic partnerships with major industrial players, and creating trusted stakeholder relationships with all levels of government, community and traditional owners.

Key achievements include:

- Strategic partnerships with JFE Shoji Australia, ZEN Energy, and Pacific Partnerships established
- Stakeholder agreements Ngadjuri Nation Aboriginal Corporation and Port Pirie Regional Council signed
- $6.5M raised in oversubscribed Rights offer, repaid Convertible Note leaving Balance Sheet debt free
- Federal EPBC Act referral lodged (federal government environmental approval)
- Mining Lease Proposal preparation 90% complete with all impact studies and community consultation completed
- Breakthrough preliminary metallurgical testwork completed indicating use of saline water (seawater) for ore processing instead of fresh water is possible.

Mr Simon Smith commenced as the Chief Financial Officer in September 2023 and was appointed as Joint Company Secretary in October 2023.

Remuneration Outcomes in FY2024

Based on the performance of the company relative to the Key Performance Indicators (KPIs) and objectives set by the Board for FY2024, as well as a recognition of the wider accomplishments of the Company that have been realised under their leadership over the past year, the Board has determined to award CEO Tim Dobson 23% of his FY2024 STI opportunity and CFO Simon Smith 0% of his FY2024 STI opportunity.

The Board considers the Executive's remuneration to be appropriately aligned with their performance for the year and in line with market for the role. We have confidence in the Magnetite Mines leadership team to guide the Company towards strong performance in FY2025 and beyond.

Looking forward

With the global transition to low carbon steelmaking accelerating, creating new demand for Razorback's intended products, we are increasingly optimistic about our ability to generate value for our shareholders in the coming financial year and beyond. Our recent milestones in strategic partnering, regulatory approvals, project development, and financial management have established a strong foundation for continued progress. We are dedicated to maintaining high standards of governance, with a particular focus on executive and director remuneration, and to engaging with our shareholders to ensure their views are reflected in our policies.

As chair of the Company's People and Culture Committee, on behalf of the Board of Magnetite Mines Limited I extend our sincere appreciation for your ongoing support and involvement. We are confident that our focus on strategic goals and adherence to robust governance practices will continue to enhance our remuneration framework's effectiveness and transparency.

If you have any questions or feedback, please feel free to reach out to us. We value your input and are committed to keeping open lines of communication.

Sincerely,

Jim McKerlie

Chair of the People & Culture Committee

REMUNERATION REPORT (AUDITED)

1. Introduction

The Directors of Magnetite Mines Limited present the Remuneration Report (the Report) for the Company for the year ended 30 June 2024. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the Corporations Act 2001.

The Report details the remuneration arrangements for Magnetite Mines' key management personnel (KMP) and include:

- the Company's Non-Executive Directors (NEDs); and
- the Company's Executive Group (Executives).

In this report, the KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and Group.

1.1 Details of Key Management Personnel (KMP)

The following persons were KMP of Magnetite Mines Limited for the full financial year unless otherwise indicated.

Name	Position	Term as KMP
Non-Executive Directors		
Jim McKerlie [1]	Non-Executive Chair	
Peter Schubert	Non-Executive Director	
Paul White [2]	Non-Executive Director	
Simon Wandke	Non-Executive Director	
Carmen Letton	Non-Executive Director	
Mark Eames [3]	Non-Executive Director	Ceased 23 November 2023
Executives		
Tim Dobson [4]	Chief Executive Officer	
Simon Smith [5]	Chief Financial Officer & Joint Company Secretary	Commenced 4 September 2023

1 Mr Jim McKerlie was appointed as Chair of the Board on 25 September 2023. Mr McKerlie resigned as Chair of the Board on 23 September 2024.

2 Mr Paul White was appointed as Chair of the Board on 23 September 2024.

3 Mr Mark Eames resigned as Chair of the Board on 25 September 2023 and resigned as Non-Executive Director on 23 November 2023.

4 Mr Tim Dobson was appointed as Managing Director on 23 September 2024.

5 Mr Simon Smith commenced as Chief Financial Officer on 4 September 2023 and was appointed as Joint Company Secretary on 30 September 2023.

REMUNERATION REPORT (AUDITED) (continued)

2. Executive Reward Framework for FY2024

Remuneration is a key element of the Company's Human Resources (HR) strategy and should be considered in this light. The Company has undergone significant change over the last two years with the development of a clear corporate strategy that addresses how the growth opportunities will be achieved. Magnetite Mines has a massive iron ore resource with a very long potential mine life offering significant returns to shareholders.

To realise this opportunity a growing number of skilled personnel across many disciplines will be required. There is strong competition for this talent and candidates will inevitably be sourced from across Australia and overseas. People are the key to the success of any project and the Company has established a new HR strategy to build the environment that will attract these people.

The Company's HR strategy is designed to deliver several outcomes including attracting people, retaining them and most importantly ensuring they are highly engaged and deliver to the best of their ability. The Company recognises that there are several core drivers that will achieve these outcomes including market competitive fixed remuneration, the opportunity for reward through performance-based remuneration, the workplace environment, fair and equitable opportunities to advance, the Company's purpose and its organisational culture.

The Company has prioritised all of these drivers and our remuneration strategy was established with regard to the overall HR strategy, which in turn was developed to work in concert with the Company's corporate strategy. The HR strategy ensures compliance with competitive market practices, good corporate governance, and creation of long-term sustainable value, for both shareholders and other key stakeholders.

2.1 Reward Framework Objectives

The remuneration review included a benchmarking review for both Executives and Non-Executives, with data provided by an independent, external advisor.

The Reward Framework is designed to enable the Company:

- To support the execution of the Corporate strategy;
- To provide competitive rewards to attract, retain and motivate a skilled and engaged workforce;
- To ensure that reward outcomes are linked to individual and Company performance;
- To ensure that executives and management are focused on delivering value to shareholders;
- To provide a remuneration framework that maintains fair, equitable and affordable rates of pay for all employees and encourages, recognises and rewards strong performance; and
- To ensure the total cost of reward and benefits is well managed and will not expose the business to unnecessary risk or long-term commitments.

REMUNERATION REPORT (AUDITED) (continued)

2.2 Reward Governance

The People & Culture Committee (PCC) consists solely of Non-Executive Directors and operates under a Board-approved Charter. The roles and responsibilities of our Board, People & Culture Committee, management and external advisors in relation to remuneration for KMP and employees at Magnetite Mines are outlined below.

Role	Description of Responsibilities
Board	The Board is responsible for: • approving Magnetite Mine's remuneration strategy, • overseeing the remuneration governance, • on recommendation from the PCC, approving the key elements of the Reward Framework, • determining the quantum of remuneration for Non-Executive Directors and the CEO.
People & Culture Committee	Established by the Board and operating under its own Charter, with its role defined by the Terms of Reference, the PCC makes recommendations on: • the reward framework and governance that applies to all employees, • remuneration arrangements for the Company's Directors and Executives, • setting of performance standards and assessing outcomes for the executive team, • assessment of cost, risk and effectiveness of the elements of reward, • monitoring and measuring culture, • inclusion and diversity principles and objectives.
Management	Management: • reviews, identifies and recommends to the PCC, improvements to remuneration effectiveness, • provides information and analysis to assist the PCC to make informed decisions, • executes the reward framework and remuneration processes of the Company.
External Advisors[1]	Remuneration consultants and HR software providers: • provide independent advice and information relevant to remuneration decisions, • provide a Human Resources software that assists in the setting of objectives, measuring progress toward these and measuring overall performance. Magnetite Mines follows a protocol to engage an adviser to make a remuneration recommendation. The protocol ensures the recommendation is free from undue influence by management. The Board or Committee chair engages the adviser. The Board or Committee chair deals with the adviser on all material matters and any advice provided by external advisors is used to assist the Board and is not a substitute for the Board and PCC procedures. Management involvement is only to the extent necessary to coordinate the work. The Board and Committee seek recommendations from the CEO about executive remuneration. The CEO does not make any recommendation about his own remuneration. The Board and Committee have regard to industry benchmarking information.

1. The People & Culture Committee did not receive recommendations from external advisors, including remuneration consultants, in relation to KMP in FY24.

2.3 Guiding Principles for Remuneration:

Our Guiding Principles articulate the objectives of Executive Reward at Magnetite Mines and underpin our decision-making in all aspects of reward.

Strategy & Sustainability	Performance	Shareholders	Market
Short-term and long-term performance measures are aligned to our corporate strategy. Corporate sustainability is a core basis of our culture, business planning and operational delivery.	Reward outcomes are aligned to performance by providing a meaningful portion of pay 'at-risk' with challenging performance measures that include both financial and non-financial metrics.	Our reward framework ensures Executives are focussed on the creation of long-term value for shareholders by aligning performance measures to long-term shareholder value.	We ensure our reward is competitive compared to the markets in which we operate and allows us to attract and retain talented people.

REMUNERATION REPORT (AUDITED) (continued)

2.4 Components of the Executive KMP Reward Framework for FY2024

a. Fixed Remuneration

	Description
Purpose	Provide fair, market-related fixed remuneration for the skills and experience an Executive brings to a role. Attract and retain and capable leaders.
Description	Salary and other benefits, including statutory superannuation. Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be cost-neutral to the Company.
Fixed Remuneration Levels	Fixed remuneration is set according to the defined Role and Responsibility of each executive.
Market Positioning	Fixed remuneration is determined based on the median of our peer groups, considering the Executive KMP's responsibilities, location, skills, and experience. Our "peer group" includes companies in the ASX Metals and Mining Sector, with a market capitalisation of roughly half to double that of Magnetite Mines.

b. Short-Term Incentives

<table>
<tr><th></th><th>Description</th></tr>
<tr><td>STI Purpose</td><td>The STI focuses on driving effort toward our key priorities for the current financial year and beyond. It serves as a strong motivator for Executive KMPs to achieve challenging performance objectives that are typically within their control.</td></tr>
<tr><td>STI Description</td><td>The overall STI outcome (expressed as a percentage of maximum opportunity) is determined by assessing three key inputs:
• business outcomes which is the progress toward a basket of business plan objectives – a result that is shared by all people in the STI cohort;

• individual performance based on an individual's objectives, personal growth, and performance as a manager; and

• business modifier that can be applied by the board to cater for exceptional circumstances.

<table>
<tr><td>Business Outcome

(same results for STI cohort)</td><td>X</td><td>Individual Performance

(individual results)</td><td>X</td><td>Business Modifier

(board discretionary adjustment)</td><td>=</td><td>Overall Individual STI Outcome</td></tr>
</table>

The Company adopted the new STI approach on a pro-rata basis in FY2023, and FY2024 is the first full-year implementation of the new STI approach.</td></tr>
<tr><td>STI Quantum</td><td>The target and maximum opportunity for STI, as a percentage of Fixed Remuneration, is aligned to the Magnetite Mines peer group. For our Executive KMP, these are set as follows:
<table>
<tr><th>STI</th><th>Opportunity</th></tr>
<tr><td>CEO</td><td>50% - 75%</td></tr>
<tr><td>Other Executive KMP</td><td>40% - 60%</td></tr>
</table></td></tr>
</table>

REMUNERATION REPORT (AUDITED) (continued)

STI Delivery	The maximum opportunity in performance rights for Participating Executives are issued based on the volume-weighted average price of the Company's shares at the start of the performance period. For FY2024, the Company issued performance rights to participating executives following the 2023 AGM, based on the volume-weighted average price of the Company's shares on 1 July 2023. At the end of the performance period, and following the Board-approved assessment of each Participating Executives' performance (see below), the approved portion of performance rights vest for each participant, with the remainder lapsing. Each share right that vests entitles the holder to acquire one fully paid ordinary share in the Company. Performance rights have been selected as a cost-effective and efficient means of incentivising Participating Executives, as opposed cash incentives, with the Company seeking to retain its cash reserves for other preferred uses.
Link to Performance	Annual STI outcomes are subject to the achievement of targets that are aligned with the achievement of Magnetite Mines corporate strategy. In addition, awarding STI incentives in the form of performance rights boosts the Participating Executives' shareholding in the Company, further aligning their interests with those of other shareholders. Granting performance rights at the start of the performance period provides additional leverage during the period, meaning that whilst Participating Executives may enjoy the upside potential, they must also wear the downside risk associated with share price movements through the period. This has the benefit of focusing Executive effort on share price growth right from the outset, as intended.

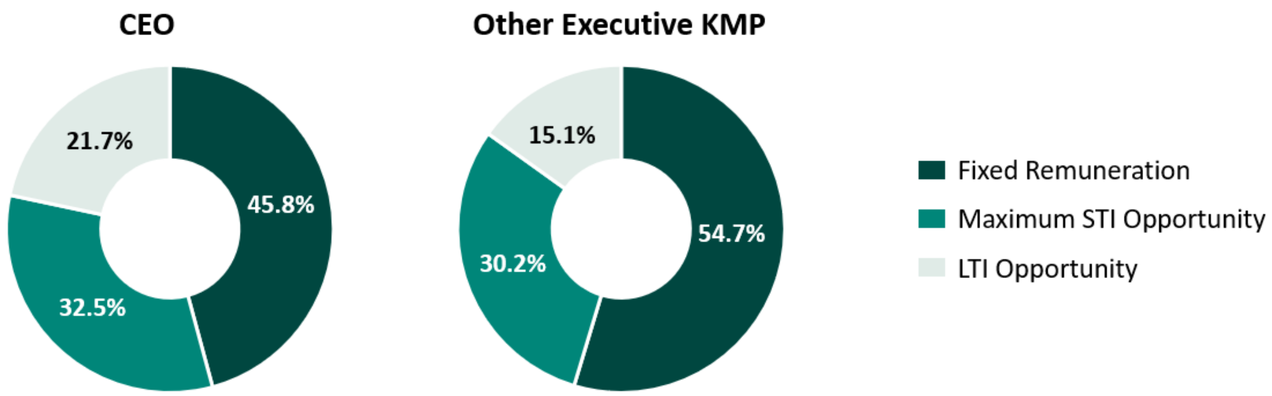
c. Long-Term Incentives

	Description
LTI Purpose	The LTI is intended to drive ownership behaviours and a focus on long-term performance while aligning Key Management Personnel (KMP) with the Company's purpose, culture, values and strategic objectives. LTI outcomes are directly linked to the growth in value of the Company's share price over the longer term, rewarding KMP only for delivering exceptional growth.
LTI Description	Each year, KMP are issued premium-priced share options with a 3-year vesting period. This has the effect that KMP are only rewarded if the Company's share price achieves the higher share price, and only after 3 years following the issue of the options. The number of share options granted to each KMP is based on their LTI opportunity (calculated as a percentage of their Fixed Remuneration), divided by the value of the option as determined using an appropriate financial modelling technique, such as Monte Carlo simulation. The options are subject to the satisfaction of the following vesting conditions: • the volume weighted average price of the shares of the Company, over any 14-day period, exceeds the exercise price for the Options, and • the holder being an employee of the Company. Each share option that vests entitles the KMP holder to acquire one fully paid ordinary share in the Company at the option exercise price.
LTI Quantum	The quantum of the LTI opportunity for KMP is aligned to the Magnetite Mines peer group. For Magnetite Mines, these are set as follows: LTI — LTI Opportunity (% of base salary) CEO — 50% Other KMP — 30%
Link to Performance	The share options only become available to the KMP only if, once issued, the volume-weighted average price of the shares of the Company exceeds the exercise price for the Options over a minimum 14-day period.

REMUNERATION REPORT (AUDITED) (continued)

2.5 Remuneration Mix

The following illustrates the remuneration mix for Magnetite Mine's KMP at maximum possible performance. The actual STI and Performance Rights awarded are subject to performance against the pre-determined targets.



2.6 Malus and Clawback

The Board can reduce or clawback all vested and unvested STI and LTI awards in certain circumstances including:

- an executive engaging in fraud or gross misconduct;
- breach of law;
- a material misstatement of our accounts results in vesting;
- behaviours of executives that bring Magnetite Mines into disrepute;
- other circumstances where there would be an inappropriate benefit; and
- any other factor the Board deems justifiable.

2.7 Hedging

KMP are not permitted to hedge STI or LTI equity awards in any way.

2.8 Employment Agreements for Key Management Personnel

The following table outlines the summary terms of employment for the CEO and other Executive KMP.

Role	Term of Agreement	Notice Period	Maximum Termination Benefits*
CEO	No fixed term	6 months	12 months Fixed Remuneration
Other Executive KMP	No fixed term	3 months	12 months Fixed Remuneration

* As per the provisions related to the maximum termination benefit under the Corporations Act 2001.

Agreements are in place with KMP regarding the approach the Board will take with respect to KMP termination payments and the vesting of STI/LTI equity in the event of a 'Change of Control' of the organisation.

KMP may be subject to restraints that apply upon cessation of employment to protect the business interests of the Company.

REMUNERATION REPORT (AUDITED) (continued)

As per the provisions related to the maximum termination benefit under the Corporations Act 2001, the maximum payment on termination (including notice) is capped at 12 months fixed remuneration for KMP.

3. Executive Remuneration Outcomes in FY2024

3.1 Fixed Remuneration

There were no increases in KMP Base Salary in FY2024. The full-year equivalent Base Salary for each Executive KMP are as follows:

Executive KMP	Position	FY2023 Base Salary ($)	FY2024 Base Salary ($)
Tim Dobson[1]	Chief Executive Officer	500,000	500,000
Simon Smith[2]	Chief Financial Officer & Joint Company Secretary	-	322,601

1 Mr Tim Dobson was appointed as Managing Director on 23 September 2024.
2 Mr Simon Smith was appointed as Chief Financial Officer on 4 September 2023 and was appointed as Joint Company Secretary on 30 September 2023.

3.2 Short-Term Incentives

a. Short-Term Incentive Outcomes for FY2024

The STI is an at-risk opportunity for our Executive KMP. It rewards senior executives for meeting or exceeding key performance indicators that reflect the Company's key purpose. The STI aims to motivate senior executives to focus on the key priorities and objectives in the financial year that will ensure the long-term success of the Company and is a key element to attract and retain the appropriate calibre of skills to deliver on our strategy.

STI Key Performance Indicators (KPIs) are reviewed against agreed targets. The Board assesses the extent to which KPIs were met, following the completion of the financial year. The Board assesses senior executive performance based on CEO recommendations, with CEO performance against KPIs assessed directly by the Board.

The KPIs for FY2024, as well as our performance relative to each, is outlined below.

Environment, Health & Safety

- Zero lost-time injuries, significant safety or environmental incidents, or material stakeholder complaints were recorded in FY2024, with the Company maintaining a continuous focus on proactive EHS culture across all activities.

Sustainability

- Under the banner of Magnetite Mines' bespoke 'foresight' sustainability platform, a number of leading initiatives were achieved, reflecting the Company's commitment to leading ESG outcomes. Social outcomes were of key focus in the period, with the Walking Together-One Team Partnering Agreement signed with Ngadjuri Nation Aboriginal Corporation, and a Memorandum of Understanding executed with the Port Pirie Regional Council. The company also commenced data collation and integration to enable reporting and independent assessment against an adopted ESG framework, with results to be reported in the following financial year.

REMUNERATION REPORT (AUDITED) (continued)

Razorback Project Development

Complete Razorback Project Definitive Feasibility Study

- Desalinated seawater piped from Upper Spencer Gulf selected as the preferred water supply option.
- Successful preliminary metallurgical testwork demonstrates DR-grade concentrate production using saline water (seawater) for processing.
- Value engineering workstreams progressed with a strong focus on securing water supply and delivering significant project cost reductions.

Establish Razorback Project Native Title Agreement

- Voluntary Partnering Agreement negotiated and signed with Ngadjuri Nation Aboriginal Corporation
- ILUA and Cultural Heritage Manager Plan negotiations commenced.

Achieve Razorback Project approvals

- Federal Government's EPBC Act referral lodged with the Department of Climate Change, Energy, the Environment and Water.
- Mining Lease Proposal 90% complete, with submission to the South Australian Government subject to sufficient funding obtained

Complete Razorback Project Joint Venture Partnering and Project Financing

- During the year, strategic partnering talks advanced in Japan and the Middle East.
- A non-binding Heads of Agreement signed with JFE Shoji Australia Pty Ltd for DFS funding in exchange for product offtake. Progression to a binding agreement will occur over the coming months.
- Memorandum of Understanding signed with ZEN Energy relating to renewable energy offtake and the emerging green iron opportunity.
- Memorandum of Understanding signed with Pacific Partnerships, a subsidiary of CIMIC group, focusing on financing and project partnering.
- Due diligence in progress with other potential strategic partners.
- Federal Government engaged in a series of meetings at Parliament House, Canberra, discussing future infrastructure funding for the Braemar Iron Province.

Balance Sheet Management

Ensure Company raises sufficient cash to commence DFS

- Oversubscribed Renounceable Rights offer closed raising $6.5 million in November 2023.
- Mintech convertible loan note was repaid in December 2023, ahead of its maturity date on 31 March 2024.
- Leading corporate advisory firm, Azure Capital, appointed as Financial Advisors.
- Entitlement Offer launched in June 2024 to raise up to $5 million; The offer closed on 19 July 2024, raising $1.17 million. The Company has appointed Mahe Capital to place the remaining $3.83 million shortfall within three months.

REMUNERATION REPORT (AUDITED) (continued)

CEO Mr Tim Dobson's FY2024 STI Performance Rights were approved by the shareholders under ASX Listing Rule 10.14, at the Company's AGM on 23 November 2023.

For FY2024, following a robust evaluation process and with consideration for the fact that the company did not complete a binding agreement with a strategic partner in FY2024, the Board determined to award Mr Dobson 23% of his STI opportunity and Mr Simon Smith 0% of his STI opportunity. The remaining performance rights were lapsed as per the rules of the plan.

Executive KMP	Business Outcome (Target=100%)	Individual Performance (Target=100%)	Business Modifier (Target=100%)	Overall STI Outcome % (Target=100%)	% of Maximum STI awarded	% of Maximum STI forfeited	Value of Equity Vested[1]	Award as a % of Base Salary
Tim Dobson	70%	100%	50%	**35%**	23%	77%	**$68,840**	**14%**
Simon Smith	70%	100%	0%	0%	0%	100%	-	-

1 The vested value is calculated based on the number of rights to vest, multiplied by the share price as at grant date of 23 November 2023, being $0.315.

3.3 Long-Term Incentives

a. LTI granted in FY2024

FY2024 LTI Share Options

In line with the reward framework, LTI Share Options awards were issued to the CEO, Mr Tim Dobson and CFO, Mr Simon Smith for FY2024. Mr Dobson's LTI Share Options were approved by shareholders at the Company's AGM on 23 November 2023, under ASX Listing Rule 10.14. Mr Smith's LTI Share Options were issued under the Employee Incentive Plan approved by shareholders on 23 November 2022. These options were issued to KMP in December 2023 and have an exercise price of $0.556, being a 60% premium to the volume weighted average price for the 5 days immediately following the AGM. The options have a 3-year vesting period and are subject to the following performance conditions:

- the volume weighted average price of the shares of the Company exceeds $0.556 for any 14-day period prior to the vesting date; and
- the KMP remains an employee of the Company on the vesting date.

These performance conditions measure the return to shareholders over a specific period by considering the change in share price during that time, as well as service retention. This performance condition was selected by the Company to align executive remuneration with the growth of shareholder value and to retain high-performing senior executives, thus motivating them to meet the Company's expectations and achieve success. The Board assesses the extent to which the conditions were met for the period after the close of the relevant financial year.

A summary of the KMP's FY2024 LTI Share Options awards are as follows:

KMP	Type of Instrument	Value of Grant	Value as % of Fixed Remuneration	Number of Instruments	Anticipated vesting Date
Tim Dobson	Premium-priced share options	$250,000	50%	913,977	December 2026
Simon Smith (1)	Premium-priced share options	$80,618	30% (pro-rated)	343,348	December 2026

Note:
(1) Mr Simon Smith's LTI Share Options are pro-rated based on his employment commencement date of 4 September 2023.

REMUNERATION REPORT (AUDITED) (continued)

b. LTI vested in FY2024

The LTI program operates over a service period of 3 years and no LTI awards vested in FY2024 due to the performance conditions not yet being met.

4. Non-Executive Director Remuneration

4.1 Approach to Non-Executive Director Remuneration

The Board seeks to set Director fees at a level that provides the Company with the ability to attract and retain high-calibre directors. Having a strong Board of Directors with a balanced set of skills and experience serves the Company well as the business has a lean executive team.

In FY2024, the Board continued to provide additional support and expertise as needed, stepping in to address any gaps and maintain the Company's momentum during periods of transition.

4.2 FY2024 Non-Executive Director fees and fee pool

The Board continued to assess Director fees, with considerations of the time, commitment, and responsibilities expected of Non-Executive Directors, especially given the Company's lean leadership team. This ongoing review ensures that fees remain competitive and reflective of industry standards.

To ensure that the Company is able to attract overseas-based Directors where necessary, an Overseas Allowance of $10,000 per annum is also provided.

There was no increase to the Non-Executive Director Fees in FY2024. The figures in the table below are exclusive of superannuation.

Compensation component	Position	FY2024 Annual Fees [1]
Base Fees		
Board	Chair	$150,000
	NED	$90,000
Committee fees [2]		
Audit & Risk Committee	Committee Chair	$10,000
	Member	$5,000
People and Culture Committee	Committee Chair	$10,000
	Member	$5,000
Capital Management Committee	Committee Chair	$10,000
	Member	$5,000
Overseas allowance	Overseas director	$10,000

(1) Fees shown are exclusive of superannuation.

(2) Committee fees are capped at $10,000 per director.

REMUNERATION REPORT (AUDITED) (continued)

The maximum aggregate amount the Company can pay Non-Executive Directors is $800,000 per annum (fee pool) as approved by shareholders at the Company’s 2022 AGM.

4.3 Minimum shareholding requirement

Aligning Board and shareholder interest is a key consideration for the Company and Non-Executive Directors are encouraged to hold shares in the Company.

4.4 Share-based remuneration

From time to time, Magnetite Mines may offer share-based remuneration to its Non-Executive Directors, partly as a cash-effective mechanism and partly to encourage share ownership.

4.5. Company performance

A summary of Magnetite Mines’ business performance as measured by a range of financial and other indicators, including disclosure required by the *Corporations Act 2001*, is outlined in the table below.

Measure	FY20	FY21	FY22	FY23	FY2024
Net loss ($’000)	(374)	(1,733)	(3,662)	(5,331)	**(4,848)**
ASX share price at the end of the year ($)	0.13	3.79	1.05	0.39	**0.27**
Dividends per share ($)	-	-	-	-	**-**
Basic loss per share ($)	(0.015)	(0.032)	(0.057)	(0.070)	**(0.054)**

REMUNERATION REPORT (AUDITED) (continued)

5. Statutory Disclosures

5.1 Remuneration of Key Management Personnel

Details of the remuneration of each director of Magnetite Mines Limited and other key management personnel, including their personally related entities are set out below:

		Short-Term		Termination Benefits	Post-Employment	Other Long-Term	Share Based Payments [1]			Total $	% of remuneration consisting of performance related payments
	Year	Salaries & director fees	Annual leave	Termination Benefits [10]	Superannuation	Long service leave	STI	LTI	Sign-on Rights/Options		
Directors											
Jim McKerlie [2]	**FY24**	**146,154**	**-**	**-**	**16,077**	**-**	**-**	**-**	**-**	**162,231**	**-**
	FY23	100,000	-	-	10,500	-	-	-	-	110,500	-
Peter Schubert	**FY24**	**96,064**	**-**	**-**	**10,567**	**-**	**-**	**-**	**-**	**106,631**	**-**
	FY23	99,019	1,058	-	10,397	-	-	20,000 [10]	-	130,474	15%
Paul White	**FY24**	**100,000**	**-**	**-**	**11,000**	**-**	**-**	**-**	**-**	**111,000**	**-**
	FY23	100,000	-	-	10,500	-	-	-	-	110,500	-
Simon Wandke	**FY24**	**117,822**	**-**	**-**	**8,498**	**-**	**-**	**-**	**-**	**126,320**	**-**
	FY23	109,450	-	-	-	-	-	20,000 [10]	-	129,450	15%
Carmen Letton	**FY24**	**98,220**	**-**	**-**	**10,804**	**-**	**-**	**-**	**-**	**109,024**	**-**
	FY23	40,994	-	-	4,304	-	-	-	-	45,298	-
Mark Eames [3]	**FY24**	**53,718**	**-**	**-**	**5,909**	**-**	**-**	**-**	**-**	**59,627**	**-**
	FY23	163,589	923	-	17,177	-	-	20,000 [10]	-	201,689	10%
Malcolm Randall [4]	**FY24**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FY23	37,878	-	-	3,977	-	-	-	-	41,855	-
Executives											
Tim Dobson [5]	**FY24**	**500,000**	**45,007**	**-**	**27,399**	**-**	**68,840**	**112,351**	**54,210**	**807,807**	**29%**
	FY23	441,666	35,813	-	25,292	-	299,944	55,303	145,790	1,003,808	50%
Simon Smith [6]	**FY24**	**268,227**	**24,199**	**-**	**23,439**	**-**	**-**	**15,300**	**-**	**331,165**	**5%**
	FY23	-	-	-	-	-	-	-	-	-	-
Ian Kirkham [7]	**FY24**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FY23	185,577	8,987	62,500	19,486	-	-	-	-	276,550	-
Stephen Weir [8]	**FY24**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FY23	59,073	-	93,172	12,896	-	-	171,356	-	336,497	51%
Total	**FY24**	**1,380,205**	**69,206**	**-**	**113,693**	**-**	**68,840**	**127,651**	**54,210**	**1,813,805**	**14%**
	FY23	1,337,246	46,781	155,672	114,529	-	299,944	286,659	145,790	2,386,621	31%

REMUNERATION REPORT (AUDITED) (continued)

(1) Relates to non-cash expenses in relation to directors and employee options and performance rights granted.
(2) J McKerlie was appointed as Chair of the Board on 25 September 2023.
(3) M Eames resigned as Non-Executive director on 23 November 2023.
(4) M Randall resigned on 23 November 2022.
(5) T Dobson's Share Based- Payments for FY2024 refers to the valuation of Short-Term Incentive Performance Rights, and Long-Term Incentive Options granted in FY2024.
(6) S Smith was appointed as Chief Financial Officer on 4 September 2023 and was appointed as Joint Company Secretary on 30 September 2023. Mr Smith's Share Based- Payments for FY2024 refers to the valuation of Short-Term Incentive Performance Rights, and Long-Term Incentive Options granted in FY2024.
(7) I Kirkham was appointed as Chief Financial Officer on 30 May 2022 and was appointed as Company Secretary on 20 July 2022. Mr Kirkham resigned as CFO & Company Secretary on 14 April 2023 resulting in the forfeiture of his Performance Rights (STI) and Long-Term Incentives (LTI).
(8) S Weir was appointed as Interim CEO for the period 15 May 2022 to 22 August 2022 and he resumed his role as CDO on 23 August 2022. Mr Weir resigned on 14 October 2022.
(9) Termination benefits relates to ex-gratia and notice period payments.
(10) The issue of $20,000 worth of unquoted options was approved for Mr Eames, Mr Schubert and Mr Wandke but not approved for the other non-executive directors at the 2022 AGM. Consequently, the directors for which unquoted options were approved elected not to accept the issue of the options. AASB 2 accounts for a voluntary surrender in the award as a cancellation and therefore the expense is recognised immediately. Notwithstanding the expense, in line with the voluntary surrender, the Company has not issued the options and the directors have not and will not receive any options in respect to this award.

REMUNERATION REPORT (AUDITED) (continued)

5.2 Shareholdings of Key Management Personnel

The number of shares held in Magnetite Mines Limited during the financial year:

	Year	Balance – beginning of financial year	Granted as remuneration	On exercise of options	Net change due to ceasing to be a KMP	Net change – other	Balance – end of financial year
Directors							
Jim McKerlie	**FY24**	**76,000**	**-**	**-**	**-**	**20,727**	**96,727**
	FY23	76,000	-	-	-	-	76,000
Peter Schubert	**FY24**	**2,275,128**	**-**	**-**	**-**	**133,332**	**2,408,460**
	FY23	2,275,128	-	-	-	-	2,275,128
Paul White	**FY24**	**145,953**	**-**	**-**	**-**	**367,417**	**513,370**
	FY23	21,637	-	-	-	124,316	145,953
Simon Wandke	**FY24**	**23,509**	**-**	**-**	**-**	**10,000**	**33,509**
	FY23	-	-	-	-	23,509 (4)	23,509
Carmen Letton	**FY24**	**-**	**-**	**-**	**-**	**89,090**	**89,090**
	FY23	-	-	-	-	-	-
Mark Eames (1)	**FY24**	**1,030,000**	**-**	**-**	**(1,030,000)**	**-**	**-**
	FY23	986,359	-	-	-	43,641	1,030,000
Malcolm Randall (2)	**FY24**	**-**	**-**	**-**	-	**-**	**-**
	FY23	356,000	-	-	(356,000)	-	-
Executives							
Tim Dobson	**FY24**	**165,000**	**374,930**	**-**	**-**	**138,181**	**678,111**
	FY23	-	125,000	-	-	40,000	165,000
Simon Smith (3)	**FY24**	**-**	**-**	**-**	**-**	**25,000**	**25,000**
	FY23	-	-	-	-	-	-
Stephen Weir	**FY24**	**-**	**-**	**-**	**-**	**-**	**-**
	FY23	120,000	-	-	(120,000)	-	-
Total	**FY24**	**3,715,590**	**374,930**	**-**	**(1,030,000)**	**783,747**	**3,844,267**
	FY23	3,835,124	125,000	-	(476,000)	231,466	3,715,590

Note

(1) M Eames resigned as Non-Executive director on 23 November 2023.
(2) M Randall resigned on 23 November 2022.
(3) S Smith was appointed as Chief Financial Officer on 4 September 2023 and was appointed as Joint Company Secretary on 30 September 2023.
(4) S Wandke's shareholding for FY2023 has been restated as per Appendix 3Y-Correction lodged on 26 June 2024.

REMUNERATION REPORT (AUDITED) (continued)

5.3 Quoted Option holding of Key Management Personnel

The number of quoted options exercisable at $0.45 each with an expiry date of 23 May 2025 held in Magnetite Mines Limited during the financial year by key management personnel are detailed below. These options were issued on 23 November 2023 as part of the 2023 Rights Issue.

	Year	Balance – beginning of financial year	Issued during the year	Exercised during the year	Expired during the year	Net change due to ceasing to be a KMP	Balance – end of financial year
Directors							
Jim McKerlie	**FY24**	**-**	**10,363**	**-**	**-**	**-**	**10,363**
	FY23	13,000	-	-	(13,000)	-	-
Peter Schubert	**FY24**	**-**	**66,666**	**-**	**-**	**-**	**66,666**
	FY23	20,000	-	-	(20,000)	-	-
Paul White	**FY24**	**-**	**183,708**	**-**	**-**	**-**	**183,708**
	FY23	8,000	-	-	(8,000)	-	-
Simon Wandke	**FY24**	**-**	**5,000**	**-**	**-**	**-**	**5,000**
	FY23	-	-	-	-	-	-
Carmen Letton	**FY24**	**-**	**9,545**	**-**	**-**	**-**	**9,545**
	FY23	-	-	-	-	-	-
Mark Eames (1)	**FY24**	**-**	**140,454**	**-**	**-**	**(140,454)**	**-**
	FY23	92,197	-	-	(92,197)	-	-
Malcolm Randall (2)	**FY24**	**-**	**-**	**-**	**-**	**-**	**-**
	FY23	8,000	-	-	-	(8,000)	-
Executives							
Tim Dobson	**FY24**	**-**	**41,590**	**-**	**-**	**-**	**41,590**
	FY23	-	-	-	-	-	-
Simon Smith	**FY24**	**-**	**10,000**	**-**	**-**	**-**	**10,000**
	FY23	-	-	-	-	-	-
Stephen Weir (3)	**FY24**	**-**	**-**	**-**	**-**	**-**	**-**
	FY23	**30,000**	**-**	**-**	**-**	**(30,000)**	**-**
Total	**FY24**	**-**	**467,326**	**-**	**-**	**(140,454)**	**326,872**
	FY23	171,197	-	-	(133,197)	(38,000)	-

(1) M Eames resigned on 23 November 2023.
(2) M Randall resigned on 23 November 2022.
(3) S Weir resigned on 14 October 2022.

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

REMUNERATION REPORT (AUDITED) (continued)

5.4 Details of Performance Rights held by Key Management Personnel

The following table sets out the information about the performance rights over Magnetite Mines Limited's shares held by Key Management Personnel, including the movements in rights held during the financial year. For further details relating to options, refer to note 21.

Key Management Personnel	Balance at the beginning of period 1 July 2023	No. of rights granted	Grant date	Fair value per right at grant date (Note 21)	Vesting date	No. vested during the year	% vested during the year	No. lapsed during the year	% lapsed during the year	Balance at 30 June 2024	Value of rights granted during the year	Value of rights vested during the year
Tim Dobson (1)												
FY23 Sign-On Performance Rights 'Tranche 2'	125,000	125,000	23/11/2022	$0.80	1/07/2024	-	-	-	-	125,000	-	-
FY24 STI-Target Performance Rights	-	942,211	23/11/2023	$0.315	30/06/2024	(218,541)	23%	(723,670)	77%	-	$296,796	$68,840
Simon Smith (2)												
FY24 STI-Target Performance Rights	-	417,860	23/11/2023	$0.315	30/06/2024	-	-	(417,860)	100%	-	$131,626	-
Total FY24	**125,000**	**1,485,071**				**(218,541)**		**(1,141,530)**		**125,000**	**$428,422**	**$68,840**

Note
(1) Mr Dobson's Performance Rights for FY24 were approved by Shareholders under ASX Listing Rule 10.14, at the AGM on 23 November 2023.
(2) Mr Smith was appointed as Chief Financial Officer on 4 September 2023 and was appointed as Joint Company Secretary on 30 September 2023.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date other than the adjustment to the number of options and exercise price of the unquoted options due to share consolidation as mentioned above.

REMUNERATION REPORT (AUDITED) (continued)

5.5 Details of Unquoted Options issued to Key Management Personnel

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 June 2024. For further details relating to options, refer to note 21.

Key Management Personnel	Year	No. of options granted as remuneration	Grant date	FV per option at grant date (Note 21)	Vesting date	Exercise price per option (Note 21)	Expiry date	No. vested during the year	No. lapsed/ cancelled during the year	Value of options granted during the year	Value of options exercised during the year
Directors											
Jim McKerlie	**FY24**	-	-	-	-	-	-	-	-	-	-
	FY23	-	-	-	-	-	-	-	-	-	-
Peter Schubert	**FY24**	-	-	-	-	-	-	-	-	-	-
	FY23	47,058 (7)	23/11/2023	$0.42	23/11/2023	$1.34	30/11/2025	-	47,058	$20,000	-
Paul White	**FY24**	-	-	-	-	-	-	-	-	-	-
	FY23	-	-	-	-	-	-	-	-	-	-
Simon Wandke	**FY24**	-	-	-	-	-	-	-	-	-	-
	FY23	47,058 (7)	23/11/2023	$0.42	23/11/2023	$1.34	30/11/2025	-	47,058	$20,000	-
Carmen Letton	**FY24**	-	-	-	-	-	-	-	-	-	-
	FY23	-	-	-	-	-	-	-	-	-	-
Mark Eames (1)	**FY24**	-	-	-	-	-	-	-	-	-	-
	FY23	47,058 (7)	23/11/2023	$0.42	23/11/2023	$1.34	30/11/2025	-	47,058	$20,000	-
Malcolm Randall (2)	**FY24**	-	-	-	-	-	-	-	-	-	-
	FY23	-	-	-	-	-	-	-	-	-	-
Executives											
Tim Dobson (3)	**FY24**	**1,064,736**	**23/11/2023**	**$0.2348**	**05/12/2026**	**$0.556**	**05/12/2029**	-	-	**$250,000**	-
	FY23	382,883	23/11/2022	$0.55	30/11/2025	$1.34	1/12/2028	-	-	$212,500	-
Simon Smith (4)	**FY24**	**343,348**	**23/11/2023**	**$0.2348**	**05/12/2026**	**$0.556**	**05/12/2029**	-	-	**$80,618**	-
	FY23	-	-	-	-	-	-	-	-	-	-
Ian Kirkham (5)	**FY24**	-	-	-	-	-	-	-	-	-	-
	FY23	108,069	02/02/2023	$0.35	01/12/2026	$0.78	01/02/2029	-	108,069	$37,500	-
Stephen Weir (6)	**FY24**	-	-	-	-	-	-	-	-	-	-
	FY23	286,071	14/10/2022	$0.60	14/10/2022	$2.03	14/10/2025	286,071	-	$171,643	-
Total	**FY24**	**1,408,084**						-	-	**$330,618**	-
	FY23	**777,023**						**286,071**	**108,069**	**$421,643**	-

REMUNERATION REPORT (AUDITED) (continued)

Note

(1) M Eames resigned on 23 November 2023.
(2) M Randall resigned on 23 November 2022.
(3) Mr Dobson's options were approved by Shareholders under ASX Listing Rule 10.14, at the AGM on 23 November 2023.
(4) Mr Smith was appointed as Chief Financial Officer on 4 September 2023 and was appointed as Joint Company Secretary on 30 September 2023.
(5) Mr Kirkham resigned as CFO & Company Secretary on 14 April 2023.
(6) Mr Weir resigned on 14 October 2022.
(7) The issue of $20,000 worth of unquoted options was approved for Mr Eames, Mr Schubert and Mr Wandke but not approved for the other non-executive directors at the 2022 AGM. Consequently, the directors for which unquoted options were approved elected not to accept the issue of the options. AASB 2 accounts for a voluntary surrender in the award as a cancellation and therefore recognised immediately. Notwithstanding the expense, in line with the voluntary surrender, the Company has not issued the options and the directors have not and will not receive any options in respect to this award.

There were no alterations to the terms and conditions of options and performance rights granted as remuneration since their grant date other than the adjustment to the number of performance rights and number of options and the exercise price of the unquoted options due to share consolidation as mentioned above. The value of the options exercised during the year is calculated as the market price of shares of the Company on the Australian Securities Exchange at the close of trading on the date the options were exercised after deducting the price paid to exercise the options. Options issued to employees vest on the basis that continued employment with the Company is achieved. Employees who resign before their options have fully vested will forfeit their options. For details on the valuation of the options, including models and assumptions used, please refer to Note 21.

REMUNERATION REPORT (AUDITED) (continued)

5.6 Unquoted option holdings of Key Management Personnel (Consolidated and Parent Entity)

The number of options over ordinary shares held in Magnetite Mines Limited during the financial year.

	Balance at beginning of period 1 July 2023	Grant date	Expiry Date	Exercise price	Granted during the year	Options Exercised	Options Expired /lapsed/ cancelled	Net Change Other	Balance at end of period 30 June 2024	Vested at 30 June 2024	
										Exercisable	Not Exercisable
Directors											
Peter Schubert	400,000	27-Nov-20	15-Dec-25	$0.915	-	-	-	-	400,000	400,000	-
	240,000	29-Nov-21	13-Dec-24	$1.760	-	-	-	-	240,000	240,000	-
Mark Eames [(1)]	200,000	27-Nov-20	15-Dec-25	$0.915	-	-	-	(200,000)	-	-	-
	300,000	29-Nov-21	13-Dec-24	$1.760	-	-	-	(300,000)	-	-	-
Jim McKerlie	-	-	-		-	-	-	-	-	-	-
Paul White	-	-	-		-	-	-	-	-	-	-
Simon Wandke	-	-	-		-	-	-	-	-	-	-
Carmen Letton	-	-	-		-	-	-	-	-	-	-
Executives											
Tim Dobson	382,883	23-Nov-22	1-Dec-28	$1.340	-	-	-	-	382,883	-	382,883
	-	23-Nov-23	5-Dec-29	$0.556	1,064,736	-	-	-	1,064,736	-	1,064,736
Simon Smith [(2)]	-	23-Nov-23	5-Dec-29	$0.556	343,348	-	-	-	343,348	-	343,348
Total	**1,522,883**				**1,408,084**	**-**	**-**	**(500,000)**	**2,430,967**	**640,000**	**1,790,967**

Note:
(1) M Eames resigned on 23 November 2023.
(2) Mr Smith was appointed as Chief Financial Officer on 4 September 2023 and was appointed as Joint Company Secretary on 30 September 2023.

REMUNERATION REPORT (AUDITED) (continued)

5.7 Loans to key management personnel

No loans were made to key management personnel during the year ended 30 June 2024.

5.8 Other transactions with key management personnel and their related parties

No related party transactions occurred during the year ending on 30 June 2024, and no loans were granted to the Company's Directors, KMP, or their related entities during the year. (Refer to note 24).

END OF REMUNERATION REPORT

Directors' Meetings

The following table sets out the number of meetings of directors held during the year and the number of meetings attended by each director:

	Board of Directors		Audit & Risk Committee		People & Culture Committee		Capital Management Committee	
Name	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend
Jim McKerlie	11	11	3	3	2	2	4	4
Peter Schubert	10	11	2	2	-	-	2	2
Paul White	11	11	2	2	2	2	-	-
Carmen Letton	11	11	1	1	1	1	2	2
Simon Wandke	9	11	2	3	-	-	2	2
Mark Eames	4	5	1	1	1	1	-	-

Note
(1) M Eames resigned on 23 November 2023.

Committee Memberships

As at the date of this report, the Company had an Audit & Risk Committee, People & Culture Committee and Capital Management Committee.

Audit & Risk	People & Culture	Capital Management
Paul White (C)	Jim McKerlie (C)	Jim McKerlie (C)
Jim McKerlie	Paul White	Simon Wandke
Peter Schubert	Carmen Letton	Peter Schubert
Simon Wandke		

Note: (C) Designates the Chair of the Committee.

Proceedings on behalf of the Company

During the year, no person applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Consolidated Entity is a party for the purposes of taking responsibility on behalf of the Company for all or any part of the proceedings.

Deeds of access, indemnity and insurance

The Company has entered into Deeds of Access, Indemnity and Insurance (Deed) with each director and executive, including the Company Secretary.

The Deed indemnifies each of its directors and executives (Officeholders) for the period that they hold and for seven years after they cease to be a director and officer of the Company (Access Period) to the maximum extent permitted by law for any loss, cost, expense or liability incurred by the Officeholder in connection with the Officeholder's position, including in respect to negligence, and all legal costs reasonably incurred in defending legal proceedings relating to the Officeholder's conduct. Any payment in respect of the indemnity is subject to shareholder approval.

The Company must insure the Officeholders for the Access Period against all liability, including legal costs, to which they are exposed in performing their role. The Company is not required to insure the Officeholders in respect of conduct involving a wilful breach of duty or a contravention of section 182 or 183 of the Corporations Act 2001, other than in respect of all legal costs associated with defending such claims (including in relation to criminal matters). The Directors of the Company are not aware of any such proceedings or claims brought against the Company as at the date of this report.

Insurance of directors and officers

During the financial year, the Company paid premiums to insure the directors and officers of the Company against liabilities for costs and expenses that may be incurred by the directors in defending civil or criminal proceedings that may be brought against the directors and officers in their capacity as officers of the Company, not other than conduct involving a wilful breach of duty in relation to the Company. During the financial year $58,300 was paid to insure the directors and officers of the Company for the period 31 July 2023 to 31 July 2024.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

Non-audit services

During the year ended 30 June 2024, $17,490 was paid to Ernst & Young for non-audit services related to various Federal and State Government incentive programs. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Auditor independence

The auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 54.

It is signed in accordance with a resolution of the directors.

JIM MCKERLIE
Non-Executive Director (Chair of the Board until 23 September 2024)

Dated in Sydney this 30 September 2024

Auditor's Independence Declaration

FOR THE YEAR ENDING 30 JUNE 2024

Building a better working world

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Auditor's independence declaration to the directors of Magnetite Mines Limited

As lead auditor for the audit of the financial report of Magnetite Mines Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Magnetite Mines Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

L A Carr
Partner
30 September 2024

Consolidated Statement of Profit or Loss & Other Comprehensive Income

FOR THE YEAR ENDING 30 JUNE 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
INCOME			
Interest income		157,362	273,884
Other income	4(a)	214,494	212,587
Total income		371,856	486,471
EXPENDITURE			
Amortisation and depreciation	4(b)	(398,533)	(255,677)
Administration expenses		(684,147)	(645,863)
Employee benefits expense		(2,257,243)	(2,414,420)
Exploration expenditure	12	(15,288)	(14,577)
Finance costs		(4,168)	(4,190)
Interest expense	4(c)	(93,041)	(133,039)
Loss on sale of plant and office equipment		-	(2,053)
Other expenses		(429,464)	(437,072)
Professional fees		(789,188)	(580,676)
Share based payment expense	18(d)	(548,639)	(1,330,095)
Loss before income tax expense		(4,847,855)	(5,331,191)
Income tax (expense)/benefit	5(a)	-	-
Net loss for the year		(4,847,855)	(5,331,191)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(4,847,855)	(5,331,191)
Net Loss attributable to members of the parent entity		(4,847,855)	(5,331,191)
Comprehensive loss attributable to members of the parent entity		(4,847,855)	(5,331,191)

		2024 $	2023 $
Loss per share attributable to ordinary equity holders:			
Basic loss (cents per share)	7(a)	(0.054)	(0.070)
Diluted loss (cents per share)	7(b)	(0.054)	(0.070)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8(a)	1,212,955	5,134,710
Other receivables	9(a)	156,697	274,634
TOTAL CURRENT ASSETS		1,369,652	5,409,344
NON-CURRENT ASSETS			
Other receivables	9(b)	299,253	112,588
Exploration expenditure	12	36,311,546	32,863,921
Property, plant and equipment	13	112,604	107,343
Right of use of assets	6	133,088	477,950
TOTAL NON-CURRENT ASSETS		36,856,491	33,561,802
TOTAL ASSETS		38,226,143	38,971,146
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	879,873	969,114
Provisions	15	385,061	267,642
Lease liabilities	6	73,437	313,855
Convertible Loan	16	-	1,975,000
TOTAL CURRENT LIABILITIES		1,338,371	3,525,611
NON-CURRENT LIABILITIES			
Lease liabilities	6	43,897	135,390
TOTAL NON-CURRENT LIABILITIES		43,897	135,390
TOTAL LIABILITIES		1,382,269	3,661,001
NET ASSETS		36,843,875	35,310,145
EQUITY			
Contributed equity	17(a)	95,346,228	89,513,282
Reserves	17(d)	13,947,078	13,398,439
Accumulated losses	18	(72,449,431)	(67,601,576)
TOTAL EQUITY		36,843,875	35,310,145

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDING 30 JUNE 2024

CONSOLIDATED	Note	Contributed Equity $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2023		89,513,282	13,398,439	(67,601,576)	35,310,145
Total comprehensive income for the year					
Profit/(Loss) for the year		-	-	(4,847,855)	(4,847,855)
Total comprehensive income/(loss) for the year		-	-	(4,847,855)	(4,847,855)
Transactions with owners recorded directly in equity:					
Shares issued during the year	17(b)	6,501,346	-	-	6,501,346
Transaction costs	17(b)	(668,400)	-	-	(668,400)
Share based payments	17(d)	-	548,639	-	548,639
		5,832,946	548,639	-	5,284,307
Balance at 30 June 2024		95,346,228	13,947,078	(72,449,431)	36,843,875

CONSOLIDATED	Note	Contributed Equity $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2022		89,551,446	12,068,344	(62,270,385)	39,349,405
Total comprehensive income for the year					
Profit/(Loss) for the year		-	-	(5,331,191)	(5,331,191)
Total comprehensive income/(loss) for the year		-	-	(5,331,191)	(5,331,191)
Transactions with owners recorded directly in equity:					
Shares issued during the year	17(b)	833	-	-	833
Refund for exercise of unquoted options	17(b)	(37,747)	-	-	(37,747)
Transaction costs	17(b)	(1,250)	-	-	(1,250)
Share based payments	17(d)	-	1,330,095	-	1,330,095
		(38,164)	1,330,095	-	1,291,931
Balance at 30 June 2023		89,513,282	13,398,439	(67,601,576)	35,310,145

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDING 30 JUNE 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment to suppliers and employees		(3,899,339)	(4,167,223)
Interest received		137,372	209,068
Interest paid		(175,333)	(133,039)
Other income		271,413	217,553
Net cash outflow from operating activities	8(b)	(3,665,887)	(3,873,641)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of plant and office equipment		(35,946)	(37,099)
Proceeds from sale of plant and office equipment		-	4,753
Placement of security deposits		(186,665)	-
Exploration and evaluation expenditure		(3,552,353)	(9,948,540)
Net cash outflow from investing activities		(3,774,964)	(9,980,886)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	17(b)	6,501,346	833
Refund for exercise of unquoted options	17(b)	-	(37,747)
Share issue costs	17(b)	(668,400)	(87,040)
Repayment of lease liabilities		(338,850)	(234,245)
Repayment of convertible loan note		(1,975,000)	-
Net cash inflow/(outflow) from financing activities		3,519,096	(358,199)
Net increase/(decrease) in cash and cash equivalents held		(3,921,755)	(14,212,727)
Cash and cash equivalents at the beginning of the financial year		5,134,710	19,347,437
Cash and cash equivalents at the end of the financial year	8(a)	1,212,955	5,134,710

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. CORPORATE INFORMATION

The consolidated financial statements of Magnetite Mines Limited ("Company") comprise the Company and its subsidiaries (together referred to as the "Group") for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the directors on 30 September 2024. Magnetite Mines Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange Ltd. The principal activity of the Group during the year was mineral exploration in Australia.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards (including Australian Accounting Standards and Interpretations).

The financial report has also been prepared on a historical basis and the accruals basis, except for certain financial instruments that have been measurement at fair value.

Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2024, the Group recorded a loss of $4,847,855 (2023: loss $5,331,191) and has operating and investing cash outflows of $7,440,851 (2023: $13,854,527). At 30 June 2024 the Group has cash assets of $1,212,955 (2023: $5,134,710) and a net working capital surplus of $31,281 (2023: Net working capital surplus $1,883,733). The Group has minimum exploration commitments due within one year of $139,213 (2023: $3,464,121).

The Directors, in their consideration of the appropriateness of the going concern basis for the preparation of the financial statements, have prepared a cash flow forecast through to September 2025. The cash flow forecast includes the anticipated cash injection from the recent Rights Offer which closed on 25 September 2024, which is underwritten for an amount of $2,000,000, and is anticipated to raise more than the underwritten amount. The cash flow forecast indicates the current cash balance is insufficient to meet its ongoing planned expenditure for the next twelve months from the date of this report without one or more of the following funding activities occurring:

In the immediate term i) further reduction in corporate overheads beyond recently announced Board changes, ii) responsible phasing of key project expenditure, and/or iii) raising further funds from the issue of equity, subject to prevailing market conditions; and

Within the financial year: i) raising additional equity subject to prevailing market conditions, ii) entering into an agreement with a strategic partner to fund ongoing planned expenditure on the Razorback project, iii) securing debt to fund the Group's ongoing planned expenditure on the Razorback project, iv) receipting refunds from research and development incentives, and/or iv) undertaking a Razorback project sell-down.

Notwithstanding the cash shortfall as per the cash flow forecast, and the material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern for the next 12 months, the Directors at the date of signing this report are confident, based on past performance and the market conditions in relation to the recognised global demand for green iron, supported by the state and federal governments policy focus on this opportunity, that they will be successful in their ability to fund the project and continue as a going concern.

Should the Group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements. The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of recorded liabilities that might be necessary should the consolidated entity not continue as a going concern.

Statement of compliance

The consolidated financial statements comply with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Magnetite Mines Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 10.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group.

The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(b) Adoption of New and Revised Accounting Standards

The Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

The adoption of these new and revised Standards and Interpretation did not have any impact on the consolidated financial statements of the Group during the period.

(c) New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

Early adoption has not been applied to any of these, and the applicable new and amended standards and interpretations are provided in the list below.

- **AASB 18 Presentation and Disclosure in Financial Statements**
  Effective for reporting periods beginning on or after 1 January 2027, AASB 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It also requires the disclosure of management-defined performance measures and includes new requirements for the aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share based payment transactions
Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility, dividend yield and estimated vesting period and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses Black-Scholes option pricing model and a Monte-Carlo simulation model for valuing the share option plan. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 20.

Mineral Exploration and Evaluation
The carrying amounts of the Group's exploration and evaluation assets are reviewed at each reporting date, to determine whether any of the following indicators of impairment exist:

- tenure over the AOI has expired during the period or will expire in the near future, and is not expected to be renewed; or
- substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific AOI is not budgeted or planned; or
- exploration for, and evaluation of, resources in the specific AOI have not led to the discovery of commercially viable quantities of resources, and the Group has decided to discontinue activities in the specific AOI; or
- sufficient data exists to indicate that, although a development is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or from sale.

(e) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flow, cash and cash equivalents consist of cash and cash equivalents as detailed above, net of outstanding bank overdrafts.

(f) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes using the full liability balance sheet approach. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Income tax (continued)

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

(g) Other taxes

Revenues, expenses and assets are recognised net of amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

The Group is consolidated for income tax purposes. The consolidated taxable profit or loss for the group is recognised at the parent level, Magnetite Mines Limited, therefore the assessment of whether to record deferred tax assets for unused tax losses or timing differences is undertaken by the parent only. The losses of the subsidiary remain with the parent, whether the subsidiary is wound up or sold. Provided the company maintains its current business operations, revenue and capital losses will not expire.

(h) Exploration, evaluation and development expenditure

Exploration, evaluation and development costs are accumulated in respect of each separate area of interest. Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision was made.

Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they may not be recoverable in the future. Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

Exploration and evaluation expenditure, including the costs of acquiring licences and permits, are capitalised as exploration and evaluation assets on an area of interest basis. Subsequent to the recognition of an area of interest, all further exploration and evaluation drill costs and other costs relating to that area of interest are capitalised. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Where an indicator of impairment exists, the asset's recoverable amount is estimated. If it is concluded that the carrying value of an exploration and evaluation asset is unlikely to be recovered by future exploitation or sale, an impairment is recognised in profit or loss for the difference.

(i) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Trade payables and other payables are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Provisions

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields on high-quality corporate bonds at the reporting date, with terms to maturity and currency that closely match the estimated future cash outflows.

Rehabilitation
A provision has been made for the present value of anticipated costs for future site restoration. The Group's extraction and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of well estimates and discount rates could affect the carrying amount of this provision.

(k) Earnings per share

(i) Basic earnings per share (“EPS”) is calculated by dividing the net profit/loss attributable to members for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

(ii) Diluted EPS is calculated by dividing the loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

(l) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Borrowing costs

Borrowing costs are capitalised when they relate to qualifying assets, otherwise recognised as an expense when incurred.

(n) Leases

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The right-of-use assets are measured at their present value of lease payments at the commencement date and discounted using the Group’s incremental borrowing rate. Subsequently the right-of-use assets are amortised based on the asset’s useful life.

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less cost of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(p) Share-based payment transactions

Equity settled transactions
The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or performance rights and or options over shares (equity-settled transactions).

There is currently one plan in place the Employee Option Share Plan, which provides benefits to all employees, excluding directors.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer or internally using a Black-Scholes option pricing model, further details of which are given in note 20.
In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.
The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired; and
(ii) the Company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 7).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Foreign Currency Translation

Functional and present currency
The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Australian dollars which is the Company's functional and presentation currency. The functional currency of all subsidiaries is Australian dollars.

Transaction and balance
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continued to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

(r) Other Income

Royalty Income
Royalty income includes a variable amount of consideration, the Group estimates the amount of consideration to which it will be entitled. The variable consideration is estimated at contract inception and constrained until it's highly probably that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts though the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(s) Employee Benefits

Short-term employee benefits
Liabilities recognised for salaries and wages, annual leave and any other short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled in respect of services provided by employees up to the reporting date.

Long-term employee benefits
Liabilities recognised in respect of long service leave and any other long term employee benefits that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

(t) Convertible Loan Note

On issuance of convertible loan notes, the fair value of the liability component is recognised and measured using a market interest rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. Any derivates features within the host debt contract are recognised separately at fair value.

(u) Financial Assets
Financial assets are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are measured initially at fair value adjusted by transaction costs, except for those carried at 'fair value through profit or loss', in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Classification and measurement

Financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Financial Assets (continued)

Classifications are determined by both:
- the contractual cash flow characteristics of the financial assets; and
- the Group's business model for managing the financial asset.

Financial assets at amortisation cost

Financial assets are measured at amortised cost if the assets meet with the following conditions (and are not designated as FVPL);

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, and other receivables fall into this category of financial instruments.

Financial assets at fair value through profit and loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, derivative financial instruments, assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Impairment

The Group assesses on a forward-looking basis the expected credit loss (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

3. SEGMENT INFORMATION

The Group operates in the mineral exploration industry in Australia. For management purposes, the Group is organized into one main operating segment which involves the exploration of minerals in Australia. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

		Consolidated 2024 $	Consolidated 2023 $
4.	**OTHER INCOME AND EXPENSES**		
(a)	**Other income**		
	Fuel tax credit received	955	5,371
	Royalty income	213,539	207,216
		214,494	212,587
(b)	**Depreciation**		
	Depreciation on property, plant & equipment and amortisation expenses	(46,732)	(51,455)
	ROU depreciation/amortisation	(351,801)	(204,222)
		(398,533)	(255,677)
(c)	**Interest expense**		
	Interest payable on Convertible Loan Note	(68,404)	(98,750)
	Interest expense from unwinding of interest of lease liabilities	(24,637)	(34,289)
		(93,041)	(133,039)

	Consolidated 2024 $	Consolidated 2023 $
5. INCOME TAX		
(a) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from ordinary activities before income tax expense	(4,847,855)	(5,331,191)
Prima facie tax benefit on loss from ordinary activities at 25% (2023 – 25%)	(1,211,964)	(1,332,798)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment and other	147	853
Fines & penalties	23	22
Share based payments	52,979	320,264
Other	(128,844)	(8,760)
	(1,287,659)	(1,020,419)
Tax effect of current year tax losses & non-recognition of deferred tax assets	1,287,659	1,020,419
Income tax expense/(benefit)	-	-
(b) Deferred Tax Assets (25%) (2023– 25%)		
Prepayments	-	-
Capital raising costs	276,565	285,795
Provisions for expenses	143,473	150,773
Right of Use of Assets	29,334	112,311
Carry forward revenue losses	20,241,522	18,075,951
Carry forward capital losses	2,475,645	2,475,645
Total	23,166,539	21,100,475
(c) Deferred Tax Liabilities (25%) (2023 – 25%)		
Prepayments	9,983	4,311
Lease Liabilities	33,272	119,488
Unearned revenue	262	3,219
Mineral exploration	9,077,886	8,215,980
Total	9,121,403	8,342,998
Net deferred tax asset not brought to account	14,045,136	12,757,477

Potential future income tax benefits attributable to total tax losses are only brought to account to the extent they will offset against temporary differences anticipated to arise and utlilised over the same period. Total tax losses amount to approximately $22,717,167 of which $13,768,571 remains unrecognised at 30 June 2024 because the directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable. The unrecognised amounts comprise of carry forward revenue losses of $11,292,926 and carry forward capital losses of $2,475,645.

The potential future income tax benefit will be obtainable by the Group only if:

(a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deductions for the loss to be realised;

(b) the Group continues to comply with the conditions for deductibility imposed by income tax law; and

(c) no changes in income tax legislation adversely affects the Group in realising the benefit of the deduction for the loss.

6. LEASES

	Consolidated 2024 $	Consolidated 2023 $
(a) Right-of-use assets		
Opening balance	477,950	236,306
Additions	6,939	445,866
Depreciation	(351,801)	(204,222)
Closing balance	133,088	477,950
(b) Lease liabilities		
Current	73,437	313,855
Non-current	43,897	135,390
	117,334	449,245
(c) Interest expense on lease liabilities		
Interest expense from the unwinding of interest	24,637	34,289
	24,637	34,289
Total annual expenses for leases	376,438	238,511

The right-of-use assets include lease agreements entered into by the Group for storage units in Wingfield, South Australia, and an office space in Adelaide on 14 November 2021 and 1 June 2023. The incremental borrowing rates for these leases were 4.69% and 7.85%, respectively.

The Group did not have any short-term or low value leases in the current and previous period.

7. EARNINGS PER SHARE

	Consolidated 2024 $	Consolidated 2023 $
(a) Basic loss per share	(0.054)	(0.070)
(b) Diluted loss per share	(0.054)	(0.070)

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

	2024	2023
(c) Net profit/(loss) attributable to ordinary shareholders ($)	(4,826,035)	(5,331,191)
(d) Weighted average number of ordinary shares outstanding during the year used in the calculation:		
- basic earnings per share	89,767,338	75,838,481
- diluted earnings per share	89,767,338	75,838,481

	Consolidated 2024 $	Consolidated 2023 $
8. CASH FLOW INFORMATION		
(a) Cash and cash equivalents represents:		
Cash in bank and on hand	607,086	2,009,577
Short term deposits	605,869	3,125,133
	1,212,955	5,134,710
(b) Reconciliation of net cash used in operating activities to operating loss after income tax		
Operating loss after income tax	**(4,847,855)**	**(5,331,191)**
Non cash flows in operating loss		
Exploration costs written-off	15,288	14,577
Amortisation and depreciation	398,533	255,677
Share based payments – note 17 (d)	548,639	1,330,095
Loss on sale of plant and equipment	-	2,053
Change in assets and liabilities		
Increase/(decrease) in trade, other payables and provisions	101,571	(608,706)
(Increase)/decrease in receivables	117,937	463,854
Net cash outflow used in operating activities	(3,665,887)	(3,873,641)

Non cash flows investing and financing activities
In the current year there are no non cash financing and investing activities.

9. OTHER RECEIVABLES (CURRENT)

	2024 $	2023 $
(a) GST receivable	101,497	149,080
Prepayments	39,930	28,725
Sundry debtors [1]	15,270	96,829
	156,697	274,634

The were no amounts receivable from directors and director related entities in 2024 and 2023.

Note1: Other receivables are non-interest bearing and generally on 30-90 day terms. The Group recognises an allowance for the expected credit loss for all receivables not held at fair value through profit or loss. FY2024 $Nil (FY 2023: $Nil)

OTHER RECEIVABLES (NON CURRENT)

	2024 $	2023 $
(b) Security deposits/bonds	299,253	112,588

At 30 June 2024 the Group has security bonds outstanding totalling $299,253 (2023: $112,588) provided by the Company's bank for its office and storage unit leases and held by Department for Energy & Mining for mineral tenements in Australia.

10.

Name	Country of Incorporation	Percentage Interest Held 2024 %	Percentage Interest Held 2023 %
Razorback Iron Pty Ltd	Australia	100	100
Razorback Operations Pty Ltd	Australia	100	100
Red Dragon Mining Pty Ltd	Australia	100	100
Ironback Pty Ltd	Australia	100	100

11. PARENT ENTITY DISCLOSURES

	2024 $	2023 $
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets	1,369,632	5,409,323
Non-Current Assets	1,622,415	971,888
Total Assets	2,992,047	6,381,211
LIABILITIES		
Current Liabilities	(1,338,371)	(3,525,611)
Non-Current Liabilities	(43,897)	(135,390)
Total Liabilities	(1,382,268)	(3,661,001)
Net Assets	1,609,779	2,720,210
EQUITY		
Contributed equity	95,346,228	89,513,281
Reserves	13,947,078	13,398,439
Accumulated losses	(107,683,527)	(100,191,510)
Total Equity	1,609,779	2,720,210
Profit or loss and other comprehensive income		
Net profit/ (loss) from continuing operations for the year	(7,492,017)	(28,335,021)
Total Comprehensive income/(loss) for the year	(7,492,017)	(28,335,021)
Mineral tenement expenditure commitments		
Within one year	139,213	3,464,121
Later than one year but not later than five years	1,765,000	4,706,500
Later than five years	-	-
	1,904,213	8,170,621

The commitments relate to the Company and its subsidiaries as the Company funds its subsidiaries' activities. There are no guarantee/contingencies and subsequent events other than those mentioned above in this report.

12. EXPLORATION EXPENDITURE (NON-CURRENT)

	2024 $	2023 $
Exploration and evaluation		
At 1 July	32,863,921	25,228,677
Expenditure incurred during the year	3,462,913	7,649,821
Expenditure written off during the year	(15,288)	(14,577)
At 30 June	36,311,546	32,863,921

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Group's exploration properties may be subject to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

13. PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2024 $	Consolidated 2023 $
Plant and equipment, at cost	355,949	329,789
Less: accumulated depreciation	(295,313)	(266,480)
	60,636	63,309
Office equipment, at cost	176,673	150,840
Less: accumulated depreciation	(124,705)	(106,806)
	51,968	44,034
Total property, plant and equipment	112,604	107,343

Reconciliations

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	2024 $	2023 $
Plant and equipment		
Carrying amount at the beginning of the year	63,309	85,191
Additions	26,160	8,279
Disposal	-	-
Reclassification of plant and equipment to office equipment for prior year	-	3,220
Depreciation	(28,833)	(33,381)
Carrying amount at the end of the year	60,636	63,309
Office equipment		
Carrying amount at the beginning of the year	44,034	43,287
Additions	25,833	28,819
Disposal	-	(6,779)
Reclassification of office equipment from plant and equipment for prior year	-	(3,220)
Depreciation	(17,899)	(18,073)
Carrying amount at the end of the year	51,968	44,034
Total carrying amount at the end of the year	112,604	107,343

	Consolidated 2024 $	Consolidated 2023 $
14. TRADE AND OTHER PAYABLES (CURRENT)		
Trade payables [1]	419,869	401,748
Accruals	460,004	567,366
	879,873	969,114

Note 1 - Trade payables are non-interest bearing and are normally settled on 30-60 day terms

	2024 $	2023 $
15. PROVISIONS (CURRENT)		
Employee benefits – Annual Leave	267,501	188,873
Employee benefits – Long Service Leave	113,560	74,769
Provision for rehabilitation	4,000	4,000
Total	385,061	267,642

	2024 $	2023 $
16. BORROWINGS (CURRENT)		
Convertible Notes	-	1,975,000
	-	1,975,000

17. CONTRIBUTED EQUITY AND RESERVES

	Number of Shares		Consolidated	
	2024	2023	2024 $	2023 $
(a) Issued and paid up capital				
Ordinary shares	98,434,688	75,963,209	95,346,228	89,513,282
Total			95,346,228	89,513,282

(b) Movement in ordinary shares on issue	Number of Shares	Issue Price $	Total $
Balance at 30 June 2022	75,837,876		89,551,446
Exercise of quoted options expiring 20 May 2023	333	2.50	833
Conversion of sign-on performance rights	125,000	-	-
Refund for exercise of unquoted options			(37,747)
Share issue costs	-		(1,250)
Balance at 30 June 2023	75,963,209		89,513,282
Right Issue	21,666,649	0.30	6,500,000
Exercise of quoted options expiring 23 May 2025	2,990	0.45	1,346
Conversion of performance rights*	801,840	-	-
Share issue costs	-		(668,400)
Balance at 30 June 2024	98,434,688		95,346,228

* Excludes performance rights converted to shares post 30 June 2024.

17. CONTRIBUTED EQUITY AND RESERVES (continued)

(c) Movement in performance rights and options on issue

The following table summarises the movement in options and performance rights on issue for the year ended 30 June 2024.

30 June 2024	Balance at the Beginning of the Year	Issued During the Year	Exercised/ vested During the Year	Expired/Forfeited /Lapsed During the Year	Balance at the End of the Year
Unquoted options					
Unquoted options exercisable at $0.595 each on or before 11 August 2023	140,000	-	-	(140,000)	-
Unquoted options exercisable at $2.265 each on or before 17 March 2024	80,000	-	-	(80,000)	-
Unquoted options exercisable at $0.57 each on or before 1 December 2024	300,000	-	-	-	300,000
Unquoted options exercisable at $1.81 each on or before 8 December 2024	1,052,000	-	-	-	1,052,000
Unquoted options exercisable at $1.76 each on or before 13 December 2024	540,000	-	-	-	540,000
Unquoted options exercisable at $1.95 on or before 27 June 2025	135,360	-	-	-	135,360
Unquoted options exercisable at $2.03 on or before 14 October 2025	286,071	-	-	-	286,071
Unquoted options exercisable at $1.39 on or before 1 December 2025	1,049,654	-	-	-	1,049,654
Unquoted options exercisable at $0.915 each on or before 15 December 2025	600,000	-	-	-	600,000
Unquoted options exercisable at $1.34 on or before 1 December 2028	382,883	-	-	-	382,883
Unquoted options exercisable at $0.78 on or before 1 February 2029	167,940	-	-	-	167,940
Unquoted options exercisable at $0.556 on or before 5 December 2029	-	1,978,713	-	-	1,978,713
Quoted options exercisable at $0.45 each on or before 23 May 2025	-	10,833,188	(2,990)	-	10,830,198
Performance Rights					
Sign-On performance rights vesting on 1 July 2024	125,000	-	-	-	125,000
STI performance rights vesting on 30 June 2024	-	2,922,942	(1,021,818)	(1,901,123)	-
Total	4,858,908	15,734,843	(1,024,808)	(2,121,123)	17,447,819

17. CONTRIBUTED EQUITY AND RESERVES (continued)

	Consolidated 2024 $	Consolidated 2023 $
(d) Reserves	13,947,078	13,398,439
Listed option reserve		
Balance at beginning of year	1,086,935	1,086,935
Balance at end of year	1,086,935	1,086,935
Share based payments reserve		
Balance at beginning of year	12,311,504	10,981,409
Share based payments expensed to P&L(1)	548,639	1,330,095
Balance at end of year	12,860,143	12,311,504

Note 1: Relates to non-cash expenses in relation to directors and employee options and performance rights granted.

Nature and purpose of reserves

Listed option reserve

This reserve is used to record the proceeds from the issue of listed options, net of expenses of the issue.

Share based payments reserve

This reserve is used to record the value of equity benefits provided to directors, employees and consultants as part of their remuneration. Refer to note 20 for further details.

18. ACCUMULATED LOSSES

	2024 $	2023 $
Balance at the beginning of the year	(67,601,576)	(62,270,385)
Net loss attributable to members of Magnetite Mines Limited	(4,847,855)	(5,331,191)
Balance at the end of the financial year	(72,449,431)	(67,601,576)

19. COMMITMENTS

	2024 $	2023 $
(i) Exploration commitments		
Within one year	139,213	3,464,121
Later than one year but not later than five years	1,765,000	4,706,500
Later than five years	-	-
	1,904,213	8,170,621

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report.

If the Group decides to relinquish certain tenements and / or does not meet these obligations, assets recognised in the Consolidated Statement of Financial Position may require review to determine the appropriateness of the carrying values. The sole transfer or farm out of exploration rights to third parties will reduce or extinguish these obligations.

19. COMMITMENTS (continued)

(iii) **Bonds**

At 30 June 2024 the Group has security bonds outstanding totalling $112,588 (2023: $112,588) provided by the Company's bank and held by Department for Energy & Mining for mineral tenements in Australia.

(iv) **Bank Guarantee**

As at 30 June 2024, the Group has outstanding $186,665 secured (30 June 2023: $Nil) as bank guarantee provided by the Group's bankers. The Company has an available bank guarantee limit of $101,828 and currently this facility has not been utilised by the Company.

(v) **Directors & Employee Commitments**

The Group has entered into contracts with its directors and employees whereby minimum notice periods have been provided by the Group. This totals $530,292 (2023: $477,475).

20. SHARE BASED PAYMENTS

(a) Type of share based payment plan

The Company adopted an Employee Incentive Plan (EIP) during the year which was approved by the shareholders on 23 November 2022, pursuant to which the Company can issue a variety of Equity Securities to employees, contractors, board members and their associates ('Eligible Employees'). The purpose of the Plan is to motivate and attract Eligible Employees and enable them to share in the rewards of the future success of the Company. The Board is of the view that the EIP will better enable the Company to motivate and reward Eligible Employees in the long run.

Subject to the Rules set out in EIP and the Listing Rules, the Company (acting through the Board) may offer performance rights and options to any Eligible Person at such time and on such terms as the Board considers appropriate.

As there are securities on issue under the Option Incentive Plan which was approved by the shareholders on 29 November 2019, there are no immediate plans for its termination.

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options and performance rights have been exercised. The expense recognised in the income statement in relation to share based payments is disclosed in consolidated statement of profit or loss and other comprehensive income.

(b) Summary of directors and employees options and performance rights granted

The following table illustrates the number and weighted average prices (WAEP) of and the movements in directors and employees share options and performance rights issued during the year:

	Number 2024	WAEP 2024 $	Number 2023	WAEP 2023 $
Outstanding at the beginning of the year	4,858,908	1.41	3,197,360	1.50
Granted during the year	4,901,655	0.46	3,499,066	1.09
Expired/Lapsed/Forfeited during the year	(2,121,123)	0.48	(910,678)	1.30
Exercised during the year	(1,021,818)	0.39	(926,840)	0.66
Outstanding at the end of the year	6,617,621	1.17	4,858,908	1.41
Exercisable at the end of the year	4,088,085		4,183,085	

(i) the weighted average remaining contractual life for the directors and employees options and performance rights outstanding as at 30 June 2024 is 2.56 years (2023: 1.89 years);

(ii) the weighted average exercise price for options outstanding at the end of the year was $1.17 (2023: $1.29);

(iii) the weighted average exercise price of options and performance rights granted during the year was $0.46 (2023: $1.09); and

(iv) the fair value of the equity-settled share options granted under the plan is estimated as at the date of grant using a Monte Carlo option pricing model taking into account the terms and conditions upon which the options were granted.

20. SHARE BASED PAYMENTS (continued)

The following table lists the inputs to the model used for options issued during the year ended 30 June 2024.

Number of Options	1,978,713
Option exercise price	$0.556
Vesting date	5/12/2026
Expiry date	5/12/2029
Expected life of the option (years)	6 years
Expected vesting period	6 years
Dividend yield (%)	-
Expected volatility (%)	100%
Risk-free interest rate (%)	4.023%
Closing share price at grant date	$0.315
Fair value of options	$0.2348
Grant date	23/11/2023

The following table lists the inputs to the model used for performance rights issued during the year ended 30 June 2024.

Number of Performance Rights	2,992,942
Vesting date	30/09/2024
Vesting period (months)	10
Share Price at grant date	$0.315
Fair value of performance rights	$0.315
Grant date	23/11/2023
Dividend yield (%)	-

The following table lists the inputs to the model used for options issued during the year ended 30 June 2023.

Number of Options	286,071	1,049,654	382,883	276,009
Option exercise price	$2.03	$1.39	$1.34	$0.78
Expiry date	14/10/2025	1/12/2025	1/12/2028	1/02/2029
Expected life of the option (years)	3 years	3 years	6 years	6 years
Dividend yield (%)	-	-	-	-
Expected volatility (%)	100%	100%	100%	100%
Risk-free interest rate (%)	3.51%	3.21%	3.22%	3.22%
Closing share price at grant date	$1.15	$0.80	$0.80	0.4895
Fair value of options	$0.60	$0.42	$0.555	$0.3470
Grant date	14/10/2022	1/12/2022	23/11/2022	2/02/2023

The following table lists the inputs to the model used for performance rights issued during the year ended 30 June 2023.

Number of Performance Rights	125,000	125,000	398,438	561,619
Vesting date	30/06/2023	1/07/2024	30/06/2023	30/06/2023
Vesting period (months)	10	22	10	6
Share Price at grant date	$0.80	$0.80	$0.80	$0.4895
Fair value of performance rights	$0.80	$0.80	$0.80	$0.4895
Grant date	23/11/2022	23/11/2022	23/11/2022	2/02/2023

21. REMUNERATION OF AUDITORS

	Consolidated 2024 $	Consolidated 2023 $
Fees paid to Ernst & Young (Australia) for auditing the statutory financial report of the Group	85,000	67,500
Fees paid to Ernst & Young (Australia) for other services	17,490	-
Fees paid to Stantons International for auditing the statutory financial report of the Group	-	23,149
Fees paid to Stantons International for other services	-	2,000
Total	113,556	92,649

22. DIRECTORS AND EXECUTIVE DISCLOSURES

a) Details of directors and key management personnel

Directors

Jim McKerlie[1]	Non-Executive Chair
Carmen Letton	Non-Executive Director
Paul White[2]	Non-Executive Director
Peter Schubert	Non-Executive Director
Simon Wandke	Non-Executive Director
Mark Eames[3]	Non-Executive Director (Ceased 23 November 2023)

Other Key Management Personnel

Tim Dobson[4]	Chief Executive Officer
Simon Smith[5]	Chief Financial Officer & Joint Company Secretary (Commenced 4 September 2023)

Note
1 Mr Jim McKerlie was appointed as Chair of the Board on 25 September 2023 and resigned as Chair of the Board on 23 September 2024.
2 Mr Paul White was appointed as Chair of the Board on 23 September 2024.
3 Mr Mark Eames resigned as Chair of the Board on 25 September 2023 and resigned as Non-Executive Director on 23 November 2023.
4 Mr Tim Dobson was appointed as Managing Director on 23 September 2024.
5 Mr Simon Smith commenced as Chief Financial Officer on 4 September 2023 and was appointed as Joint Company Secretary on 30 September 2023.

22. DIRECTORS AND EXECUTIVE DISCLOSURES (continued)

(b) Compensation for directors and key management personnel

	Consolidated	
	2024	**2023**
	$	**$**
Short term employee benefits	1,449,411	1,384,027
Termination benefits	-	155,672
Post-employment benefits	113,693	114,529
Other long-term benefits	-	-
Share based payments	250,701	732,393
Total compensation	1,813,805	2,386,621

(c) Details of directors and key management personnel

There were no loans to key management personnel during the year other than as disclosed in Note 23.

(d) Other transactions and balances with key management personnel and their related parties

Disclosures relating to other transactions and balances with key management personnel are included and set out in note 23.

23. RELATED PARTY DISCLOSURES

(a) Directors

Amounts paid and payable to The Kendo Way Pty Ltd, where Mr. Jim McKerlie is as a director, in the normal course of business in 2023/2024 for Human Resources software-related costs totalled $17,800 (2023: $Nil), with the balance included in trade creditors being $Nil (2023: $Nil)

(b) Loans with key management personnel and their related entities

There were no loans to key management personnel and their related entities during the year and the prior year.

(c) Loans from key management personnel and their related entities

There were no loans from key management personnel and their related entities during the year and the prior year.

(d) Subsidiaries

The Group consists of the Parent and its wholly owned controlled entities set out in Note 10.

24. FINANCIAL INSTRUMENTS

(a) The Group's principal financial instruments comprise of cash, short term deposits and other financial assets. The Group has various other financial assets and liabilities such as other receivables, trade payables and convertible loan notes. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk and credit risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the Financial Statements.

	Floating Interest Rate		Fixed Interest Rate – less than 1 year		Fixed Interest Rate – more than 1 year		Non-interest bearing		Total	
Consolidated	**2024 $**	**2023 $**	**2024 $**	**2023 $**	**2024 $**	**2023 $**	**2024 $**	**2023 $**	**2024 $**	**2023 $**
Financial Assets										
Cash and cash equivalents	1,188,514	1,903,355	-	3,125,133	-	-	24,441	106,222	1,212,955	5,134,710
Other receivables[1]	-	-	199,253	12,588	-	-	115,270	345,909	314,523	358,497
Total Financial Assets	1,188,514	1,903,355	199,253	3,137,721	-	-	139,711	452,131	1,527,478	5,493,207
Weighted Average Interest Rate	4.23%	4.10%	4.01%	4.45%	-	-				
Financial Liabilities										
Other payables[2]	-	-	(73,437)	(313,855)	(43,897)	(135,390)	(419,869)	(401,748)	(537,203)	(850,993)
Convertible loan note liability	-	-	-	(1,975,000)	-	-	-	-	-	(1,975,000)
Total Financial Liabilities	-	-	(73,437)	(2,288,855)	(43,897)	(135,390)	(419,869)	(401,748)	(537,203)	(2,825,993)
Net Financial Assets/(Liabilities)	1,188,514	1,903,355	125,816	848,866	(43,897)	(135,390)	(280,158)	50,383	990,275	2,667,214
Weighted Average Interest Rate			6.99%	5.13%	7.64%	6.90%				

Note 1: Other receivables excludes prepayments and GST
Note 2: Trade and other payables excludes accruals that are not interest bearing

24. FINANCIAL INSTRUMENTS (continued)

The net fair value of all financial assets and liabilities at balance date approximate to their carrying value. The main risk the Group is exposed is through financial instruments credit risk, commodity risk and market risk consisting of interest rate risk.

(a) ***Interest Rate Risk***

The Group's exposure to interest rate risk, is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities.

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 90 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

(b) ***Liquidity Risk***

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance requirements to finance the Group's current and future operations.

The Group believes that all outstanding payables can be paid when due and there are no past due payables as at the balance date.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Consolidated 30 June 2024	On demand	Less than 12 months	1 to 5 years	More than 5 years	Total
Lease liabilities	-	92,362	51,459	-	143,821
Trade and other payables	544,929	334,944	-	-	879,873
Convertible Loan Note	-	-	-	-	-
Total	544,929	427,306	51,459	-	1,023,694

Consolidated 30 June 2023	On demand	Less than 12 months	1 to 5 years	More than 5 years	Total
Lease liabilities	-	321,119	150,837	-	471,956
Trade and other payables	597,826	288,996	-	-	886,822
Convertible Loan Note	-	2,073,750	-	-	2,073,750
Total	597,826	2,683,865	150,837	-	3,432,529

24. FINANCIAL INSTRUMENTS (continued)

(c) ***Credit Risk***

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. Risk is also minimised by investing surplus funds with financial institutions that maintain a high credit rating.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

The Group believes that all outstanding receivables are recoverable and there are no past due receivables as at balance date.

(d) ***Commodity Price Risk***

At the 30 June 2024, the Group does not have any financial instruments subject to commodity price risk.

25. SENSITIVITY ANALYSIS

(a) Interest Rate Risk

The following table represents a summary of the interest rate sensitivity of the Group's financial assets at the balance sheet date on the deficit for the year and equity for a 100bps change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

Consolidated 30 June 2024	Carrying Amount $	Interest Rate Risk -1% (100bps)		Interest Rate Risk + 1% (100bps)	
		Net loss $	Equity $	Net gain $	Equity $
Financial Assets					
Cash and cash equivalents	1,188,514	(11,885)	(11,885)	11,885	11,885
Other receivables (interest bearing)	199,253	(1,992)	(1,992)	1,992	1,992
Total	1,387,767	(13,877)	(13,877)	13,877	13,877

Consolidated 30 June 2023	Carrying Amount $	Interest Rate Risk -1% (100bps)		Interest Rate Risk + 1% (100bps)	
		Net loss $	Equity $	Net gain $	Equity $
Financial Assets					
Cash and cash equivalents	5,028,488	(50,285)	(50,285)	50,285	50,285
Other receivables (interest bearing)	12,588	(126)	(126)	126	126
Total	5,041,076	(50,411)	(50,411)	50,411	50,411

Except for the lease liability accruing interest between 4.69% and 7.85% per annum (see note 6), none of the Group's financial liabilities are interest-bearing. These interest bearing loans are at a fixed interest rate agreed with the lenders.

(b) Foreign currency risk

The Group is not exposed to foreign exchange currency risk at balance date.

26. CONTINGENCIES

(a) Contingent Assets

As at 30 June 2024, the Group does not have any contingent asset.

Rothsay Royalty Agreement

Pursuant to a Royalty Agreement between Silverlake Resources Limited and the Company, dated June 2007, relating to the Rothsay gold operation owned by Silverlake, the Company received a total royalty payment of $213,539 during the financial year. Under the Royalty Agreement, the Company was entitled to a royalty of A$10 per ounce of gold extracted from the Rothsay tenements, commencing after Silverlake sold 10,000 ounces. The royalty payments to the Company have now reached the capped amount of A$595,000, and as of 30 June 2024, no further royalty is receivable.

(b) Contingent Liabilities

As at 30 June 2024, the Group has the following contingent liabilities:

Agreement with Mintech Resources Pty Ltd

Pursuant to a Variation Deed dated 11 August 2015, the Company finalised the acquisition of a 100% interest in EL 6353 (formally EL 5432) covering the Razorback Ridge area. On 4 September 2019, the Company entered into an agreement with the liquidators of Mintech Resources Pty Ltd (Mintech). The terms of the agreement which are contingent at 30 June 2024 are as follows:

1) Resource payments to Mintech calculated at $0.01 per DTR tonne of measured resources (resource payment = tonne of measured resource x $0.01 x [(Average DTR% of Resource tonnes)/100]). DTR means potentially recoverable tonnes of magnetite as determined by the Davis Tube Recovery technique;
2) A Production Payment of $3,000,000 to Mintech within 20 Business Days of the Company receiving payment of at least 95% of the purchase price for the first commercial shipment of Product from the tenement; and
3) A 1% Royalty on the Value of the Product produced from the tenement measured at the “mine gate”.

No amounts have been recognised in the statement of financial position in respect of this as it is not considered probable that payment will occur, and crystallisation of any payment with respect to the production payment or royalty value are dependent on the Company's future actions.

Mintech was placed in voluntary administration on 9 October 2017 and subsequently placed in the hands of liquidators on 19 April 2019.

Agreement with Goldus Pty Ltd

Pursuant to a Variation Deed dated 11 August 2015, the Company finalised the acquisition of a 100% interest in EL6126 and EL6127 (formerly EL 5180 and EL 5240) which surround the Razorback Ridge area. The Company has the following obligations:

1) Resource payments to Goldus calculated at $0.01 per DTR tonne of measured resources;
2) A Production Payment of $3,000,000 to Goldus within 20 Business Days of the Company receiving payment of at least 95% of the purchase price for the first commercial shipment of Product from the tenements; and
3) A 1% Royalty on the Value of the Product produced from the tenement measured at the “mine gate”.

No amounts have been recognised in the statement of financial position in respect of this as it is not considered probable that payment will occur, and crystallisation of any payment with respect to the production payment or royalty value are dependent on the Company's future actions.

27. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial period, other than the matters disclosed below, the directors are not aware of any other matter or circumstance that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity.

Entitlement Offer

On 26 July 2024, the Company issued 3,769,666 fully paid ordinary shares as part of the 1-for-6 pro rata non-renounceable Entitlement Offer to eligible shareholders, which closed on Friday, 19 July 2024, raising $1.17 million.

Conversion of Sign-On Rights

On 14 August 2024, 125,000 fully paid ordinary shares were issued following the vesting of Tranche 2 of the CEO sign-on rights.

Rights Offer

On 3 September 2024, the Company launched a renounceable Rights Issue at $0.20 per share to raise approximately $4.1 million before costs, partially underwritten up to $2 million, which closed on 25 September 2024. According to the Rights Issue timetable, the results will be announced on 2 October 2024.

Corporate & Board Update

On 23 September 2024, the Company announced the below changes.

- CEO, Mr Tim Dobson was appointed as Managing Director effective 23 September 2024 with no change to compensation.
- Mr Jim McKerlie resigned as Chair of the Board on 23 September 2024 but will remain a Non-Executive Director.
- Mr Paul White was appointed as Chair of the Board effective 23 September 2024 until such time that a replacement Chair is appointed with no change to compensation.
- Mr Peter Schubert will not stand for re-election at the upcoming AGM.
- Dr Carmen Letton will resign as Non-Executive Director at the upcoming AGM.
- The Company will be scaling back its corporate operations in Sydney.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

The following table provides a list of all entities included in the Group's consolidated financial statements, prepared in accordance with the requirements of Section 295(3A) of the Corporations Act. The ownership interest is only disclosed for those entities which are a body corporate, representing the direct and indirect percentage share capital owned by the Company.

Company Name	Type of entity	% of share capital as at 30 June 2024	Country of Incorporation	Country of tax residency[1]
Magnetite Mines Limited (Holding company)	Body Corporate	-	Australia	Australia
Razorback Iron Pty Ltd	Body Corporate	100	Australia	Australia
Razorback Operations Pty Ltd	Body Corporate	100	Australia	Australia
Red Dragon Mining Pty Ltd	Body Corporate	100	Australia	Australia
Ironback Pty Ltd	Body Corporate	100	Australia	Australia

[1] Tax residency is determined with reference to the Income Tax Assessment Act 1997.

Directors' Declaration

FOR THE YEAR ENDING 30 JUNE 2024

In accordance with a resolution of the directors of Magnetite Mines Limited I state that:

In the opinion of the directors:

(a) the financial statements and notes and the additional disclosures included in the Directors' report designated as audited, of the Consolidated Entity are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

  (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) the financial report complies with International Financial Reporting Standards as described in note 2(a).

(c) the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act 2001 is true and correct;

(d) Subject to the matters discussed in Note 2(a), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

On behalf of the Board

JIM MCKERLIE
Non-Executive Director (Chair of the Board until 23 September 2024)

30 September 2024

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Independent auditor's report to the members of Magnetite Mines Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Magnetite Mines Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of exploration & evaluation assets

Why significant	How our audit addressed the key audit matter
At 30 June 2024 the Group had exploration and evaluation assets of $36.3 million as disclosed in Note 12. The carrying value of exploration and evaluation assets is subjective based on the Group's ability and intention to continue to explore, evaluate and commercialise its assets, including those associated with the Razorback Project. The carrying value of assets may also be impacted by the results of ongoing exploration and evaluation activity indicating that the resources may not be technically or commercially viable for extraction and commercialisation in the manner intended. The Group is required to assess whether any indicators of impairment are present in accordance with the requirements of *AASB 6 Exploration for and Evaluation of Mineral Resources* (AASB 6). At 30 June 2024, the Group undertook an impairment indicators assessment in respect of its exploration and evaluation assets and consequently no impairment charge was recorded during the year. As a result of the judgment involved, we considered the value of exploration and evaluation assets and related disclosures in the financial report to be a key audit matter.	In completing our audit procedures, we: ▸ Assessed whether any impairment indicators, as set out in AASB 6, were present, and assessed the conclusions with respect to impairment reached by management. ▸ Evaluated the Group's right to explore in the relevant exploration areas, including by inspecting supporting documentation such as license agreements and correspondence with relevant government agencies to assess the right to explore was current. ▸ Assessed the results of exploration and evaluation activities carried out in the relevant license areas to date. ▸ Assessed the Group's intention to carry out significant exploration and evaluation activities on the Razorback project and other exploration areas. This included the assessment of the Group's cash flow forecasts and assessing the Group's plan to continue to progress the Razorback Project. ▸ Assessed the accounting treatment related to costs incurred, agreeing costs incurred, payments made, and associated calculations to third party supporting documentation. ▸ Assessed the nature of the costs incurred to ensure they are valid costs for capitalisation as exploration and evaluation costs. ▸ Evaluated whether any other data or information exists which indicates that the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full, from successful development or by sale. ▸ Assessed the adequacy of the disclosures included in Note 12 to the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 51 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Magnetite Mines Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

L A Carr

L A Carr
Partner
Adelaide
30 September 2024

ASX Additional Information

FOR THE YEAR ENDING 30 JUNE 2024

The following information dated 19 September 2024 is required by the Listing Rules of the ASX Limited.

1. **DISTRIBUTION AND NUMBER OF HOLDER OF EQUITY SECURITIES**

The number of holders, by size of holding, in each class of security are:

Distribution	Number of Shareholders	Number of Shares
1 – 1,000	874	621,669
1,001 – 5,000	2,999	7,262,771
5,001 – 10,000	824	6,057,365
10,001 – 25,000	641	10,461,471
25,001 – 50,000	312	11,137,976
50,001 – 100,000	130	9,121,552
100,001 and over	128	57,666,550
Total	5,908	102,329,354

2. TWENTY LARGEST HOLDERS OF QUOTED SECURITIES

(a) Ordinary Shares

	Holder	Number of Shares Held	
		Number	%
1	Citicorp Nominees Pty Limited	15,016,163	14.67
2	Mr Kun Liu	3,772,307	3.69
3	Mr Steven Goodarzi	2,000,000	1.95
4	HSBC Custody Nominees (Australia) Limited	1,631,930	1.59
5	Mr Jing Wang	1,526,466	1.49
6	Mr Mark Richard Eames	1,464,593	1.43
7	Wistrength Capital Pty Ltd	1,453,093	1.42
8	Mr Michael Maynard	1,303,986	1.27
9	Mango Bay Enterprises Incorporated	901,300	0.88
10	Mr Terrence Chivers & Mrs Vicki Lee-Anne-Chivers	717,244	0.70
11	Mr Paul Anthony Sharp	700,000	0.68
12	N K C Pty Ltd	650,000	0.64
13	Mr Michael Damian	648,928	0.63
14	Rookharp Capital Pty Limited	619,465	0.61
15	Sidoucra Pty Ltd	565,656	0.55
16	The Fence Consultant Pty Ltd	550,000	0.54
17	WIP Funds Management Pty Ltd	540,000	0.53
18	Wassa Venture Capital Pty Ltd	510,381	0.50
19	Est Mr Robert Steel Renton	497,379	0.49
20	Mr Philip Henry Sallick	485,014	0.47
	Total	**35,553,905**	**34.74**
	Total remaining holders	**66,775,449**	**65.26**

(b) Quoted Options expiring on 23 May 2025 exercisable at $0.45 each (MGTO)

	Holder	Number of Options Held	
		Number	%
1	Citicorp Nominees Pty Limited	1,071,603	9.89
2	Mr Michael Damian	784,756	7.25
3	Mr Steven Goodarzi	650,000	6.00
4	Mr Paul Sharp & Mr Valentine Durnin	600,000	5.54
5	Rookharp Capital Pty Limited	500,000	4.62
6	Mr Ryan James Rowe	500,000	4.62
7	Aris Nominees Pty Ltd	466,667	4.31
8	Mrs Dimitra Hronis	390,000	3.60
9	Mr Iain Milton McDougall	374,833	3.46
10	Mr Michael Maynard	349,359	3.23
11	Matthew Burford Super Fund Pty Ltd	341,077	3.15
12	HSBC Custody Nominees (Australia) Limited	334,135	3.09
13	Mr Paul Anthony Sharp	323,257	2.98
14	Mr Steve Damianopoulos	235,363	2.17
15	Mr Constantinos Filis	198,117	1.83
16	Respite Pty Ltd	150,033	1.39
17	Mr Siat Yoon Chin	140,515	1.30
18	Mr Mark Richard Eames	134,503	1.24
19	Damianopoulos Superannuation Pty Ltd	133,079	1.23
20	Mr Wayne Murray Firkin	128,000	1.18
	Total	**7,805,297**	**72.07**
	Total remaining holders	**3,024,901**	**27.93**

3. SUBSTANTIAL SHAREHOLDERS

An extract from the Company's register of substantial shareholders is set out below:

Name	Number of Shares Held	%
Citicorp Nominees Pty Limited	15,016,163	14.67

4. VOTING RIGHTS

The Company's share capital is of one class with the following voting rights:

(a) Ordinary Shares

On a show of hands every shareholder presents in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options and Performance Rights

The Company's options and performance rights have no voting rights.

5. STOCK EXCHANGE LISTING

Magnetite Mines Limited ordinary shares are listed on all member exchanges of the ASX Limited.

The home exchange is the ASX Limited.

6. RESTRICTED SECURITIES

There are no ordinary shares on issue that have been classified by the ASX Limited as restricted securities.

7. SCHEDULE OF TENEMENTS

Tenement Name	Location	Tenement Number and Type	Holder/ Application	Share Held	Status
Pualco	SA	EL 6126	MGT	100	Granted 17/09/17
Red Dragon	SA	EL 6127	MGT	100	Granted 10/12/17
Razorback Ridge	SA	EL 6353	MGT	100	Granted 22/06/19
Dragon's Tail	SA	EL 5902	MGT	100	Granted 01/12/16
Sister's Dam	SA	EL 6037	MGT	100	Granted 02/11/17
Muster Dam*	SA	EL 6746	MGT	100	Granted 06/05/22
Lipson Area*	SA	EL 6745	MGT	100	Granted 06/05/22
Braemar	SA	EL 6788	MGT	100	Granted 09/06/22
Manunda North	SA	EL 6878	MGT	100	Granted 30/11/22
Mutooroo Ridge	SA	EL 6877	MGT	100	Granted 30/11/22

Key to Tenement Type
EL = Exploration Licence

Key to Holders
MGT = Magnetite Mines Limited

Location
SA = South Australia

* Subsequent to the reporting period, both the Lipson (EL6754) the Muster Dam (EL6746) tenements were reduced in area, with ground not prospective for magnetite iron mineralisation surrendered in line with statutory guidelines. The partial tenement area reductions have resulted in significant expenditure commitment reduction for these tenements. The Muster Dam mineral resource and key exploration targets Duffields, Peaked Hill and Muster Catch were retained.

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