



Magnetite Mines Limited
ACN 108 102 432

SUPPLEMENTARY PROSPECTUS

1 Important Information

This is a supplementary prospectus (**Supplementary Prospectus**) which is intended to supplement and be read with the prospectus dated 3 September 2024 (**Original Prospectus**) issued by Magnetite Mines Limited ACN 108 102 432 (**Company**).

This Supplementary Prospectus is dated 2 October 2024 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. ASIC, the Australian Securities Exchange (**ASX**) and their respective officers do not take any responsibility as to the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Original Prospectus. Other than as set out below, all details in relation to the Original Prospectus remain unchanged. To the extent of any inconsistency between this Supplementary Prospectus and the Original Prospectus, this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Original Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus and the Original Prospectus are important documents and should be read in their entirety. If you do not understand the documents, you should consult your professional advisors without delay.

2 Purpose of Supplementary Prospectus

On 3 September 2024, the Company announced a pro rata renounceable rights issue to raise up to \$4.1 million (**Rights Issue**). The Rights Issue was lead managed and partially underwritten by Mahe Capital pursuant to the terms of a mandate letter from Mahe Capital dated 28 August 2024 (**Mandate Letter**), and a subsequent underwriting agreement between Mahe Capital and the Company dated 2 September 2024 (**Underwriting Agreement**).

On 2 October 2024 the Company announced the results of the Rights Issue to ASX, raising a total of \$2.4 million. In accordance with the terms of the Rights Issue set out in the Original Prospectus, the shortfall arising from the Rights Issue will now be offered to investors by the Company within 3 months from the date of the closing of the Rights Issue, and the Company has engaged Mahe Capital to assist with that process.

By way of written addendum to the Mandate Letter dated 1 October 2024, in consideration for the lead manager services performed, and to be performed, by Mahe Capital in connection with the Rights Issue and the Shortfall Offer, the Company has agreed to allot and issue to Mahe Capital one new option for every \$2 raised under the Rights Issue and the Shortfall Offer, resulting in a total of 1.2 million options to be issued to Mahe Capital in connection with the Rights Issue and up to 850,000 options to be issued to Mahe Capital in connection with the Shortfall Offer

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(Broker Options). The Broker Options are in addition to the existing fees payable to Mahe Capital in accordance with the Mandate Letter and Underwriting Agreement.

The Broker Options will be issued on the same terms as the options issued under the Rights Issue, including that they will be freely tradeable on ASX following their issue. To ensure that the Broker Options are freely tradeable (including any fully paid ordinary shares issued on the future exercise of the Broker Options), the Broker Options are being offered to, and subscribed by, Mahe Capital in accordance with the terms of this Supplementary Prospectus and the Original Prospectus, and the Original Prospectus should be read accordingly.

By this Supplementary Prospectus, the Company updates the Original Prospectus to include the offer of up to 2,050,000 Broker Options and supplements, and amends the Original Prospectus, as set out in this Supplementary Prospectus.

The information outlined in Section 3 below should be read in conjunction with the Original Prospectus.

3 Supplementary disclosure and amendments to the Original Prospectus

3.1 Offer of Broker Options

The Company has resolved to approve the issue of Broker Options to Mahe Capital on the same terms as the attaching options under the Rights Issue that were offered under the Original Prospectus (see Section 6 of the Original Prospectus) **(Broker Offer)**. The Broker Options are being offered solely to Mahe Capital, and only Mahe Capital may subscribe for the Broker Options. No other person may apply for the Broker Options under the Broker Offer. No cash consideration will be received by the Company under the Broker Offer, but the Broker Options are being issued in consideration for services performed, and to be performed, by Mahe Capital in connection with the Rights Issue and the Shortfall Offer.

The offer of Broker Options is being made pursuant to the terms of this Supplementary Prospectus and the Original Prospectus to remove any trading restrictions following the issue of the Broker Options (including any trading restrictions with respect to any Shares that may be issued by the Company in the future upon the exercise of the Broker Options).

The Broker Options are being issued to Mahe Capital in accordance with the Company's available capacity to issue equity securities under listing rule 7.1 of the ASX Listing Rules.

Mahe Capital will be contacted directly by the Company with respect to its subscription for the Broker Options.

The initial tranche of 1.2 million Broker Options **(Tranche 1 Broker Options)** are expected to be issued to Mahe Capital at the same time as the New Shares and attaching Options are issued to subscribers under the Rights Issue. Up to 850,000 further Broker Options **(Tranche 2 Broker Options)** may be issued to Mahe Capital at the time that any further New Shares (with attaching Options) are issued to subscribers under the Shortfall Offer, prior to the closing date of the Shortfall Offer, being 25 December 2024. The Tranche 2 Broker Options will only be issued to Mahe Capital to the extent that Mahe Capital raises further funds for the Company under the Shortfall Offer, on the basis of one Broker Option for each further \$2 raised.

References in the Original Prospectus to:

- “Application Form” will include any application form in connection with the Broker Offer;
- “Offers” will be taken to include a reference to the offer of the Broker Options; and
- “Options” will be taken to include a reference to the Broker Options.

The rights and liabilities attaching to Options, and the terms of issue of Options, set out in Section 6 of the Original Prospectus will expressly extend to, and include, the Broker Options.

Mahe Capital is a ‘sophisticated investor’ under section 708(8) of the Corporations Act and, as such, no Target Market Determination is required in connection with the Broker Offer and the issue of the Broker Options.

3.2 Effect on the control of the Company

The Broker Offer is not expected to have any effect on the control of the Company.

3.3 Effect on the Company’s capital structure

1.2 million Tranche 1 Broker Options will be issued at the same time as the New Shares and attaching Options are issued to subscribers under the Rights Issue. Assuming the remaining Shortfall Offer is fully subscribed (resulting in the raising of up to a further \$1.7 million), up to a further 850,000 Broker Options will be issued to Mahe Capital, depending on the amount raised, on the basis of one Broker Option for every \$2 raised.

Consequently, the capital structure table in section 4.3 of the Original Prospectus is deleted and replaced with the following updated capital structure table, based on \$2.4 million (being the amount raised under the Rights Issue and the Shortfall Offer prior to the date of this Supplementary Prospectus); \$3 million; and up to approximately \$4.1 million (being full subscription under the Rights Issue and Shortfall Offer but subject to the rounding of fractional entitlements to New Shares), being raised under the Offers.

Shares and Options	Number (based on \$2.4 million raised under Rights Issue and Shortfall Offer prior to the date of this Supplementary Prospectus)	Number (if \$3 million is raised under the Rights Issue and Shortfall Offer)	Number (if Rights Issue and Shortfall Offer is fully subscribed)
Shares currently on issue	102,329,354	102,329,354	102,329,354
New Shares to be issued pursuant to the Rights Issue (including the Shortfall Offer)	12,000,000	15,000,000	20,465,871
Total Shares on issue	114,329,354	117,329,354	122,795,225
Quoted options currently on issue (MGTO)	10,830,198	10,830,198	10,830,198

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Shares and Options	Number (based on \$2.4 million raised under Rights Issue and Shortfall Offer prior to the date of this Supplementary Prospectus)	Number (if \$3 million is raised under the Rights Issue and Shortfall Offer)	Number (if Rights Issue and Shortfall Offer is fully subscribed)
Unquoted options currently on issue	6,492,621	6,492,621	6,492,621
Performance rights currently on issue	2,922,942	2,922,942	2,922,942
Options to be issued pursuant to Rights Issue	12,000,000	15,000,000	20,465,871
Loyalty Options to be issued under Loyalty Offer	3,439,408	3,439,408	3,439,408
Broker Options to be issued pursuant to Broker Offer	1,200,000	1,500,000	2,046,587
Total share capital (on a fully diluted basis)	151,214,523	157,514,523	168,992,852

The Notes set out in section 4.3 of the Original Prospectus continue to apply to the replacement capital structure table set out above.

3.4 ASX quotation

An application for Official Quotation of the Broker Options offered pursuant to this Supplementary Prospectus and the Original Prospectus will be made to ASX within 7 days after the date of this Supplementary Prospectus.

If the Company does not receive sufficient Applications to meet the requirements for Official Quotation of a second class of securities (being the class of Options offered under the Original Prospectus and this Supplementary Prospectus, including all Loyalty Options and Broker Options) under the ASX Listing Rules, or ASX does not grant Official Quotation of the Broker Options offered pursuant to this Supplementary Prospectus and the Original Prospectus before the expiration of 3 months after the date of issue of the Original Prospectus (or such other period as varied by ASIC), the Company will not issue the Broker Options and it will refund all Application Monies received for the Broker Options (which will be \$nil as there is no consideration payable with respect to the issue of the Broker Options) within the time prescribed under the Corporations Act, without interest, however the Company may continue with the issue of Broker Options, subject to compliance with applicable law, and issue Broker Options that are not quoted on ASX.

The fact that ASX may grant Official Quotation to the Broker Options is not to be taken in any way as an indication of the merits of the Company or the Broker Options offered under the terms of this Supplementary Prospectus and the Original Prospectus.

3.5 Continuous disclosure obligations

The Original Prospectus is a “transaction specific prospectus” to which the special content rules under section 713 of the Corporations Act apply. As such, the Original

This Supplementary Prospectus is intended to be read in conjunction with the Original Prospectus dated 3 September 2024, issued by Magnetite Mines Limited and lodged with ASIC on that date.

Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company that has been notified to ASX. Accordingly, any investor in the Broker Options should have regard to the other publicly available information in relation to the Company before making a decision whether to invest or not.

The table in Section 8.1 of the Original Prospectus sets out details of documents lodged by the Company with ASX since the date of lodgement of the Company's 2023 annual financial report up to the date of lodgement of the Original Prospectus with ASIC. The table has been updated in this Supplementary Prospectus to incorporate details of documents lodged with ASX subsequent to the lodgement of the Original Prospectus with ASIC, up to the date of lodgement of this Supplementary Prospectus with ASIC (including the Company's latest 2024 annual financial report lodged with ASX on 30 September 2024):

Date	Headline	Type
30/09/2024	Corporate Governance Statement & Appendix 4G	Appendix 4G
30/09/2024	Annual Report to Shareholders	Annual Report
24/09/2024	Appendix 3X – Tim Dobson	Initial Director's Interest Notice
23/09/2024	Corporate and Board update	Chair Appointment/Resignation Director Appointment/Resignation Company Administration
11/09/2024	Notification to Ineligible Shareholders	Renounceable Issue Letter to Shareholders
11/09/2024	Letter from the Chair to Eligible Shareholders	Renounceable Issue Letter to Shareholders
11/09/2024	Renounceable Rights Issue Open	Renounceable Issue Issued Capital
05/09/2024	Commencement of Rights Trading on ASX - MGTRF	Renounceable Issue
03/09/2024	Target Market Determination	Other
03/09/2024	Notice to Option holders – Renounceable Rights Issue	Renounceable Issue Letter to Shareholders
03/09/2024	Proposed issue of securities - MGT	Appendix 3B (Proposed issue of securities)
03/09/2024	Renounceable Rights Issue Prospectus	Renounceable Issue Disclosure Document
03/09/2024	Investor Presentation	Company Presentation

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Date	Headline	Type
03/09/2024	Renounceable Rights Issue to Raise up to \$4.1 Million	Renounceable Issue

3.6 Expenses of the Offers and the Loyalty Offer

The total cash expenses of the Offers and the Loyalty Offer set out in section 8.11 of the Original Prospectus are not expected to increase as a result of the Broker Offer. However, any value attributable to the Broker Options will form part of the overall consideration provided by the Company to Mahe Capital in connection with the Offers.

4 Consent

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Broker Options), the Directors, any underwriter, persons named in this Supplementary Prospectus with their consent having made a statement in this Supplementary Prospectus and persons involved in a contravention in relation to this Supplementary Prospectus, with regard to misleading and deceptive statements made in this Supplementary Prospectus. Although the Company bears primary responsibility for this Supplementary Prospectus, other parties involved in the preparation of this Supplementary Prospectus can also be responsible for certain statements made in it.

The party referred to below:

- (a) does not make, or purport to make, any statement in this Supplementary Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Supplementary Prospectus other than a reference to its name and any statement included in this Supplementary Prospectus with the consent of that party as specified in this Section.

Mahe Capital has given its written consent to being named in this Supplementary Prospectus as the lead manager and underwriter to the Rights Issue and Shortfall Offer, and the subscriber of the Broker Options, in the form and manner in which it is named. Mahe Capital has not withdrawn its consent prior to the lodgement of this Supplementary Prospectus with ASIC.

5 Governing law

This Supplementary Prospectus, the Broker Offer, and the contracts formed on acceptance of the Broker Offer are governed by the laws in force in New South Wales.

Any dispute arising out of, or in connection with this Supplementary Prospectus or the Broker Offer will be determined by the courts of New South Wales. By accepting the Broker Offer, you agree to submit to the non-exclusive jurisdiction of the courts in New South Wales.

6 Directors' Authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC.

Dated: 2 October 2024

Signed for and on behalf of Magnetite Mines Limited by

A handwritten signature in black ink, appearing to read 'Paul White', written in a cursive style.

Paul White
Chairman
Magnetite Mines Limited

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