

LETTER FROM THE CHAIR TO ELIGIBLE SHAREHOLDERS

15 August 2025

Dear Shareholder,

Pro Rata Renounceable Rights Issue

On behalf of the Directors of Magnetite Mines Limited (**Magnetite Mines** or **Company** or **MGT**), and in accordance with the terms of the Rights Issue prospectus (**Prospectus**) lodged with ASIC and ASX on 15 August 2025, I would like to invite Eligible Shareholders to participate in a pro rata renounceable rights issue (**Rights Issue**).

The Rights Issue aims to raise up to approximately \$2.65 million (before costs), is partially underwritten to an amount of \$500,000 by Mahe Capital, and has the following terms:

1. The Rights Issue is renounceable and pro rata to Eligible Shareholders on the basis of **one New Share** for **every three existing Shares** held at the Record Date, and at an **Issue Price** of \$0.065 per New Share.
2. For each New Share subscribed by an Eligible Shareholder under the Rights Issue, they will receive one **free attaching option to subscribe for Shares (Option)** with the following terms:
 - a. Option **Exercise Price** of \$0.12
 - b. Option **Expiry Date** 2.5 years from the date of issue of the Option

The issue price of the New Shares represents a 25% discount to the closing price of the Shares on the last day on which the Shares traded on ASX before the announcement of the Capital Raising, and a 30% discount to the 90-day volume-weighted average price (**VWAP**) of the Shares.

The Rights Issue and Shortfall Offer allow Eligible Shareholders to subscribe for New Shares, together with attaching Options, without incurring any brokerage or transaction costs. The Rights Issue is renounceable, meaning that Eligible Shareholders are able to renounce their rights and seek to trade those rights on the ASX during the Rights Issue Trading Period. The Company cannot guarantee that there will be any market or value in trading the rights.

The Rights Issue opened on 15 August 2025 and is scheduled to close on 29 August 2025, unless extended (**Closing Date**). Shareholders may apply for New Shares under the Rights Issue from 15 August 2025, and until the Closing Date, by accessing a copy of the Prospectus (and the applicable Target Market Determination) by logging in at www.computersharecas.com.au/mgtoffer, accessing a personalised Application Form, and paying the subscription amount for New Shares by BPay®, or, if you are a resident of New Zealand, by electronic funds transfer.

All Directors will be participating in the Rights Issue.

Shortfall Offer

In the event that the Rights Issue is not fully subscribed, Eligible Shareholders will also have the ability to participate in the Shortfall Offer. The Shortfall Offer comprises an offer of New Shares, together with free attaching Options, that were not subscribed for by Eligible Shareholders under the Rights Issue, on the same terms as the Rights Issue.

Eligibility to participate in the Rights Issue

Shareholders who are eligible to participate in the Rights Issue (Eligible Shareholders) are those persons who:

- a) were a registered holder of fully paid ordinary shares in the Company as at 7:00pm (Sydney time) on the record date, being 13 August 2025 (**Record Date**);
- b) have a registered address on the Company's share register that is in Australia and New Zealand; and
- c) are not in the United States and are not acting for the account or benefit of a person in the United States.

According to the Company's records, you are an Eligible Shareholder who may participate in the Rights Issue.

Action you may take

Participation in the Rights Issue is optional and available exclusively to Eligible Shareholders. Please read the Prospectus (and the applicable Target Market Determination) in their entirety prior to deciding your course of action in relation to this Rights Issue.

As an Eligible Shareholder you may:

- a) take up all or part of your entitlements to New Shares and free attaching Options (**Rights**);
- d) take up all of your Rights and apply for additional New Shares, together with free attaching Options, under the Shortfall Offer; or
- b) do nothing and allow your Rights to lapse.

If you choose to do nothing, you will continue to hold the same number of shares in the Company, however, your interest in the Company will be diluted by the issue of the New Shares under the Rights Issue (including any New Shares issued under the Shortfall Offer).

Further Information

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

On behalf of the Magnetite Mines' Board, we thank you for your continued support of the Company.

Yours faithfully



Paul White
Chair
Magnetite Mines Limited

How to apply

All applications can be made online, making it easier for you to apply – you are not required to return any application form to the Company.

If you wish to subscribe for New Shares you must:

1. Access the offer website at: www.computersharecas.com.au/mgtoffer
2. Provide your country of residence and postcode, and your HIN/SRN identification number – **your HIN/SRN is the number that is located in the top left hand corner of this letter.**
3. Review the Prospectus (including the summary of key risks in Section 7) and acknowledge that you have done so when prompted to do so.
4. Complete the personalised Application Form on the offer website and apply for additional New Shares in the Shortfall Offer if you wish to do so – at the end of the application process you will be given a customer reference number (**CRN**) to assist with payment.
5. Go to your financial institution's online banking website and pay the relevant subscription monies for the New Shares applied for by BPay® or, if you are resident in New Zealand, by electronic funds transfer (EFT) by using the CRN as your payment reference.

The Rights Issue will close at 5.00pm on Friday, 29 August 2025 (unless extended) and you must apply for New Shares before that time. If you wish to apply, you are encouraged to do so without delay and well in advance of the closing date.

IMPORTANT NOTICE AND DISCLAIMER

This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any new Shares in MGT.

The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional adviser.

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