

20 June 2024

Dear Option holder,

Notice to Option holders – Pro Rata Non-Renounceable Entitlement Offer

I am writing to you as a registered holder of options in Magnetite Mines Limited ACN 108 102 432 (**Company** or **Magnetite Mines**) (ASX: MGT) as at the date of this letter.

As announced on 20 June 2024, the Company is proposing to raise up to approximately \$5 million (before costs) by undertaking a pro rata non-renounceable entitlement offer (**Entitlement Offer**) to eligible shareholders on the basis of one new share (**New Shares**) for every six shares held as at the Record Date (defined below) at an issue price of \$0.31 per New Share. Shareholders who subscribe for their full entitlement are also eligible to subscribe for the shortfall to the Entitlement Offer so eligible shareholders participating in the Entitlement Offer will also be able to subscribe for additional shares in excess of their entitlement (**Shortfall Offer**).

The Entitlement Offer is non-renounceable which means that the rights of shareholders will not be tradeable on ASX and are otherwise not transferable. The proceeds from the Entitlement Offer (net of costs) will be used to finalise and lodge a Mining Lease Proposal application with South Australia's Department for Energy and Mining and to provide the working capital needed to continue operations whilst negotiations with potential strategic partners continue, and a decision on a potential transaction is finalised.

Details of the Entitlement Offer (and the Shortfall Offer) are set out in an offer booklet which is expected to be released to ASX on or about 28 June 2024.

Why am I receiving this letter?

The purpose of this letter is to advise you of the upcoming Entitlement Offer and to advise you that as an option holder you cannot participate in the Entitlement Offer without first exercising some or all of your options prior to the record date for the Entitlement Offer, being Tuesday, 25 June 2024 (**Record Date**). If you do not wish to participate in the Entitlement Offer (in respect of your existing options) you do not need to take any action.

The Offer is only available to shareholders whose registered address is in Australia and New Zealand as recorded with the Company's share registry as at 7.00pm (AEST) on the Record Date (**Eligible Shareholders**). The Offer will not be made to any other shareholder (**Ineligible Shareholders**). Ineligible Shareholders will not be entitled to participate in the Offer.

Action you must take if you wish to participate in the Entitlement Offer

To be eligible to participate in the Entitlement Offer in respect of the Magnetite Mines shares to be issued on exercise of the options held by you, you must exercise the Company options you hold and be registered as the holder of the underlying Magnetite Mines shares before the Record Date, and have a registered address in Australia or New Zealand.

To exercise some or all of your options you will need to:

- give notice, in writing, to the Company in accordance with the terms and conditions of the options; and
- pay to the Company the exercise price for each option exercised.

If you do not wish to participate in the Entitlement Offer, no action is required.

If your options have not yet vested and cannot be exercised to allow your participation in the Entitlement Offer, this letter is provided to you as a formality under the ASX Listing Rules and the terms of your options.

Indicative Timetable

The indicative timetable for the Entitlement Offer is as follows:

Event	Date (2024)
Announcement of Entitlement Offer	Thursday, 20 June
Ex-date for Entitlement Offer	Monday, 24 June
Record date to determine Entitlements (Record Date)	7.00pm (AEST) Tuesday, 25 June
Offer Booklet and personalised Application Form made available at www.computersharecas.com.au/mgtoffer Entitlement Offer opens (Opening Date)	Friday, 28 June
Entitlement Offer closing date for applications (Closing Date)	5.00pm (AEST), Friday 12 July
Unless otherwise determined by ASX, securities quoted on a deferred settlement basis from market open	Monday, 15 July
Announcement of results and shortfall (if any) under the Entitlement Offer	Wednesday, 17 July
Issue and allotment of New Shares	Friday, 19 July
Commencement of trading of New Shares on ASX on a normal settlement basis	Monday, 22 July
Dispatch of holding statements for New Shares	Tuesday, 23 July
Last date to issue Shortfall Shares	Friday, 11 October

** These dates are indicative only and are subject to change. Magnetite Mines, reserves the right, subject to the Corporations Act and the ASX Listing Rules, to amend this indicative timetable by sending a revised timetable to ASX. In particular Magnetite Mines reserves the*

right to extend the Closing Date, accept late applications under the Entitlement Offer (generally or in particular cases), and to withdraw or vary the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the date for the allotment and issue of Shares. All times are to Australian Eastern Standard Time (AEST).

Entitlement Offer Booklet

The Entitlement Offer Booklet will be made available on the ASX website at www.asx.com.au (ASX ticker: MGT) and the Company's website at www.magnetitemines.com.au on or around 28 June 2024. The Entitlement Offer Booklet will contain further details of the Entitlement Offer. The Entitlement Offer is expected to open on 28 June 2024, at which time applications will be able to be made at the Company's offer website at www.computersharecas.com.au/mgtoffer.

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

Yours faithfully



Jim McKerlie
Chairman