

28 June 2024

Dear Shareholder

PRO RATA NON-RENOUNCEABLE ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On 20 June 2024, Magnetite Mines Limited (**ASX: MGT**) (**Company** or **Magnetite Mines**) announced a pro rata non-renounceable entitlement offer (**Entitlement Offer**) to eligible shareholders to raise up to approximately \$5 million (before costs), on the basis of one new share (**New Shares**) for every six shares held at the Record Date (as defined below) at an issue price of \$0.31 per New Share. Any Shares not subscribed for by Eligible Shareholders will be made available for subscription, 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 opened on 28 June 2024, and is scheduled to close at 5.00pm (AEST) on 12 July 2024, unless extended (**Closing Date**).

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 the decision on a potential transaction is finalised.

Details of the Entitlement Offer (and the Shortfall Offer) are set out in an entitlement offer booklet which was released by the Company to ASX on 28 June 2024 and which is available for review on the ASX website www.asx.com.au (ASX ticker: MGT) or on the Company's website at www.magnetitemines.com.

Why am I receiving this letter?

The purpose of this letter is to inform you about the Entitlement Offer and to explain why you are an "Ineligible Shareholder" and not able to participate in, and acquire New Shares under, the Entitlement Offer. You are not required to do anything in response to this letter but there may be shareholding implications for you as a result of the Entitlement Offer that you should be aware of.

Eligibility to participate in the Entitlement Offer

Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are those persons who:

- a) were a registered holder of fully paid ordinary shares in the Company as at 7:00pm (AEST) on the record date, being Tuesday, 25 June 2024 (**Record Date**);
- b) have a registered address on the Company's share register that is in Australia or 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.

Shareholders who are not Eligible Shareholders are “Ineligible Shareholders” and are consequently unable to participate in the Entitlement Offer. The Company reserves the right to determine whether a shareholder is an Eligible Shareholder or an Ineligible Shareholder.

Why am I not eligible to participate in the Entitlement Offer?

Unfortunately, based on the Company’s review of its share register as at the Record Date, you are not an Eligible Shareholder meaning that you are not eligible to participate in the Entitlement Offer (**Ineligible Shareholder**). This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with securities laws and regulatory requirements in jurisdictions outside Australia and New Zealand, and having regard to the number of shareholders outside of Australia and New Zealand and the number and value of New Shares those shareholders would be offered. This notice is sent to you in compliance with ASX Listing Rule 7.7.1(b). You will not receive any further correspondence in relation to the Entitlement Offer, and you will not receive a copy of the offer booklet, nor may you access the offer website.

No further action required

This letter is to inform you about the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything, or take any further action, in response to this letter.

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 independent professional adviser.

On behalf of the Magnetite Mines’ Board, we regret that you are unable to participate in the Entitlement Offer but nonetheless thank you for your continued support of the Company.

Yours faithfully



Jim McKerlie
Chairman