

ASX ANNOUNCEMENT

8 AUGUST 2025

RENOUNCEABLE RIGHTS ISSUE TO RAISE UP TO \$2.65 MILLION

SUMMARY

- **1 for 3 Renounceable Rights Issue to raise up to \$2.65 million, partially underwritten to \$0.5 million by Lead Manager and Underwriter, Mahe Capital**
- **Issue price of \$0.065 per share representing a 25% discount to the last closing price of \$0.087 per share and 30% discount to the 90-day VWAP on ASX of \$0.093 per share**
- **With every 1 New Share subscribed, shareholders will receive 1 free attaching Option**
- **Options will have an exercise price of \$0.12, a term of 2.5 years, and will be tradeable on the ASX (subject to ASX admission)**
- **Shareholders can also apply to take up additional New Shares from any shortfall under the Rights Issue**
- **The Rights Issue is renounceable, meaning shareholders who do not wish to participate can trade their rights on ASX from 12 August 2025**
- **In addition to working capital, funds raised (net of costs) will be used to:**
 1. **seek to complete a binding transaction with strategic partners (JFE Shoji Australia Pty Ltd and potentially others) to secure DFS funding;**
 2. **support the completion of mining lease regulatory approvals;**
 3. **complete further de-risking studies with a focus on water supply; and**
 4. **in response to favourable market conditions, the Company will also use the funds to assess its South Australian tenement base for gold and critical minerals potential.**
- **All directors will be participating in the Rights Issue.**

Magnetite Mines Limited (“MGT” or “the Company”) is pleased to invite Eligible Shareholders to participate in a pro rata (1 for 3) renounceable rights issue at \$0.065 per share to raise up to approximately \$2.65 million before costs (“**Rights Issue**”).

Magnetite Mines is committed to developing the Razorback Iron Ore Project with a strategy of securing suitable strategic partners to provide funding support for the completion of the Project’s Definitive Feasibility Study (DFS), and to become future joint venture partners in the Project. In light of favourable market conditions, the Company is also intending to assess its South Australian tenement portfolio for gold and critical mineral opportunities, guided by historical data. Working capital is also required to support the Company as it pursues these progressive activities.

All directors have advised that they will be participating in this Rights Issue.

Magnetite Mines Chair Paul White said:

“The Board remains excited by the scale of the opportunity presented by the development of the Razorback Iron Ore Project in conjunction with the steel industry’s transition to low-carbon steelmaking.

“To date, there has been no commercially proven substitute for the alternative steelmaking pathway of Direct Reduced Iron, which requires premium-grade magnetite concentrates as feedstock. At 6.6 billion tonnes, Magnetite Mines’ current magnetite endowment represents over a third of South Australia’s vast magnetite mineral resources.

“In the last few months, we’ve seen a clear signal of structural change, with Japan’s two largest steelmakers announcing plans to replace traditional blast furnaces with large Electric Arc Furnaces—facilities that rely on DRI, and by extension, will require a secure magnetite supply chain. This global trend is expected to accelerate in line with steelmakers’ decarbonisation commitments.

“For these reasons, the Board remains committed to Razorback’s development and our strategy to attract and secure high-quality partners to support the funding required to complete a Definitive Feasibility Study (DFS) for the project.

Since entering into a Heads of Agreement with JFE Shoji in July last year, significant progress has been made. JFE Shoji, part of the JFE Group, which includes Japan’s second-largest steelmaker, has completed detailed technical due diligence and engaged in commercial negotiations aimed at securing a binding transaction for DFS funding. Magnetite Mines has also introduced other interested parties into the due diligence and negotiation process in alignment with JFE’s preference to co-invest with one or more of these parties to bring Razorback to a final investment decision. To provide time to complete these larger funding and partnering arrangements, Magnetite Mines requires working capital to continue project-critical activities such as mining lease regulatory approvals and water supply de-risking.

“The Company has materially reduced its costs over the last 12 months, including reducing headcount, head office costs and a 70% reduction in director costs, but it maintains a small headcount of experienced management that are essential to maintain the critical relationships and work associated with Razorback’s development.

“In what has been a year characterised by increasingly uncertain macroeconomic conditions, I would like to sincerely thank our loyal shareholders for their continued support. This Rights Issue provides an opportunity for all shareholders to participate at an attractive discount and support the Company in delivering the significant inherent value of our Razorback Project.”

Key achievements over the past 6 months

- Lodged a Mining Lease Proposal with South Australia’s Department for Energy and Mining for a 5 million tonne per annum operation at Razorback.^{1,2} Initial feedback is positive, and the Company continues to work with the Department to finalise the mining lease assessment process.
- Increased the Mineral Resource Estimate at Razorback from 3.2 to 3.8 billion tonnes, and the Company’s Global Mineral Resource Estimate from 6.0 to 6.6 billion tonnes.³
- Lodged a provisional patent for the Company’s proprietary saline water ore process and advanced optimisation testwork to assess whether seawater can be used for ore processing at Razorback, with potential to vastly reduce project capital costs.^{4,5,6}

- Engaged extensively with government bodies and other key players to support the emerging green iron industry in South Australia and more widely in Australia.

Forward-looking statements: *This announcement contains forward-looking statements, which are based on the Company's current expectations and assumptions regarding the testwork, project development, and other factors relating to the Razorback deposit. Although Magnetite Mines believes the expectations expressed in such statements are based on reasonable assumptions, these statements are not guarantees or predictions of future performance, and actual results may differ materially. Investors are cautioned not to place undue reliance on forward-looking statements.*

Material Changes: *Magnetite Mines confirms that it is not aware of any new information or data that materially affects the information included in its ASX announcements made on 9 June 2023 and 30 June 2025 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 production target referred to in this announcement was first reported on 9 June 2023. The Company confirms that all material assumptions underpinning the production target and the corresponding financial information derived from it continue to apply and have not materially changed, and that this announcement contains no new information or data that materially affects those assumptions.

Pro Rata Renounceable Rights Issue

The Rights Issue aims to raise up to approximately \$2.65 million (before costs), is partially underwritten to an amount of \$0.5 million by Mahe Capital, and has the following key terms.

The Rights Issue is renounceable and pro rata to Eligible Shareholders on the basis of **one New Share** for **every three Shares** held at the Record Date (as defined below), and at an **Issue Price** of \$0.065 per New Share (**Right**).

The issue price under the Rights Issue represents a discount of:

- 25% to the Company's last closing price of \$0.087 per share on the ASX; and
- 30% to the Company's 90-day VWAP on ASX of \$0.093 per share.

For each New Share subscribed, Eligible Shareholders will receive one free attaching Option with the following terms:

- Option Exercise Price of \$0.12
- Option Expiry Date 2.5 years from the date of issue of the Option

The Company will apply for quotation of the Options on the ASX meaning that they will be tradeable following their issue.

The Rights Issue will be open to all shareholders who are registered shareholders of the Company with a registered address within Australia or New Zealand as at 7.00pm (Sydney time) on Wednesday, 13 August 2025 (**Record Date**) (**Eligible Shareholders**). Ineligible shareholders are all those shareholders with a registered address as at the Record Date outside Australia and New Zealand (**Ineligible**

Shareholders). The Rights Issue will open on Friday, 15 August 2025 and close at 5.00pm on Friday, 29 August 2025 (unless extended), and Eligible Shareholders can apply for additional shares in excess of their entitlement under the Shortfall Offer (see below).

All New Shares issued will rank equally with existing shares on issue and the Company will apply for quotation of the New Shares and the attaching Options on ASX.

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.

To the extent there is any shortfall shares remaining after the close of the Rights Issue, the Board reserves the right to place those remaining shortfall shares within 3 months of the closing date of the Rights Issue.

Use of proceeds

In addition to general working capital requirements, and building on the progress made, the Company has four clear priorities for the funding proceeds (net of costs) from the Rights Issue:

1. seek to complete a binding transaction with strategic partners (JFE Shoji Australia Pty Ltd and potentially others) to secure DFS funding;^{6,7}
2. support the assessment of the Project's Mining Lease Proposal (MLP) with the South Australia Department of Energy and Mining and continuation of land access negotiations;¹
3. complete further de-risking studies with a focus on firming the design, capital and operating cost estimates for the Project's water supply; and
4. assess the Company's South Australian tenement portfolio for gold and critical mineral potential, guided by historical open file exploration data and in response to favourable market conditions for these commodities.^A

Underwriting

The Rights Issue is partially underwritten to \$0.5 million by the Lead Manager and Underwriter to the Rights Issue, Mahe Capital Pty Ltd (ACN 634 087 684) (AFSL 517246) (**Mahe Capital**).

Rights trading

The Rights Issue is renounceable, and therefore shareholders who do not wish to participate in the Rights Issue will have the ability to trade their Rights on the ASX from 12 August 2025 to 22 August 2025. There is no guarantee that there will be a market for the Rights. It is the responsibility of purchasers of Rights to inform themselves of the eligibility criteria for the exercise of the Rights. If holders of Rights after the end of the trading period do not meet the eligibility criteria to participate in the Rights Issue, they will not be able to exercise the Rights.

^A This work is preliminary in nature, and the Company has not yet verified the historical data. Results from this work, if material, will be reported in accordance with the JORC Code (2012) and ASX Listing Rules 5.7 and 5.12. The planned work is conceptual in nature; there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain whether further exploration will result in the estimation of a Mineral Resource.

The Company has appointed Mahe Capital to act as nominee for the purpose of selling the rights which would otherwise have been available to Ineligible Shareholders and for arranging for the distribution to Ineligible Shareholders of their proportion of the net proceeds of sale of those rights (if any).

How to apply for New Shares under the Rights Issue

Eligible Shareholders may apply to take up all or part of their Rights or choose to sell their Rights or take up part of their Rights and sell the balance.

Details of the Rights Issue, the terms of the New Shares and the Options to be issued and the effect of the Rights Issue on the capital structure and financial position of the Company are set out in a Prospectus that was lodged with ASIC and the ASX today (**Prospectus**). For the purposes of the Rights Issue, the Prospectus will be made available to shareholders in electronic form only, together with a personalised application form, at the following website, from the opening date of the Rights Issue, being Friday, 15 August 2025:

www.computersharecas.com.au/mgtoffer

Eligible Shareholders should follow the instructions set out at the website to make an application. Payment can be made by BPay® or, if you are an Eligible Shareholder resident in New Zealand, by electronic funds transfer. Eligible Shareholders who would like to participate in the Rights Issue are encouraged to apply as soon as possible, and to apply for New Shares in excess of their entitlements if they wish to do so.

Before making any investment decision, Eligible Shareholders should carefully consider the Prospectus, including the key risks with respect to the Company and with respect to investing in the New Shares as set out in section 7 of the Prospectus.

Additional Information

The Prospectus should be read together with the Company's disclosures to ASX, including the Company's updated investor presentation which has also been provided to ASX today.

Indicative Timetable

Indicative timetable for the Rights Issue is detailed below:

Event	Date (2025) ^B
Ex date for Rights Issue Unless otherwise determined by the ASX, rights trading commences on a deferred settlement basis from ASX market open	Tuesday, 12 August
Record Date for determining rights	7.00pm Wednesday, 13 August
Prospectus and personalised Application Form made available at www.computersharecas.com.au/mgtoffer Rights Issue opens (Opening Date)	Friday, 15 August
Rights trading ends at ASX market close	Friday, 22 August
Unless otherwise determined by ASX, New Shares and attaching Options quoted on a deferred settlement basis	Monday, 25 August
Last day to extend the offer closing date	Tuesday, 26 August
Rights Issue closes (Closing Date)	5.00pm on Friday, 29 August
Announcement of results and shortfall (if any) under the Rights Issue	Friday, 5 September
Issue and allotment of New Shares and Options, together with attaching Options Lodge Appendix 2A	Before Noon Friday, 5 September
Commencement of trading of New Shares and Options on normal settlement basis Dispatch of holding statements	Monday, 8 September

Further Information

If you have any questions in relation to the details of the Rights Issue, please contact the Company's share registry on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 8.30am to 5.00pm (Sydney time) Mon – Fri until the Closing Date, or if you require advice about your participation in the Rights Issue, consult your stockbroker, accountant or other independent professional adviser.

^B 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 Rights Issue (either generally or in particular cases), and to withdraw or vary the Rights Issue without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the allotment and issue of the New Shares and Options. All times are to Sydney, Australia time.

This announcement has been authorised for release to the market by the Board.

For further information contact:

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ABOUT MAGNETITE MINES

Magnetite Mines Ltd is an ASX-listed iron ore company focused on the development of magnetite iron ore resources in the highly prospective Braemar iron region of South Australia. The Company has a 100%-owned Mineral Resource of 6.6 billion tonnes of iron ore and is developing the Razorback Iron Ore Project, located 240km from Adelaide, to meet accelerating market demand for premium iron ore products created by iron & steel sector decarbonisation, with the potential to produce high-value Direct Reduction (DR) grade concentrates. Razorback is set to become a long-life iron ore project with expansion optionality in a Tier 1 jurisdiction that will produce a superior iron ore product sought by steelmakers globally. For more information visit magnetitemines.com.

References

1. ASX:MGT 26/03/25 [Razorback Project Mining Lease Proposal Lodged](#)
2. ASX:MGT 09/06/23 [Iron Peak Strengthens Razorback Project Economics](#)
3. ASX:MGT 30/06/25 [Razorback Iron Ore Project 2025 Mineral Resource Update](#)
4. ASX:MGT 22/07/24 [Green Iron grade concentrates produced using saline water](#)
5. ASX:MGT 02/04/25 [Saline water Provisional Patent submitted](#)
6. ASX:MGT 30/06/25 [Razorback Project Update](#)
7. ASX:MGT 08/07/24 [Heads of Agreement with JFE Shoji Australia Pty.](#)