

ASX ANNOUNCEMENT

5 SEPTEMBER 2025

RIGHTS ISSUE CLOSES FULLY SUBSCRIBED, RAISING \$2.65 MILLION FOLLOW-ON PLACEMENT TO BE MADE TO PARTIALLY SATISFY EXCESS DEMAND

- **Rights Issue and Shortfall Offer close fully subscribed, raising \$2.65 million**
- **Strong support from shareholders, directors and new investors signals confidence in Magnetite Mines and the Razorback Iron Ore Project**
- **To partially satisfy excess demand under the Rights Issue Shortfall Offer, the Company will undertake a follow-on placement to raise a further \$1.214 million**
- **Company now well-funded to progress a binding transaction with strategic partners to secure DFS funding, advance technical optimisation work, and continue disciplined exploration across its broader tenement portfolio for gold and critical mineral potential**

Magnetite Mines Limited (ASX: MGT) is pleased to announce that the renounceable pro-rata rights issue to eligible shareholders announced on 8 August 2025 (**Rights Issue**) closed on Friday, 29 August 2025 fully subscribed, with the Company raising approximately \$2.65 million before costs, and with excess demand from investors under the Rights Issue Shortfall Offer seeking access to additional shares.

To partially satisfy the excess demand, the Board has agreed to undertake a follow-on placement to professional and sophisticated investors on the same terms as the Rights Issue (**Follow-on Placement**) to raise a further \$1.214 million before costs.

The combination of the fully subscribed Rights Issue and the Follow-on Placement will raise a total of approximately \$3.87 million before costs.

Rights Issue

The Rights Issue achieved the targeted amount of \$2.65 million, with strong participation from existing shareholders. Mahe Capital Pty Ltd (**Mahe Capital**) acted as Lead Manager and Underwriter to the Offer, which was partially underwritten to the amount of \$2 million. The Rights Issue Shortfall Offer was heavily subscribed and there was excess demand received, including from investors introduced by Mahe Capital. As a result of the Rights Issue being fully subscribed, the Company will issue approximately 40.85 million new fully paid ordinary shares (**Shares**) and 40.85 million new quoted options exercisable at \$0.12 with an expiry date of 2.5 years from issue (**Options**). The Options will be quoted under ASX code MGTOF.

The new Shares and Options to be issued under the Rights Issue are expected to be issued on Friday, 5 September 2025 and to commence trading on the ASX on a normal settlement basis from Monday, 8 September 2025.

Follow-on Placement

Due to the excess demand based on the over-subscriptions received under the Rights Issue Shortfall Offer, the Board has decided to partially satisfy that demand by agreeing to undertake a Follow-on Placement of Shares and Options on the same terms as the Rights Issue.

Upon completion of the Follow-on Placement, the Company will issue approximately 18.67 million Shares and 18.67 million Options (**Placement Options**), with the issue of approximately 12.3 million Placement Options to be subject to the receipt of shareholder approval (**Conditional Placement Options**) at the Company's forthcoming Annual General Meeting (**AGM**). The Follow-on Placement will be completed as soon as possible following the issue of the securities under the Rights Issue. The majority of the securities to be issued under the Follow-on Placement will be issued using the Company's placement capacity under ASX Listing Rule 7.1, with the Conditional Placement Options remaining subject to shareholder approval at the AGM. If the Conditional Placement Options are not approved by shareholders at the AGM, the Company will compensate those subscribers who do not receive their Conditional Placement Options with a cash payment on the same basis as that proposed for the Options to be issued to Mahe Capital which also remain subject to shareholder approval at the AGM (as disclosed in the Company's prospectus for the Rights Issue).

The Company has today lodged a second supplementary prospectus with ASIC and ASX with respect to the proposed issue of the Placement Options under the Follow-on Placement. The new Shares and Placement Options to be issued under the Follow-on Placement are expected to be issued on or before Monday, 8 September 2025 and to commence trading on the ASX on a normal settlement basis from Tuesday, 9 September 2025.

The Board thanks all shareholders for their strong support of the Company and welcomes new investors introduced by Mahe Capital to the register. As previously disclosed, funds will be used to progress a binding transaction with strategic partners to secure DFS funding, support approval of the Project's Mining Lease Proposal and land access negotiations, complete de-risking studies on water supply design and costs, and continued assessment of the Company's vast tenement potential for gold and critical mineral potential.¹

The final allocation is set out below:

	Funds raised	Shares	Options*
Rights taken up under Rights Issue	\$1,134,386	17,452,101	17,452,101
Shortfall Offer (including placed by Mahe Capital)	\$1,521,031	23,400,477	23,400,477
Follow-on Placement	\$1,214,000	18,676,923	18,676,923
TOTAL	\$3,869,418	59,529,501	59,529,501

*The number of new Shares and Options issued is subject to rounding. A further 3,869,418 Options will be issued to the Underwriter as described in the Prospectus subject to shareholder approval at the AGM. 12,306,667 Placement Options to be issued under the Follow-on Placement remain subject to shareholder approval at the AGM.

¹ Please refer to the Company's ASX announcement dated 19 August 2025 for further information on the Company's ongoing assessment work for gold and critical mineral potential. The results reported are based on limited sampling and early-stage testwork. No metallurgical testwork has yet been undertaken, and recoveries and potential economic significance are unknown at this stage. Further work is required to determine the nature, extent and grade continuity of the mineralisation, and whether extraction would be technically or economically feasible.

Magnetite Mines Chair Paul White said:

"On behalf of the Board, I would like to sincerely thank all shareholders who participated in this oversubscribed capital raising and warmly welcome new investors to the register. Your support is deeply valued and represents a strong endorsement of our strategy and the potential of the Razorback Iron Ore Project.

Over the past year, we have worked hard to streamline costs and focus our resources on advancing Razorback. With JFE Shoji having completed detailed technical due diligence and progressed commercial negotiations - together with engagement from other interested parties - we are looking to establish the partnerships required to position Magnetite Mines as a long-life producer of premium iron ore and a key contributor to South Australia's emerging green iron opportunity.

The response to this raising reinforces our confidence in the long-term outlook for premium magnetite as global steelmakers accelerate their transition to low-carbon steelmaking. In parallel, we continue to explore the broader multi-commodity potential of our extensive tenement portfolio, including gold, copper and rare earth elements, which complement our core focus and provide additional opportunities for shareholder value creation."

Magnetite Mines Managing Director Tim Dobson said:

"We are very pleased with the strong demand for this Rights Issue, which closed fully subscribed and ultimately raised funds beyond our original target. This outcome provides us with greater financial flexibility to maintain momentum at Razorback, including progressing a binding transaction with strategic partners to secure DFS funding, advancing approvals and further technical optimisation work.

The additional support also ensures we can continue to evaluate the broader multi-commodity potential of our tenement package while maintaining a disciplined approach to capital management.

I would like to thank our shareholders for their confidence in the team and our strategy. We look forward to converting this support into delivery—through the achievement of key milestones at Razorback and across our portfolio in the months ahead."

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

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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.