MAGNETITE MINES

ASX:MGT

ASX ANNOUNCEMENT

4 SEPTEMBER 2026

NEW RAZORBACK IRON ORE PROJECT SCOPING STUDY AND FUNDING OPTIONS

Highlights:

- **Razorback Iron Ore Project ("the Project") new scoping study**
  - **New scoping study incorporating substantial changes aimed at simplifying and advancing the Project development plan**
  - **The new scoping study outcomes to date are positive and justify continued work**
  - **Changes to the development configuration include:**
    - **Saline water supply with conventional processing eliminating the need for the previous coastal desalination plant and pipeline option**
    - **Prioritisation of higher-grade mining areas in early years**
    - **Addition of a rail spur to connect Razorback to main rail line**
  - **New configuration aims to enhance economic potential, reduce risks and provide an improved basis for the next stage of feasibility work**
- **Future study work to advance the scoping study and ultimately deliver a new Pre-Feasibility Study (PFS) and Definitive Feasibility Study (DFS) will include additional resource drilling to convert inferred resources to indicated, along with further metallurgical testing and other work.**
- **Company engaging with South Australian regulator regarding mining lease application**
- **Royalty company ProspEx continuing to assist with evaluating potential royalty funding opportunities for Razorback Project**
- **Company exploring other business opportunities and potential funding transactions**

Magnetite Mines Executive Chair, Scott Lowe commented:

"In recent months work has been undertaken on a detailed review of the Razorback Iron ore Project with the overriding objective of enhancing project potential and reducing development risk.

The study work is being done to scoping study level incorporating substantial changes aimed at simplifying the Project development plan. While there are material changes designed to improve economic potential, some key elements of the previous studies[1] have been retained.

While the current work remains preliminary, the outcome to date is very encouraging, and the Company intends to continue advancing the Project, subject to funding.

Meanwhile the Company is in dialogue with the Department of Energy and Mining regarding the mining lease application given the changes to the plan.[5]

Importantly, the Company is actively progressing a number of funding and strategic initiatives. These include work with ProspEx[4] and discussions with other potential strategic partners, as well as evaluating other business transactions that could support the Company's future funding requirements and add value.

We will keep the market updated on studies and funding strategies as they progress.

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Summary

Magnetite Mines Limited (ASX: MGT) Magnetite Mines is pleased to provide an update on the new Razorback Iron Ore Project scoping study work that includes a review of project configuration aimed to improve project economic potential, reduce risk and provide a more robust basis for the next stage of feasibility work.

While a number of project elements remain unchanged such as the mining method and conventional processing, a number of important and substantial changes have been made including:

- ***Utilising saline water for processing[2];***
  This has the potential to remove the requirement for the coastal desalination plant and associated water supply pipeline contemplated in previous studies, reducing the significant capital and infrastructure requirements and simplifying the Project's water supply and associated development pathway.

- ***Mining higher-grade areas[6] in initial years;***
  The revised mine development strategy prioritises higher-grade areas in the early stages of potential mining, with further resource drilling and mine planning work required as the Project advances.

- ***The inclusion of a 55km rail spur to connect Razorback to the main rail line[3]***
  The revised logistics concept incorporates a dedicated rail connection to the existing main rail line, with a potential export pathway being considered, subject to further technical and commercial work.

Overall, this new scoping study reflects a more streamlined project configuration.

Positive potential

The outcomes of the new scoping study to date are positive and justify progressing to next stage of exploration and development.

The objective will be to progress the scoping study to be able to deliver specific production and financial information, then to advance to PFS and ultimately DFS.

Next steps for Razorback Project development

The Company expects additional work beyond the new study to include but not be limited to:

- Drilling to convert inferred resources to indicated;
- Additional testing of samples to enhance confidence in recovery performance of the ore using saline water; and
- Engineering work for rail and port capital

Indicative timeline

The Company expects that subject to funding, it will be in a position to provide an update on the new scoping study outcomes including forward looking statements relation to production and financial information once additional drilling is done by end 2027, subject to funding.

Magnetite Mines will provide an update on progress towards this goal study as work progresses.

Mining Lease Application

The Company has been actively engaging with the South Australian Department of Energy and Mining to update on this study work and discuss next steps, options and the department's requirements in relation to the Mining Lease application.[5]

Company Funding

Potential royalty

As recently reported in the quarterly report, to support the Company's funding strategy, Magnetite Mines has appointed ProspEx Group Pty Ltd to assist in evaluating royalty funding opportunities for the Razorback Project.[4] Royalty funding is one of several funding alternatives currently being evaluated by the Company.

Other business opportunities and financing options

Magnetite Mines continues to engage with a range of strategic, financial and industry participants regarding potential business transactions, funding and partnering opportunities.

Cautionary Statement

In accordance with the ASX Interim Guidance on reporting studies, the scoping study work referred to in this announcement is preliminary and ongoing and is assessing the proposed changes to the development configuration of the Razorback Project. The Probable Ore Reserves referred to in the Company's ASX Announcement dated 9 June 2023[6] remains unchanged. The technical and economic assessment undertaken to date are not sufficient to extend the estimation of Ore Reserves beyond the Probable Ore Reserves referred to in the Company's ASX Announcement dated 9 June 2023[6], having regard to the updated Mineral Resource Estimate announced on 30 June 2025[7]. Further evaluation work and appropriate studies are required before the Company will be in a position to report an updated a Production Target or forecast financial information, or provide any assurance of an economic development case.

Given the proportion of Inferred Resources in the current mine plan, the Company is not presently reporting forward-looking production or financial information. However, the outcome of the work to date is very encouraging, and the Company intends to continue advancing the Project, subject to funding.

To complete the proposed feasibility studies and advance the Project, additional funding will be required. Investors should note there is no certainty that the Company will be able to raise funding when needed. It is also likely that such funding may only be available on terms that may be dilutive or otherwise affect the value of the Company's existing shares. It is also possible that the Company could pursue other value realisation studies such as sale, partial sale, or joint venture of the Project. If it does, this could materially reduce the Company's proportional ownership of the Project.

Given the preliminary nature of the work and the further studies required, investors should not make any investment decisions based solely on the result of this project update.

Project Background and History

MGT is an iron ore exploration and development company that aims to deliver value for shareholders via the sustainable development of the Razorback Project.

The iron ore deposits that make up the Razorback Project were first explored by the South Australian Mines Department in the 1950s and 1960s. MGT acquired the tenements in 2009 and has since methodically defined a combined Razorback Project Mineral Resource Estimate of 3.8 billion tonnes[7] inclusive of ~2.0 billion tonnes in Probable Ore Reserves[6].

The Project is a large magnetite iron ore development and differs from hematite iron ores that are commonly found in the Pilbara that are shipped to market with minimal or no processing.

Magnetite iron ore is able to be processed at the mine site to a high-grade concentrate with very low deleterious elements.

The Project is located 240km north-east of Adelaide in South Australia's North East Pastoral district (Figure 1). The mineralisation of the Project falls within the Adelaide Geosyncline and, within it, the Neoproterozoic Braemar Iron Formation. The Project is located close to potential dormitory and service towns of Peterborough and Burra and 200km from the mining town of Broken Hill, NSW.

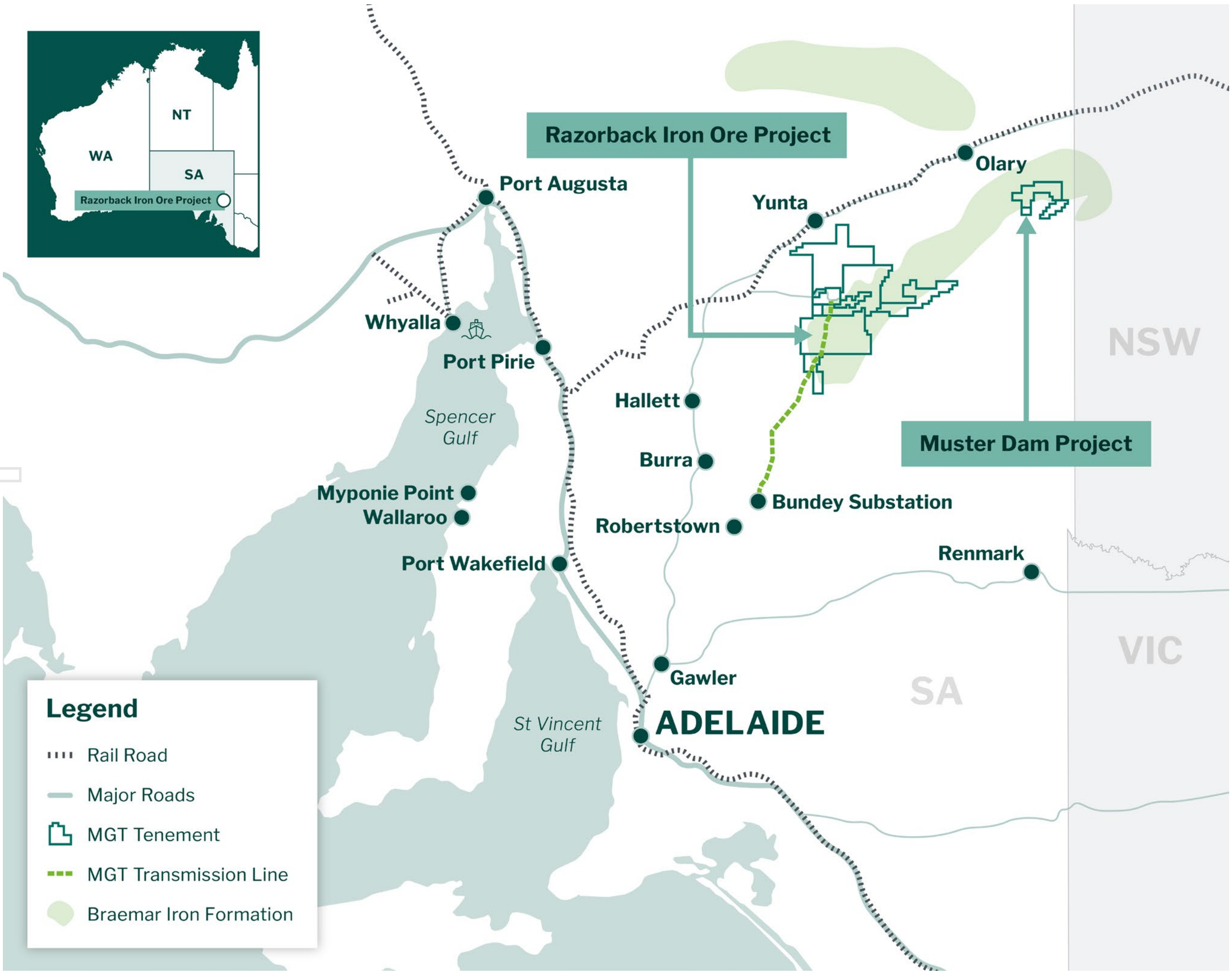

Figure 1. Project Location

Mineral Resources and Ore Reserves

Table 1. Razorback Iron Ore Project Mineral Resource Estimate Summary (8% eDTR Cut-Off)[7]

Deposit	Classification	Million Tonnes (Mt, dry)	Mass Recovery (eDTR%)	Fe %	SiO2 %	Al2O3 %	P %	LOI %	Magnetite %
Iron Peak	INFERRED	263	17.70	16.74	49.26	8.50	0.15	6.03	14.33
	INDICATED	344	17.69	17.63	48.57	8.33	0.16	5.90	14.77
	TOTAL	607	17.70	17.24	48.87	8.40	0.16	5.95	14.58
Razorback	INFERRED	1,601	14.66	17.07	49.28	8.36	0.18	5.56	14.48
	INDICATED	1,629	14.45	17.78	48.59	8.16	0.18	5.48	13.88
	TOTAL	3,230	14.56	17.43	48.93	8.26	0.18	5.52	14.17
Razorback Iron Ore Project - Combined	INFERRED	1,864	15.09	17.02	49.28	8.38	0.18	5.63	14.46
	INDICATED	1,973	15.01	17.75	48.59	8.19	0.18	5.55	14.04
	TOTAL	3,837	15.05	17.40	48.92	8.28	0.18	5.59	14.23

Table 2. Razorback Iron Project Ore Reserves estimate[6]

Probable Ore Reserves*	Tonnes Mt	eDTR %	Fe %	Mag %
Weathered	149	12.9	17.9	10.7
Primary	1,828	14.8	17.5	13.9
TOTAL	**1,977**	**14.6**	**17.5**	**13.7**

**Ore Reserves are a subset of Mineral Resources and are quoted at an 8% eDTR (Mass Recovery) cut-off grade*

The information in this announcement relating to the Razorback Project Mineral Resource Estimate and Ore Reserve is extracted from the Company's ASX announcements dated 30 June 2025 and 9 June 2023 respectively. The Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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 Formation of South Australia. The Company holds a 100%-owned Mineral Resource and is developing the Razorback Iron Ore Project, located 240km from Adelaide. Razorback is one of the few undeveloped magnetite projects globally capable of producing premium Direct Reduction (DR) grade concentrate at scale — a key feedstock for green iron and lower-emissions steelmaking — positioning the Company to benefit from growing demand for high-purity iron ore products. In addition, the Company holds a substantial South Australian tenement portfolio prospective for rare earth elements (REE), copper, silver, and gold. This provides disciplined exposure to critical minerals aligned with global electrification and decarbonisation trends. For more information visit magnetitemines.com.

References

1. ASX Announcement – 30 June 2025 – Razorback Project Update
2. ASX Announcement – 22 July 2024 – Green Iron Grade Concentrates Produced Using Saline Water
3. ASX Announcement – 18 April 2023 - Razorback Iron Ore Project Rail Access Unlocked
4. ASX Announcement – 30 Jul 2026 - Quarterly Activities Report
5. ASX Announcement – 26 Mar 2025 – Razorback Project Mining Lease Proposal Lodged
6. ASX Announcement – 9 Jun 2023 – Iron Peak Deposit Maiden Ore Reserve
7. ASX Announcement – 30 Jun 2025 – Razorback Iron Ore Project 2025 Mineral Resource Update