

ASX ANNOUNCEMENT

11 SEPTEMBER 2024

RENOUNCEABLE RIGHTS ISSUE OPEN FURTHER INFORMATION

Magnetite Mines Limited (ASX: MGT) (Company) is pleased to advise that the Company's pro rata (1 for 5) renounceable rights issue with attaching options on a 1 for 1 basis (**Rights Issue**) announced on 3 September 2024 to raise up to \$4.1 million (before costs) is now open.

In response to shareholder queries about the Rights Issue, please refer to the further information below.

ACCESS TO PROSPECTUS AND MAKING AN APPLICATION

For the purposes of the Rights Issue, the prospectus (**Prospectus**) will be made available to shareholders in electronic form only, together with a personalised application form, at the following website, from today: <http://www.computersharecas.com.au/mgtoffer>

Eligible Shareholders should follow the instructions set out at the website to make an application. Eligible Shareholders are those shareholders who held shares in the Company at 7.00pm (Sydney time) on Friday, 6 September (being the Record Date for the Rights Issue) and who have a registered address in either Australia or New Zealand.

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.

Before making any investment decision, Eligible Shareholders should carefully consider the Prospectus, including the key risks with respect to the Company with respect to investing in the new shares and options under the Rights Issue as set out in section 7 of the Prospectus.

RIGHTS TRADING

The Company wishes to remind investors that the Rights Issue is **renounceable**, which means Eligible Shareholders who **do not wish** to support the offer can also **sell** their entitlement on the ASX up until **Wednesday, 18 September 2024** under the ASX code: **MGTRF**. Provided your shares are held on the CHESS sub-register, you should contact an ASX participant (your stockbroker) if you wish to trade your rights.

OPTIONS EXPLANATION AND VALUATION: BLACK - SCHOLES MODEL

The Company wishes to remind investors that the offer includes **1:1 options**, that is one free option for each share subscribed for under the Rights Issue. The options will have an exercise price of **\$0.30**, a term of **3 years** from issue and quotation for the options will be sought on ASX meaning that the options can be traded on ASX.

According to the Black - Scholes model, a model commonly used to calculate the theoretical value of options taking into account their terms of issue, including expiry date, exercise price and volatility of the Company's share price, on a 1:1 basis the options have an indicative value of **\$0.063** using a 60% volatility assumption, or an indicative value of **\$0.076** using a 70% volatility assumption¹.

The options will be quoted on a deferred settlement basis from Thursday, 19 September 2024.

This means that when you pay the offer price of **\$0.20**, you receive one MGT share and an additional attaching option which has value based on the Black - Scholes valuation methodology. It's also worth noting, that when you receive your options, **they will be tradeable on the ASX like any other shares** in your portfolio. This means that you will be able to **buy** or **sell** them as you would your existing **MGT shares**.

Investors requiring further information should contact the Magnetite Mines Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (from outside Australia) between 8.30am to 5.00pm (Sydney time), Monday to Friday, until the Closing Date or seek advice from their financial or professional advisor.

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 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 very 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.

¹ The indicative values of the options under the Black-Scholes model have been calculated by Mahe Capital Pty Ltd (AFSL 517246).