ASX ANNOUNCEMENT

29 APRIL 2025

THIRD QUARTER ACTIVITIES REPORT

ENDING 31 MARCH 2025

HIGHLIGHTS

RAZORBACK IRON ORE PROJECT

- **Strategic partnering**
  - DFS funding transaction with JFE Shoji Australia (JFE) well advanced; targeting execution of Definitive Agreements in Q2 2025.
  - Several other potential strategic partners completing due diligence on Razorback; transaction discussions in progress.
- **Mining Lease Proposal**
  - Mining Lease Proposal submitted to South Australia's Department for Energy & Mining; validity assessment in progress as first phase of assessment.
- **Technical Progress**
  - **Saline water:** Confirmatory testwork in progress to support breakthrough saline water processing method across Razorback deposit; results expected in May 2025.
  - **Intellectual Property (IP) protection**: Provisional patent filed for breakthrough saline water processing method, potentially eliminating need for fresh or desalinated water supply.
- **Government support**
  - Multi-user water supply study recommendation for Braemar Iron Province included in South Australia's 20-Year State Infrastructure Strategy 2025.

CORPORATE

- **Funding**
  - $7 million flexible funding facility with C/M Capital announced; initial tranche of $1.2 million received on 24 January; second tranche of $1.3 million received on 7 March, following shareholder approval at EGM on 5 March.
  - 4.35 million shares issued to C/M Capital on 25 March upon conversion of $350k of Convertible Loan notes.
- **Extraordinary General Meeting (EGM)**
  - EGM held on 5 March 2025, convened primarily to ratify C/M Capital funding transaction mechanisms, with all resolutions carried.

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Magnetite Mines Limited (ASX: MGT) is pleased to provide an update of activities and financial results for the quarter ending 31 March 2025.

A highlight this quarter was the submission of a Mining Lease Proposal (MLP) for the Razorback Iron Ore Project (Razorback Project) to the South Australian Department for Energy & Mining[1]. This major project development milestone formally initiates the assessment process for mining approval under the South Australian Mining Act. The MLP defines the Company's proposed mining operations, environmental management framework and community engagement commitments, and represents a crucial step in the Project's pathway to development.

The Company continues to receive strong interest and support from potential strategic partners in addition to its established relationship with JFE Shoji Australia Pty Ltd (JFE), which commenced last year with the signing of a Heads of Agreement between the parties for funding in exchange for production offtake[2]. The Company's objective is to secure adequate funding from strategic and potential joint venture partners to complete all works necessary to reach a project Final Investment Decision (FID) including the completion of a Definitive Feasibility Study (DFS).

During the quarter, Magnetite Mines submitted a provisional patent application for the Company's breakthrough saline water flotation method, developed in-house and potentially providing a cost-effective and environmentally beneficial alternative to the conventional use of fresh water for magnetite ore processing[3]. The provisional patent filing strengthens Magnetite Mines' competitive position and underscores its technical leadership in developing sustainable iron ore mining and processing.

With key milestones achieved, Magnetite Mines continues to reinforce its commitment to progressing the Razorback Project to production, timed to meet emerging market demand for premium iron products that can be used to produce Green Iron & Steel.

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MARKET COMMENTARY

Despite volatility in global financial markets and lower steel prices linked to short-term oversupply, the industry transition to decarbonised iron and steelmaking continues to accelerate with significant investments in DRI/EAF steelmaking capacity and strong government support. This has been demonstrated in a number of recent announcements:

- **18 December 2024** – Nippon Steel and Japanese trading group Sojitz announced an agreement to purchase up to 49% of the Kami magnetite project in Canada from Champion Iron Ltd. Kami is capable of producing DR-grade magnetite concentrates suitable for Green Iron production[4].
- **24 December 2024** – The Japanese government announced a grant of approximately A$1 billion towards JFE Steel's construction of their first large-scale Electric Arc Furnace (EAF)[5].
- **17 February 2025** – Vale (the world's largest iron ore producer) announced a binding agreement with Cyclone Metals to develop the Iron Bear magnetite project in Canada. Iron Bear is capable of producing DR-grade magnetite concentrates suitable for Green Iron production[6].
- **20 February 2025** – The Australian Government announced the creation of a A$1 billion Green Iron Investment Fund to *"support early mover green iron projects and unlocking private investment at scale"*[7].
- **20 March 2025** – The Australian Government announced that A$750 million of the government's Future Made in Australia Innovation Fund will be used to support innovative green metal projects (including green iron)[8].

- **10 April 2025** – JFE Steel announced their commitment to construct a 2.0 million tonne per year output EAF costing approximately US$2.26 billion, replacing a blast furnace at JFE's steelworks in West Japan[7]. EAFs require a combination of high-quality scrap and Direct Reduced Iron (DRI) produced from high-purity magnetite concentrates as feed material[9].
- **13 April 2025** - Sydney-based Greensteel Australia announced it had placed an order with leading global steelmaking infrastructure group Danieli for equipment valued in excess of A$1.6 billion, including a direct reduced iron (DRI) plant and two electric arc furnaces (EAFs). Greensteel is proposing to install the equipment in Whyalla[10].

RAZORBACK IRON ORE PROJECT

Strategic Partnering

On 8 July 2024, Magnetite Mines announced the signing of a non-binding Heads of Agreement (HoA) with JFE Shoji Australia Pty. Ltd. (JFE). JFE Shoji Australia is a wholly owned subsidiary of JFE Shoji Corporation, which in turn is a wholly owned subsidiary of JFE Holdings[2].

During the period, JFE and their proposed funding partners completed technical due diligence on the Project, which included further site visits. The parties are continuing to develop Definitive Agreements, as contemplated in the HoA, for a binding transaction to support the completion of a Definitive Feasibility Study (DFS) and related studies to progress the Razorback Iron Ore Project to a Final Investment Decision (FID). These agreements will also include foundational arrangements for long-term joint venture partnering following FID.

Both parties remain committed to completing negotiations as soon as possible and are now targeting execution of binding agreements in the second quarter of 2025.

During the period, there was also an increase in Project interest from additional potential strategic partners and several parties are currently completing technical due diligence on the Project. One of those parties also completed a site visit to Razorback along with representatives from Magnetite Mines, Green Iron SA consortium partners (Aurizon, Flinders Ports and GHD), and the South Australian Government. Along with JFE, the Company is currently in transactional discussions with two additional parties.

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TECHNICAL PROGRESS

Magnetite Mines' technical team efforts have been focused on key de-risking workstreams in preparation for Definitive Feasibility Study (DFS) commencement, along with supporting technical due diligence activities with potential strategic partners including JFE.

Provisional Patent Application

An important milestone this quarter was the Company's submission of a provisional patent application for Magnetite Mines' proprietary saline water ore processing method. This innovation, developed in-house and announced last year, enables the production of DR-grade magnetite concentrates using saline water (seawater), significantly reducing the Project's reliance on desalinated or fresh water which has traditionally been used for magnetite ore processing, and offering considerable environmental and economic benefits[3].

The provisional patent secures priority rights over the processing methodology for 12 months, enabling the Company to complete confirmatory testwork and consider full patent protection for what could be valuable intellectual property, licensable to other magnetite mine developers in the future. This action demonstrates Magnetite Mines' strong technical leadership in water-efficient magnetite processing; a potential competitive advantage in water-constrained jurisdictions such as Australia.

Metallurgical Testwork

In support of the patent application and to advance metallurgical de-risking of the Project, the Company initiated additional saline water flotation testwork during the quarter, testing multiple composite samples sourced from across the Razorback deposit. The objective of this additional testwork is to confirm the performance of the saline water ore processing method beyond the initial testwork centred on the Iron Peak deposit and to demonstrate its applicability across the Project's Ore Reserves.

The testwork is being conducted at Bureau Veritas laboratories in Adelaide, using Upper Spencer Gulf seawater. The results will inform the planned DFS-level variability testwork, with the goal of validating saline processing as the Project's base-case flowsheet.

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Figure 1 - Razorback Iron Ore Project sample preparation for saline flotation testwork.

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DFS Scope Development

The definition of DFS scope and budgets has been advanced with the solicitation of formal quotations from top-tier global engineering consultancies. The scope definition work has been supported by strategic partner due diligence feedback and structured to enable rapid commencement once DFS funding is secured.

Technical Due Diligence Support

Supporting the technical due diligence activities and managing requests for information from several parties currently assessing the Project was a key focus during the reporting period. These activities included:

- Virtual data room (VDR) curation and Request for Information (RFI) responses
- Hosting site visits to Razorback
- Engineering scope definition and consultant engagement
- Metallurgical and process flow sheet development support

SUSTAINABILITY

Approvals – Mining Lease Proposal (State Government)

Magnetite Mines achieved a significant milestone for the Razorback Project with the submission of a Mining Lease Proposal (MLP) to the Department for Energy and Mining (DEM)[1]. The MLP, comprising almost 900 pages, is a substantial body of work that represents years of technical, economic and environmental studies, stakeholder engagement and impact assessments. The body of work encapsulated in the MLP is designed to ensure sustainable construction, operations and eventual closure of the Project in alignment with best practice mining principles.

DEM has immediately commenced a validity assessment of the MLP, the first stage of assessment towards an eventual grant of a Mining Lease and other associated licences.

Prior to the submission of the MLP, and in accordance with relevant mining regulations, application consents were sought and received from both the Regional Council of Goyder and the Department of Infrastructure and Transport.

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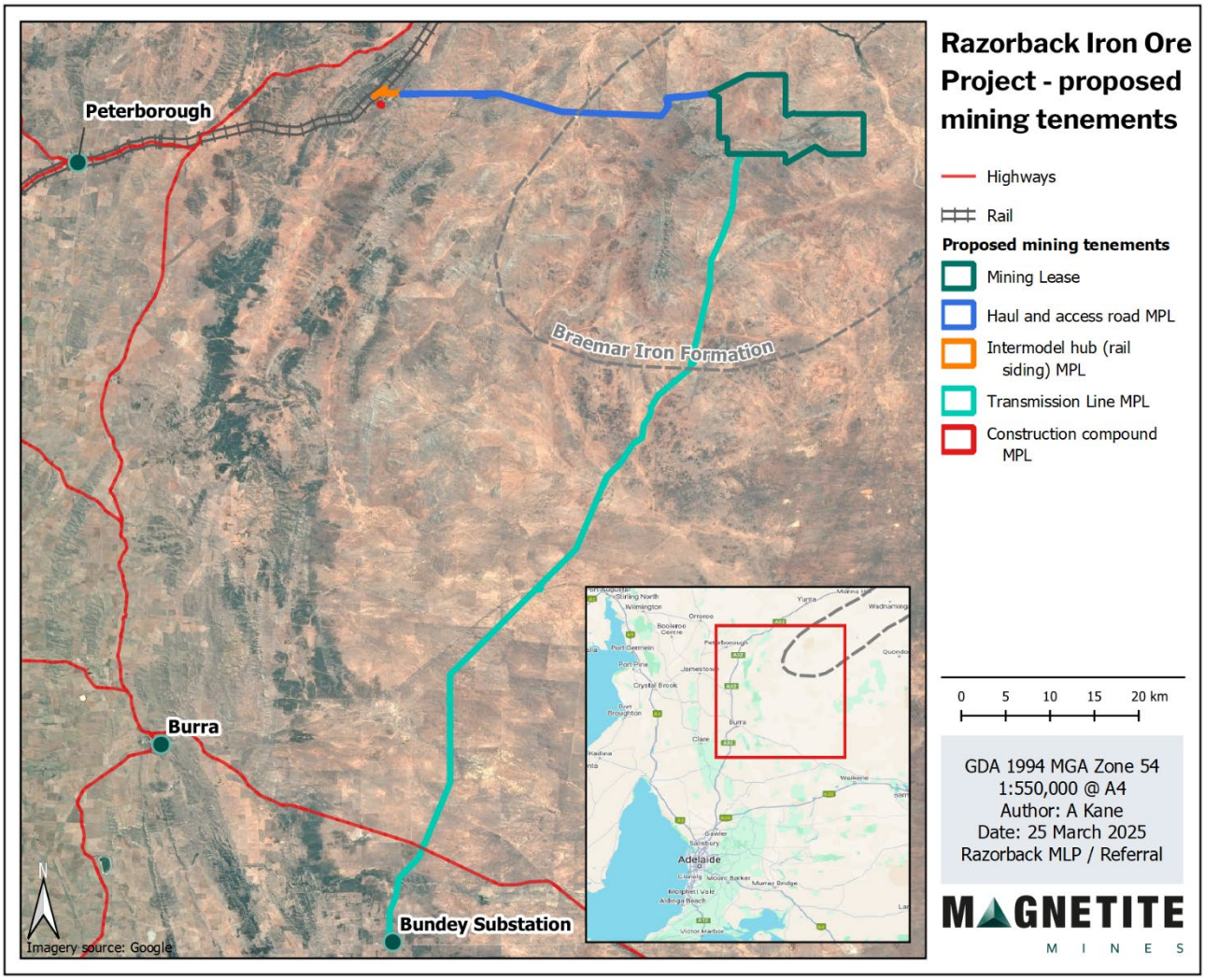

Figure 2 - *Razorback Project location showing proposed ML and MPLs in relation to regional infrastructure.*

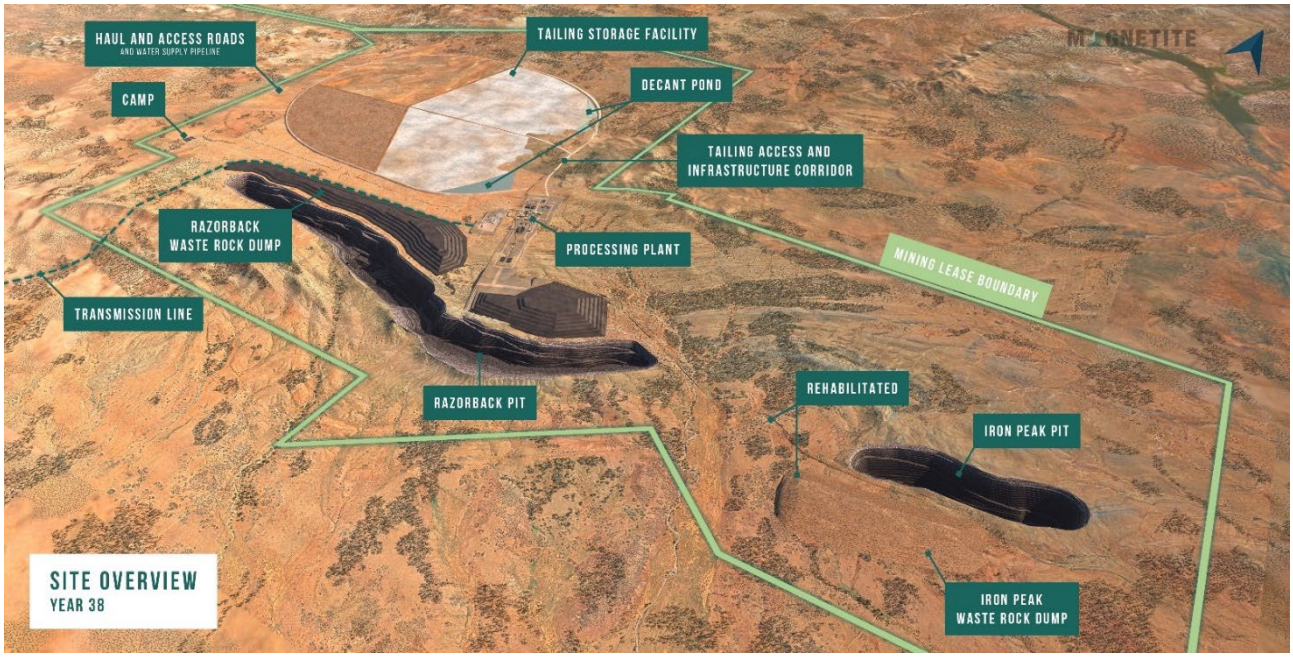

Figure 3 - *Artist's impression of the Razorback site at Year 38 of operations.*

Approvals – EPBC Act Referral (Federal Government)

Following submission of a variation request by Magnetite Mines to the Federal Department for Climate Change, Energy, the Environment and Water relating to the Razorback Project's scope and disturbance footprint, the Company received corresponding approval on 30 January 2025. Magnetite Mines' assessment of impacts to EPBC Act matters has been included within the MLP and will be assessed by DEM through an accredited process prior to eventual approval by the relevant Federal Minister.

Land Access and Native Title

During the quarter, access agreements were signed with Exploration Licence (EL) holders Valrico Pty Ltd (100% owned by Australian Rare Earths Ltd) and Australia Ore Search #2 Pty Ltd. These agreements will enable the future grant of infrastructure licences over existing ELs for the proposed transmission line and haulage road corridors, respectively.

Negotiations with pastoral and other private landowners are continuing in earnest.

Continued deep engagement with the Ngadjuri Nation Aboriginal Corporation ensured that this key partner was briefed on matters relating to the final Project configuration prior to submission of the MLP. The negotiation of a native title agreement for the Razorback Project has commenced and is a priority for both parties.

GREEN IRON SA CONSORTIUM

The Green Iron SA consortium, comprising Magnetite Mines, Aurizon Holdings, Flinders Port Holdings, and GHD, continued to advocate for both the Razorback Project and the establishment of a Green Iron Hub in Port Pirie in discussions with key ministers and state government departments throughout the quarter. The consortium's engagement with government is aligned with its 'Green Iron Opportunity Expression of Interest' process submission, made last year[11].

The consortium's discussions with government are centred around identifying and prioritising the development of necessary infrastructure required to establish a green iron industry in South Australia. Subsequent to the quarter, Green Iron SA representatives also attended a site visit to Razorback with potential investors and SA Government in early April.

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Figure 4 – *Razorback site visit for potential strategic investors, Green Iron SA member companies and SA Government*

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State Infrastructure Strategy 2025

A key development during the quarter was recognition of the Braemar Iron Province in the State's '20-Year State Infrastructure Strategy 2025', which was accepted by the Premier on 16 March 2025[12]. Notably, the strategy references "green iron" 38 times and identifies the Braemar, where the Company's Razorback Iron Ore Project is located, as having *"enormous potential to contribute to green iron industry"*.

Furthermore, the strategy notes that *"the nature of the Braemar Province, with several tenement holders, means a common-user infrastructure solution should be explored"* and recommends that *"feasibility planning to identify an economic water supply solution to unlock the Braemar Province"* should be undertaken within a 0–5 year timeframe by the Department for Energy & Mining.

Magnetite Mines have been engaging frequently with Infrastructure SA over the past two years and have contributed strongly to the outcomes embedded in the 2025 strategy document.

Whyalla

Magnetite Mines and its Green Iron SA consortium partners are closely monitoring the evolving situation in Whyalla to ensure the consortium is positioned to take advantage of any opportunities, pending further updates on the SA Government's 'Green Iron Opportunity' EOI process.

In February, the Federal Government announced the establishment of a new $1bn Green Iron Investment Fund to *"support early-mover green iron projects, create green iron manufacturing and supply chains, and unlock private investment at scale"*[7].

The establishment of the Green Iron Investment Fund is an important signal to the global steel industry that Australia is serious about taking a leading role in support of steel industry decarbonisation. Green Iron SA and its member companies look forward to working with the Federal and South Australian Governments to realise the value in South Australia's expansive magnetite endowment, and in doing so build a world-class green iron industry.

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CORPORATE

Funding – C/M Partners Funding Facility

On 13 January 2025, the Company announced it had secured up to $7.0 million funding in the form of unsecured Convertible Notes, from US-based fund manager C/M Capital Partners, LP (C/M Capital)[13].

The funding facility provided by C/M Capital has been structured as follows:

1. *First funding tranche*

   C/M Capital provided $1.2 million of funding to the Company by way of Convertible Notes with a face value of $1.296 million on 24 January 2025. On closing of the first tranche funding, C/M Capital was also issued 1,081,917 fully paid ordinary commencement shares. These securities were issued under the Company's existing ASX LR7.1 placement capacity and were subsequently ratified by shareholders at the Extraordinary General Meeting of Shareholders (EGM) held on 5 March 2025.

2. *Second funding tranche*

   Following shareholder approval at the EGM held on 5 March 2025, C/M Capital provided a further $1.3 million in funding to the Company by way of Convertible Notes with a face value of $1.404 million on 7 March 2025. Upon closing of the second tranche, C/M Capital was issued 8,106,355 unquoted options with an exercise price of $0.1542 each, expiring on 7 March 2028. These options represent 50% of the first and second funding tranche amounts and carry an exercise price equal to 120% of the 15-day VWAP immediately prior to the respective tranche funding.

3. *Conversion of Convertible Loan Notes*

   On 25 March 2025, the Company issued 4,347,826 fully paid ordinary shares to funds associated with C/M Capital Partners, LP upon conversion of $350,000 of Convertible Loan Notes issued on 24 January 2025 (see "first funding tranche" above). The shares were issued in accordance with the Cleansing Notice lodged with the ASX on 24 January 2025, pursuant to section 708A(12c)(e) of the Corporations Act 2001 (Cth).

4. *Subsequent tranches of investment*

   If required by the Company, and subject to agreement by C/M Capital and the Company's compliance with all necessary approvals, C/M Capital will provide up to a further $4.5 million by way of Convertible Notes (with a face value of 108% of the relevant investment amount) from the $7.0 million (facility limit) facility, in tranches to be mutually agreed between C/M Capital and the Company.

Use of Funds

In addition to working capital, complemented by recently announced overhead cost reductions and austerity measures[14], first and second tranche funds were used to lodge the Razorback Mining Lease Proposal with the South Australian Government, which was submitted on 26 March 2025[1].

The remaining funds will continue to be used for general working capital, technical works and land access works described in this report as the Company progresses towards completing Definitive Agreements for a DFS funding transaction with JFE Shoji Australia Pty Ltd, as contemplated in the Heads of Agreement announced on 8 July 2024[2].

Extraordinary General Meeting of Shareholders (EGM)

On 5 March 2025, the Company held an EGM at the Hotel Grand Chancellor in Adelaide. The meeting was convened to ratify the issue of Tranche 1 Convertible Notes and commencement shares, approve the issue of Tranche 2 Convertible Notes and attaching options to C/M Capital, and approve the issue of fully paid ordinary shares to Non-Executive Directors in lieu of director fees under the Company's Employee Incentive Plan. All resolutions put to shareholders were carried with the requisite majority by way of a poll.

Resignation of Chief Financial Officer / Co-Company Secretary

Chief Financial Officer and Co-Company Secretary Mr. Simon Smith resigned from the Company, effective 7 March 2025. Following his departure, Ms. Inthu Siva, who was already serving as Co-Company Secretary and Financial Controller, assumed the role of Company Secretary while continuing to oversee the Company's core financial activities. Ms. Siva has been with the Company since 2010.

The Company has also engaged Mr. Mark McManus on a consulting basis to provide commercial support to management alongside Azure Capital Partners, the Company's financial advisors[15].

Related party transactions

During the quarter, the Company made cash payments totalling $180.5k to related parties. These payments comprised salary-related payments to the Managing Director and directors' fees paid to Non-Executive Directors.

In addition, Non-Executive Chair Mr Paul White and Non-Executive Director Mr Simon Wandke elected to forgo a portion of their directors' fees in cash and instead receive fully paid ordinary shares under the Company's Employee Incentive Plan (EIP), equivalent in value to the foregone cash. This arrangement was approved by shareholders at the Extraordinary General Meeting held on 5 March 2025.

For the quarter ended 31 March 2025, the Company issued in aggregate 214,948 fully paid ordinary shares to Mr Paul White (or his associates) and Mr Simon Wandke in lieu of a combined $21.7k in directors' fees for the period from 1 February 2025 to 31 March 2025. The number of shares issued was determined by dividing the foregone fees by the Company's average daily VWAP on the ASX over the relevant period of $0.1008, subject to a minimum average VWAP threshold of $0.08.

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Investor Relations

During and subsequent to the quarter, the Company participated in the following investor and industry events:

- Sydney Climate Action Week *'Australia's Green Iron Opportunity'* – March 10, 2025
- ABJCC Roundtable discussion on Japan's Green Transformation (GX) Policy – March 21, 2025
- Australian Green Iron & Steel Forum, Perth – March 26-27, 2025
- Ausbiz The Drill – *'Australia's Mining Future'* – April 2, 2025

Figure 5 – MD Tim Dobson presenting at the Australian Green Iron & Steel Forum – Perth, March 26, 2025

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EXPLORATION & EVALUATION EXPENDITURE

Mine production and development expenditure

Exploration activities and associated expenditure during the reporting period were related to the following activities:

- Exploration expenditure and tenement administration
- Mining Lease preparation, submission and associated studies
- Permitting and approvals related consultation
- Collaboration and consultation with the Ngadjuri Nation (native title claimant group)

Exploration and evaluation expenditure during the quarter totalled $1.23 million. No exploration drilling activities occurred during the quarter.

The Company remains in the pre-development stage with no active mining production and therefore no expenditure was recorded during the quarter related to production or development activities.

The Company continued its active participation in formal consultations with the South Australian Government with respect to Mining Lease Proposal submission. Engagement efforts included collaboration with government departments including the Department for Energy & Mining, Department of Infrastructure & Transport, Department of State Development, Department of Treasury & Finance, and the Department of Environment & Water.

These interactions are aligned with Magnetite Mines' ongoing commitment to aligning the Razorback Project development with government priorities aimed at fostering sustainable industry growth.

Tenement holdings

The following tenements were held by Magnetite Mines Limited (and its controlled entities) as of 31 March 2025:

Tenement/ Project Name	Tenement Number	Interest at Beginning of Quarter	Interest at End of Quarter	Acquired during the Quarter	Disposed of during the Quarter	Joint Venture Partner/Farm -In Party
SOUTH AUSTRALIA						
PUALCO	EL 6126	100%	100%	-	-	-
RED DRAGON	EL 6127	100%	100%	-	-	-
RAZORBACK RIDGE	EL 6353	100%	100%	-	-	-
DRAGON'S TAIL	EL 5902	100%	100%	-	-	-
SISTER'S DAM	EL 6037	100%	100%	-	-	-
BRAEMAR	EL 6788	100%	100%	-	-	-
LIPSON	EL 6745	100%	100%	-	-	-
MANUNDA NORTH	EL 6878	100%	100%	-	-	-
MUSTER DAM	EL 6746	100%	100%	-	-	-
MUTOOROO RIDGE	EL 6877	100%	100%	-	-	-

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 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.

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References

1. Razorback Project Mining Lease Proposal Lodged
2. Heads of Agreement with JFE Shoji Australia Pty.
3. Saline Water Provisional Patent Submitted
4. Champion Iron ASX Announcement
5. Japan's JFE Steel's EAF construction project receives state support
6. Cyclone Metals, Vale to Develop Iron Bear Project in US$138 Million Deal | Nasdaq
7. Albanese Government building Australia's green iron future | Prime Minister of Australia
8. Further commitment to a greener Future Made in Australia | Department of Industry Science and Resources
9. JFE Steel to introduce advanced, high-efficiency, large-scale electric arc furnace in Japan|JFE Steel Corporation
10. Greensteel Australia places $1.6B order with Danieli Group for fabrication of next-generation steel mill - Greensteel Australia
11. Green Iron SA alliance launched for Green Iron revolution
12. infrastructure.sa.gov.au/__data/assets/pdf_file/0011/1139735/ISA-20-Year-State-Infrastructure-Strategy-2025-Web.pdf
13. Magnetite Mines Secures up to $7m Funding
14. Corporate and Board update
15. Resignation of Chief Financial Officer / Co-Company Secretary

Appendix 5B

Mining exploration entity quarterly cash flow report

Name of entity

MAGNETITE MINES LIMITED

ABN	Quarter ended ("current quarter")
34 108 102 432	31 March 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(396)	(1,547)
	(e) administration and corporate costs	(388)	(946)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	37	50
1.5	Interest and other costs of finance paid	(8)	(20)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	170	170
1.8	Other (fuel tax credit, royalty income)	-	7
1.9	**Net cash from / (used in) operating activities**	**(585)**	**(2,286)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(13)
	(d) exploration & evaluation	(1,231)	(2,813)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (security bond)	-	102
2.6	**Net cash from / (used in) investing activities**	**(1,231)**	**(2,724)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,568
3.2	Proceeds from issue of convertible debt securities	2,500	2,500
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(186)	(630)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (payment of lease liabilities)	(48)	(162)
3.10	**Net cash from / (used in) financing activities**	**2,266**	**5,276**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**1,029**	**1,213**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(585)	(2,286)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,231)	(2,724)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,266	5,276

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,479**	**1,479**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	1,474	24
5.2	Call deposits	5	1,005
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,479**	**1,029**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	180
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Convertible Notes)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Note to 7.3 (above):

- On 13 January 2025, the Company announced it had secured up to $7.0 million in funding through the issue of unsecured Convertible Notes to two investment funds managed by US-based C/M Capital Partners, LP (C/M Capital).
- On 24 January 2025, Convertible Notes with a face value of $1.296 million were issued, maturing on 24 January 2027 (first tranche).
- Following shareholder approval at the EGM held on 5 March 2025, further Convertible Notes with a face value of $1.404 million were issued on 7 March 2025, maturing on 7 March 2028 (second tranche).
- On 25 March 2025, C/M Capital converted $350,000 of Convertible Notes into 4,347,826 fully paid ordinary shares.
- Subject to mutual agreement and necessary approvals, C/M Capital may provide up to an additional $4.5 million under the facility in future tranches.

The current key terms of the facility are:

- Security Description: Convertible Note
- Interest rate %: Nil
- Security: Unsecured
- Maturity: The Convertible Notes are to be converted on or before the date which is 24 months from the Issue Date (Maturity Date).
- Redemption: Any remaining Convertible Notes under the facility may be fully redeemed by the Company at any time prior to the Maturity Date and the facility terminated, subject to the payment on redemption being 105% of the outstanding face value of the Convertible Notes being redeemed (C/M Capital may elect to convert up to 30% of the Convertible Notes proposed to be redeemed).
- Conversion: C/M Capital will be entitled to convert the Notes into fully paid ordinary shares at either 100% of the 10 day Volume Weighted Average Price (VWAP) up to the facility execution date within the first two months of initial funding or from day 61 to the Maturity Date at 90% of the average of the two lowest 15 day VWAP immediately prior to a Conversion Notice being received by the Company, subject to a minimum conversion price of $0.08 cents per share. The conversion price is subject to adjustment in the event of certain customary events (such as a consolidation or subdivision of the Company's issued capital).

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- Repayment: Any Convertible Notes which have not been previously converted (or are the subject of a conversion notice) must be repaid on the earlier to occur of:
  - 20 business days of the Maturity Date;
  - if an event of default continues for 10 business days following written notice from C/M Capital, within a further 10 business days; or
  - where there is a change of control event, delisting event, or qualifying capital raising event (being where $10m or more is raised) and if C/M Capital elects for repayment to occur, on or before the date on which the relevant event occurs.
- Ownership cap: At no point can C/M Capital hold shares in the Company that exceed 9.99% of the Company's issued share capital.
- Options: Following shareholder approval at the EGM held on 5 March 2025, and upon the closing of the second tranche, C/M Capital was issued 8,106,355 unquoted options with an exercise price of $0.1542 each, expiring on 7 March 2028. These options represent 50% of the total funding amount from the first and second tranches and have an exercise price equal to 120% of the 15-day VWAP immediately prior to the respective tranche's funding. C/M Capital will be issued unquoted options equivalent to 50% of the funded amount, with an exercise price of 120% of the 15-day VWAP immediately prior to the execution date of the facility, and in the case of any subsequent funding, the date of the issuance of the options. The options will have a 36-month term from the date of issue
- Commencement Shares: On closing of the first tranche funding, in accordance with the Company's ASX LR7.1 placement capacity, C/M Capital will be issued Ordinary Shares in the Company equivalent to 2% of the total facility amount ($140,000).
- Other terms: Customary investor protections have been agreed, such as negative covenants, events of default, and representations and warranties.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(585)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,231)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,816)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,479
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,479
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.81

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

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8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

The Company expects to continue negative operating cashflows as it continues exploration and resources development activities to build the value of its mineral assets, in particular the Razorback Project. As a mineral exploration company, the Company does not have any mining operations at this point in time to generate a positive net operating cashflow.

On 23 September 2024, the Company announced a Corporate and Board update which included the streamlining of the Board and reduction of the Company's operating overheads. The reduction in Board fees and other overhead costs will generate over $600,000 in cost savings annually.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

As announced on 13 January 2025, the Company secured up to $7.0 million funding in the form of unsecured Convertible Notes, from two investment funds managed by US-based C/M Capital Partners, LP (C/M Capital). On 24 January 2025, C/M Capital provided $1.2 million in funding to the Company through the issue of Convertible Notes with a face value of $1.296 million.

Following shareholder approval at the Extraordinary General Meeting held on 5 March 2025, C/M Capital provided a further $1.3 million in funding via Convertible Notes with a face value of $1.404 million, issued on 7 March 2025.

If required by the Company, and subject to agreement by C/M Capital and the Company's compliance with all necessary approvals, C/M Capital will provide up to a further $4.5 million by way of Convertible Notes (with a face value of 108% of the relevant investment amount) from the $7.0 million facility, in tranches to be mutually agreed between C/M Capital and the Company.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

See 8.8.2 above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2025

Authorised by: This report has been authorised for release to the market by the board.

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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