ASX ANNOUNCEMENT

30 JULY 2025

FOURTH QUARTER ACTIVITIES REPORT

ENDING 30 JUNE 2025

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HIGHLIGHTS

RAZORBACK IRON ORE PROJECT

- **STRATEGIC PARTNERING**
  - **Magnetite Mines' non-binding Heads of Agreement with JFE extended to 31 December 2025, allowing additional time for alignment of second strategic partner with proposed JFE transaction.**
  - **Negotiations progressed with second potential strategic partner for DFS funding co-investment alongside JFE Shoji Australia (JFE), part of Japanese steel group JFE Holdings.**
- **MINERAL RESOURCE UPDATE**
  - **The Razorback Mineral Resource was re-estimated using an 8% eDTR cut-off grade (previously 11%), aligning it with the cut-off grade used for Ore Reserve calculation.**
  - **This increased the Razorback Project Mineral Resource Estimate from approx. 3.2Bt to approx. 3.8Bt and the Company's Global Mineral Resource Estimate from approx. 6.0Bt to approx. 6.6Bt, all classified as Indicated and Inferred.**
- **PROJECT APPROVALS**
  - **The Razorback Project Mining Lease Proposal (MLP) submitted to South Australia's Department for Energy & Mining in March 2025 is nearing completion of the validity assessment stage.**
- **TECHNICAL DEVELOPMENT**
  - **Fresh water flotation tests completed by Bureau Veritas laboratories on three Razorback composite samples produced exceptional DR-grade iron concentrates, with Fe grades between 68.8% and 70.4%, and low impurity levels.**
  - **Saline water tests on the same samples yielded Fe grades of 66.6% to 68.0%, but with higher impurity levels, indicating the need for further flotation chemistry optimisation.**
  - **Filtration/washing tests are being undertaken in collaboration with Finnish OEM Metso.**

CORPORATE

- **FUNDING**
  - **$1.04 million drawn down in two tranches from the $7.0 million flexible funding facility with C/M Capital.**
- **EXTRAORDINARY GENERAL MEETING (EGM) SCHEUDLED**
  - **EGM scheduled for 15 August 2025, with Notice of Meeting lodged with ASX on 17 July 2025 to refresh the Company's placement capacity under ASX Listing Rule 7.1.**

Magnetite Mines Limited (ASX: MGT) is pleased to provide an update of activities and financial results for the quarter ending 30 June 2025.

The Company's strategy is to develop its 100%-owned Razorback Iron Ore Project via a joint venture (JV) with motivated investors and offtake partners, with Magnetite Mines as the operator of the Project. During the period, the Company formally extended its non-binding Heads of Agreement (HoA) with JFE Shoji Australia Pty Ltd (JFE) to 31 December 2025. In parallel, Magnetite Mines engaged in commercial negotiations with other potential strategic partners for a potential binding transaction to provide co-investment funding alongside JFE for the completion of a Definitive Feasibility Study (DFS).[1, 2]

The Company also updated the Mineral Resource Estimate (MRE) for the Razorback Project during the period. The reason for the update was to align the cut-off grade used for the MRE, previously 11% eDTR, with the cut-off grade used for the Project's Probable Ore Reserve at 8% eDTR. The resulting update has increased the Razorback MRE from approx. 3.2 billion tonnes to approx. 3.8 billion tonnes, and the Company's Global Mineral Resource (including Iron Peak and Muster Dam) from approx. 6.0 billion tonnes to approx. 6.6 billion tonnes, all classified as Indicated and Inferred under the JORC Code (2012).[3] There has been no change to the Razorback Probable Ore Reserve, which remains at approx. 2.0 billion tonnes.[4]

The Razorback Mining Lease Proposal (MLP), submitted to the SA Department for Energy & Mining in March 2025[5] continues to advance through South Australia's assessment process with the validity stage of the assessment process nearing completion. No material issues have been raised to date.

Further metallurgical testwork was completed to advance the Company's proprietary saline water flotation method, which has the potential to allow for ore processing at Razorback using seawater instead of fresh water. Testwork carried out on three Razorback deposit delivered excellent outcomes, confirming the ability to produce exceptionally high, DR-grade, magnetite concentrates. Saline water testwork also demonstrated high-grade results, supporting the viability of saline processing across the Razorback deposit, however further work is required to optimise the flotation chemistry.[2,6,7]

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RAZORBACK IRON ORE PROJECT

Strategic Partnering

Recognising the increasing demand from global steelmakers seeking to secure future 'green iron' supply produced from premium-grade magnetite concentrates, Magnetite Mines has prioritised engagement and relationship development with various potential strategic partners over the past two years.[1, 2] Razorback is one of only a handful of undeveloped magnetite projects globally that can produce premium-grade magnetite concentrate at scale with a very long life.[4,6]

Australia and Japan have a long and successful history as trading partners, and both countries have indicated a willingness to work together towards decarbonisation objectives as the world tackles climate change challenges. In tangible commitment to decarbonisation, Japan's two largest steel producers JFE Steel and Nippon Steel have both recently announced multi-billion dollar plans to construct large Electric Arc Furnaces (EAFs) in their respective Japanese steel mills.[8,9] When powered by renewable energy, EAFs are used to melt a combination of recycled scrap and DRI to produce high-quality steel with near-zero carbon emissions.[10] DRI is produced from very high grade magnetite concentrates such as those planned to be produced at Razorback.[6]

In July last year, Magnetite Mines announced that it had signed a non-binding Heads of Agreement (HoA) with JFE Shoji Australia Pty Ltd (JFE) for funding towards the Project's Definitive Feasibility Study (DFS) in exchange for future DR-grade concentrate production offtake.[1]

About JFE Shoji Corporation

JFE Shoji Corporation is the core trading company of the broader group company JFE Holdings. Centred on steel products, the company handles a broad range of goods, from raw materials for steel to foods and electronics and conducts business globally through a comprehensive supply chain that covers both domestic and international markets.

As announced on 8 July 2024, the binding transaction contemplated by the HoA includes the following proposed elements, subject to the negotiation and execution of a Definitive Agreement:[1]

1. **Funding**

   JFE will provide funding to MGT for the completion a Definitive Feasibility Study (DFS), commencing immediately upon execution of the Definitive Agreement.

2. **Offtake rights**

   In exchange for the funding, JFE will earn offtake rights for the delivery of "DR-grade" magnetite concentrate production for up to 10% of planned Project Stage 1 production, i.e. up to 500ktpa, for a 15-year period commencing in year 3 of operations, on commercial terms to be negotiated and included in the Definitive Agreement.

3. **Conversion to participating interest**

   Subject to agreement between JFE and MGT on the terms of such a conversion, JFE has the right to convert the value of its offtake agreement into a participating interest in the Razorback Project or MGT, at the election of JFE.

4. **Future funding**

   Subject to the findings of the DFS, MGT and JFE shall discuss in good faith the basis on which JFE may participate in a joint venture (or other investment vehicle) with MGT to realise the Razorback Project.

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Since signing the HoA, JFE have undertaken in depth technical and commercial due diligence on the Project, following which the two parties have engaged in commercial negotiations for a potential binding transaction with the aim of signing Definitive Agreements enabling the commencement of funding.

Recently, several additional parties have expressed interest in investing in the Project and have undertaken technical due diligence and site visits accordingly. The Company entered commercial negotiations with one of the incoming parties with the intention that the combined investment by both parties will provide all the funding required to bring the Project to a Final Investment Decision (FID), should a transaction be agreed.

To support these ongoing negotiations, the HoA between Magnetite Mines and JFE has been extended to 31 December 2025 to provide additional time for the potential transaction agreements to be finalised.

The Company will provide further updates to the market as strategic partner milestones are achieved.

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Mineral Resource Estimate Update

Figure 1. Outcropping magnetite ore at the Razorback Iron Ore Project.

During the quarter, the Company updated the Razorback Iron Ore Project's Mineral Resource Estimate (MRE).[3]

The driver for the MRE update was the adoption of an 8% estimated Davis Tube Recovery (eDTR) cut-off grade for the estimation to the MRE with the methodology used for the Probable Ore Reserve calculations prepared by AMC Consultants. This replaces the previous 11% cut-off used for the Razorback MRE and reflects updated economic assumptions, including revised cost inputs and market conditions.[3, 4, 11]

The Razorback Project Probable Ore Reserve remains unchanged from that announced to the ASX on 9 June 2023.[4] The geological models and estimation methods for the Razorback and Iron Peak deposits have not been modified, only the cut-off grade used for MRE reporting has been updated to provide consistency across the MRE and the Probable Ore Reserve.[3, 4]

As a result of this update, the Razorback Iron Ore Project MRE has increased from approx. 3.2 to approx. 3.8 billion tonnes (see Table 1) and increases the Company's Global Mineral Resources in the Braemar Iron Region from approx. 6.0 to approx. 6.6 billion tonnes (Indicated and Inferred classification). The updated MRE has been reported in accordance with the JORC (2012) Code.[3]

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

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

Material changes: *Magnetite Mines confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of Ore Reserves[11], that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.*

Saline Water Metallurgical Testwork

The Company advanced its proprietary saline water flotation technology during the period through a targeted metallurgical test program evaluating the performance of its proprietary saline water flotation flowsheet across multiple domains of the Razorback deposit.

The test program built on encouraging saline water results achieved from an Iron Peak composite announced on 22 July 2024.[6] Subsequent to the results of the Iron Peak testwork, the Company filed a Provisional Patent Application in Australia for its proprietary saline water flotation method, enabling the production of Direct Reduction (DR) grade iron ore concentrates suitable for green iron production, using saline (sea) water, as announced on 2 April 2025.[7]

The test program completed during this reporting period aimed to assess DR-grade concentrate potential using both fresh water and saline water options for flotation processing on three different composite samples from the Razorback deposit with the results providing further evidence of the

Razorback deposit's capacity to produce premium-grade iron ore concentrates from a significant portion of the current Mineral Resource.[3,12]

Existing Razorback drill core samples from Razorback Central, Razorback East and material from the adit spoil (excavated material from a horizontal tunnel through the deposit) were used to generate three composite samples representing three separate mining areas within the Razorback deposit mine plan (Figure 2).

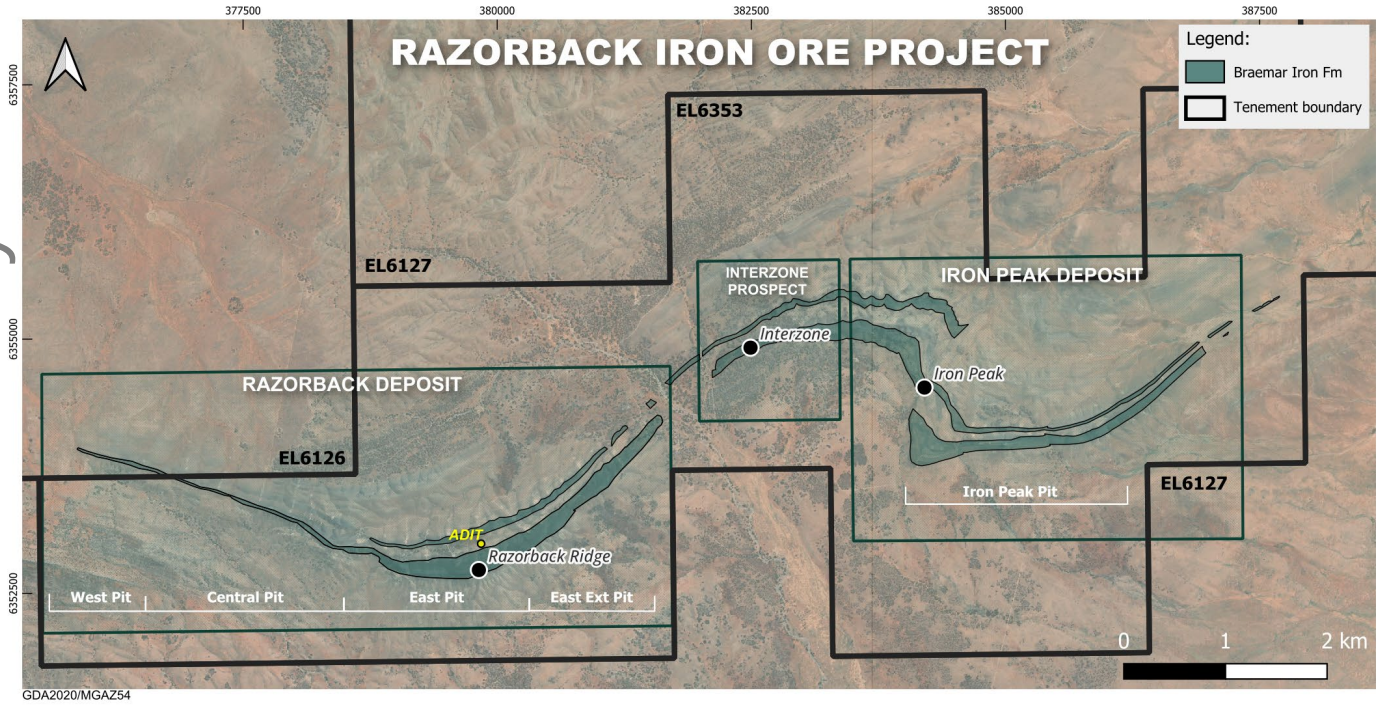

Figure 2. Map of the Razorback Iron Ore Project area with deposits and proposed mine pit stages.

Samples were retrieved from Magnetite Mine's core storage facility in Adelaide and submitted to Bureau Veritas (BV) laboratories in Adelaide where they were subjected to composite preparation and bench scale testwork aligned with the Project's proposed process flowsheet to produce a concentrate.

Each composite underwent crushing, grinding, magnetic separation and flotation tests to simulate the process flowsheet planned for the Project. The final process stream samples generated by the flotation tests were then analysed, with the results presented here conducted at grind sizes of 80% passing 35µm.

Flotation was conducted using conventional freshwater conditions and, in parallel, using saline water via Magnetite Mines' proprietary method. Given the confidential nature of the intellectual property associated with the Company's proprietary process technique (provisional patent pending), details of this portion of the testwork are not included in this summary.[7]

Sample analysis included head, tail and concentrate assays along with mineralogical assessment using XRD and QEMSCAN techniques.

The tests were conducted by grinding the composite samples to a particle size distribution of 80% passing 35*µ*m, reflecting the proposed process flowsheet design, with results summarised in Table 3:

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Table 3. Razorback testwork results

	DR-Grade Quality Spec[A]		Razorback Central	Razorback East	Adit sample[B]
	Practical Limit (%)	*Preferred Limit (%)*			
Fresh water					
Concentrate Iron (% Fe)	*66.0 min*	*67.0 min*	70.4	68.8	69.8
Concentrate major impurities (% SiO_2 + Al_2O_3)	*3.5 max*	*2.0 max*	1.33	2.68	2.62
Saline water					
Concentrate Iron (% Fe)	*66.0 min*	*67.0 min*	68.0	66.6	67.3
Concentrate major impurities (% SiO_2 + Al_2O_3)	*3.5 max*	*2.0 max*	4.24	5.98	5.27

DISCLAIMERS

Early-Stage Results: *These metallurgical testwork results are based on early-stage, bench-scale testing of selected composite samples and should not be considered representative of the entire Mineral Resource. While the results are encouraging, further testwork, including variability analysis and economic evaluation, is required to determine how these results relate to the broader deposit. As such, the potential economic implications of these results have not yet been assessed in sufficient detail to support any modification of the existing Mineral Resource or Ore Reserve estimates, nor to draw definitive conclusions regarding future economic viability.*

Materiality of results: *While the metallurgical testwork program remains at an early stage, the Company considers these results to be material on the basis that they:*

- *further support the potential to produce premium DR-grade iron ore concentrates from the Razorback deposit;*
- *demonstrate progress in validating saline water processing, with potentially important environmental and permitting implications for the Project; and*
- *provide additional confidence in the current process flowsheet and DR-grade product strategy, which are considered relevant to investors given the Project's alignment with the global transition to low-emission steel production and its associated supply chain.*

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 the market announcement dated 22 July 2024 and, in the case of estimates of Mineral Resources*[3] *or Ore Reserves*[4]*, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.*

A. DR-grade specification thresholds can vary dependent on customer requirements. For this exercise, a DR-grade specification provided by MIDREX (largest global DRI equipment EOM) has been used.[13]
B. The "Adit" sample was collected from a bulk sample stockpile at that Razorback Project site that was produced from a horizontal tunnel excavation (adit) carried out by the SA Geological Survey in the 1960s.

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The production target referred to in this announcement is based on Razorback Project Economics and Ore Reserves Statement as announced to the ASX on 9 June 2023.[4] The Company confirms that all material assumptions underpinning the production target in that announcement continue to apply and have not materially changed.

The test results indicate that further development and optimisation of the saline water flotation process is required to consistently meet and exceed the necessary concentrate thresholds for the DR concentrate market across all ore types using saline water.

To further assess the capability of individual Razorback Project ore-types (lithological domains) to produce DR-grade concentrates with a high level of granularity, an additional metallurgical variability program has been designed for inclusion in planned future workstreams. The program will reflect the findings of this most recent testwork, and other development work undertaken for the saline water flotation process with the objective of proving the ability to use saline water across all of the Project's ore types for DR-grade concentrate production.

Until that is proven, the base case for the Razorback Project's development will remain fresh water, as contemplated in the Company's Mining Lease Proposal submitted to the SA Department for Energy and Mining in March this year.[1]

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SUSTAINABILITY

Approvals – Mining Lease Proposal (State Government)

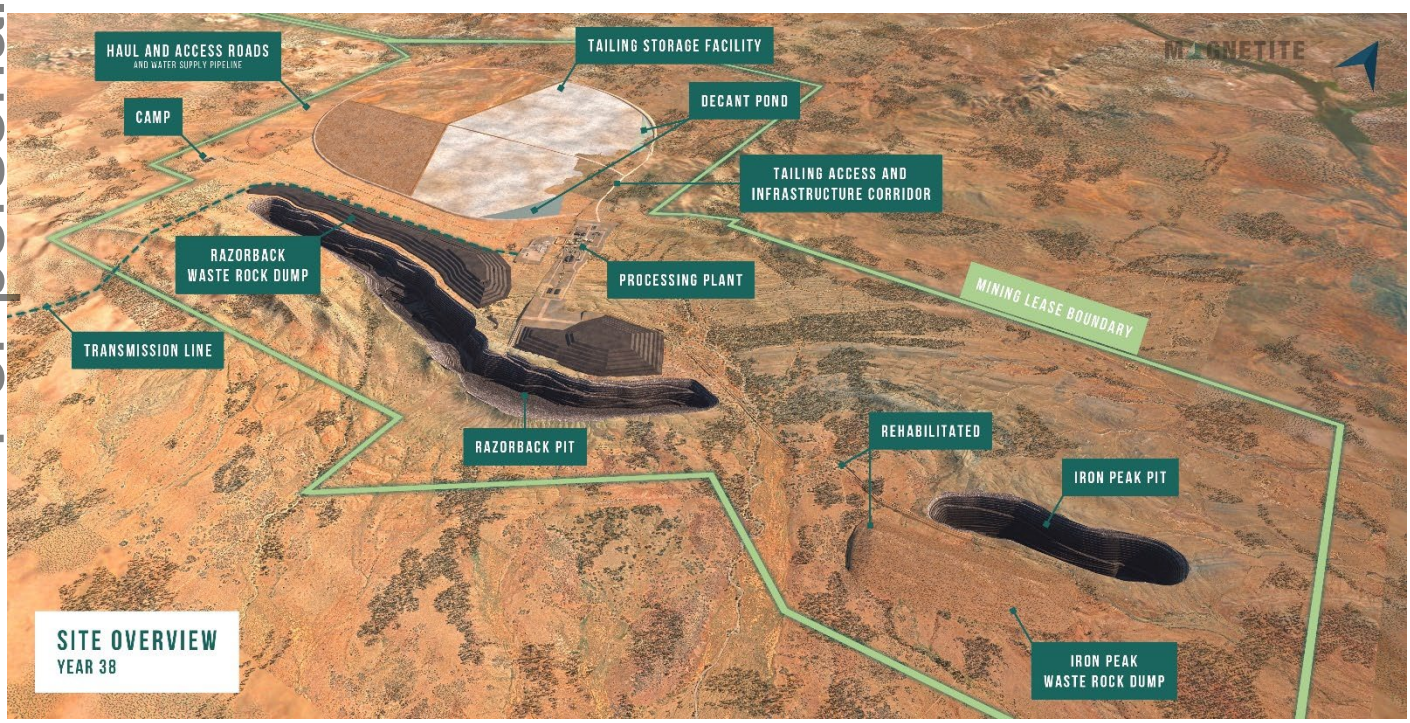

Figure 3. Artist's impression of future operations at Razorback showing MLP boundary.

Following the submission of the Razorback Project Mining Lease Proposal (MLP) in March 2025, the SA Department for Energy and Mining (DEM) commenced a validity assessment against the Project's Terms of Reference.[2]

The validity assessment is nearing completion, with no material issues advised to date. The Company has addressed a small number of minor administrative matters raised by DEM that largely relate to the SA Government's development of project maps, provision of cross-referencing support, and defining how the proposed new tenements will overlap with existing exploration licences.

Two final tenement overlap agreements are currently being negotiated with existing exploration licence holders to support the transmission line licence application. Once these agreements are executed, the MLP will progress to the next stage of the assessment process, which includes the statutory public consultation period and cross-government referral and assessment.

Land Access and Native Title

Land access negotiations with pastoral and private landowners continued in the quarter, with a focus on the access agreement supporting the development of the Iron Peak deposit and potential surrounding expansion options. Negotiations will continue in parallel to the MLP assessment phase.

Magnetite Mines continued its engagement with the Ngadjuri Nation Aboriginal Corporation under the guidance of the Walking Together – One Team Partnering Agreement.[14] Native title matters were an ongoing focus in the quarter, along with updates on the MLP development and assessment processes.

An inaugural meeting with the board representing the First Peoples of the River Murray and Mallee Region (FPRMMR) #2 claim area was held in May 2025. A project overview was provided, with a focus on the southern-most section of the transmission line that is located within the claim area. While it is noted that native title is not expected to exist in this area, Magnetite Mines looks forward to collaborating with the FPRMMR Board on matters such as cultural heritage management.

Advocacy – Yorke Peninsula and Mid North Regional Plan

In May 2025, Magnetite Mines made a submission to the Yorke Peninsula and Mid North Regional Plan consultation program administered by the SA Department for Housing and Urban Development. In its submission, the Company advocated for:

- the provision of appropriate zoning within the Peterborough township for housing growth and employment/commercial/industrial lands to support a future service mining services industry
- the allocation of land within Port Pirie as a State Significant Industry Employment Precinct that would serve as an intermodal/logistics or downstream iron processing hub
- the development of a planning framework for a Braemar infrastructure corridor that aligns to the recently-announced State Infrastructure Strategy recommendation to investigate Braemar water supply options
- the protection and expansion of zoning for port activities within Port Pirie
- inclusion of mining sector water use in regional water demand profiling and consideration of the Northern Water Project as a means for improved water security in the Mid North.

Encouragingly, interim reporting on the Regional Plan consultation process recently released by the SA Government[15], has acknowledged:

- the need for greater accessibility to housing and accommodation types in the region to support economic growth
- support for "the establishment and expansion of State Significant Industry Employment Precincts, with specific support for new hubs in Port Pirie and Peterborough linked to the green iron, copper, and critical minerals sectors"

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- strong support for Port Pirie to emerge as a "green iron and steel hub, including expanded port and freight infrastructure".

Magnetite Mines welcomes the advancement of the Yorke Peninsula and Mid North regional planning process, and the acknowledgement of key issues and opportunities that support the development of the Braemar Iron Province and the Razorback Project.

SA GOVERNMENT 'GREEN IRON OPPORTUNITY' EXPRESSION OF INTEREST PROCESS

In June last year, the South Australian government (SA Gov) launched its *'Green Iron and Steel Strategy'*,[16] which included a commitment to *'partner with industry to ensure a coordinated approach to capturing green iron opportunities'* and separately commenced a *'Green Iron Opportunity'* Expression of Interest (EOI) process, calling for submissions by 1 October 2024.[17]

In concert with these state government initiatives, Magnetite Mines formed a consortium, *'Green Iron SA'*, with leading logistics and engineering companies Flinders Ports, Aurizon and GHD.[18] Green Iron SA made a comprehensive EOI submission to SA Gov detailing a project plan to establish a green iron 'hub' at Port Pirie based on DR-grade magnetite concentrate production from the Razorback Project.

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Figure 4. Green iron hub site in Port Pirie proposed by Green Iron SA consortium.

The consortium followed up its submission with a series of meetings with the various SA Gov departments and minister's offices involved in the EOI process. In October last year, Magnetite Mines joined a trade mission to Japan and Korea with SA Trade Minister Hon Joe Szakacs to support the promotion of South Australia's green iron and steel opportunity with our key trading partners.[19]

In February 2025, SA Gov placed the Whyalla steelworks under administration due to concerns about underinvestment and the private owner's financial situation. This new situation has become a priority focus for the both the state and federal government, which announced a $2.4 billion bailout package for Whyalla and separately a *'Green Iron Investment Fund'* with $500 million available to projects outside of Whyalla.[20]

Magnetite Mines and Green Iron SA representatives continue to advocate for the establishment of a green iron hub at Port Pirie in line with its EOI submission and Green Iron SA representatives meet frequently with various SA Gov departments to discuss support for the project plan.

CORPORATE

Funding – C/M Partners Funding Facility

On 13 January 2025, the Company announced it had secured up to $7.0 million in funding through an unsecured Convertible Notes facility with US-based fund manager C/M Capital Partners, LP (C/M Capital).[21]

During the quarter, the Company received a total of $1.041 million in funding under this facility in two tranches (tranches 3 and 4):

Third funding tranche

On 19 May 2025, C/M Capital provided $0.75 million in funding by way of Convertible Notes with a face value of $0.81 million. Upon closing of this tranche, C/M Capital was issued 2,881,548 unquoted options with an exercise price of $0.1301 each, expiring on 19 May 2028. These options represent 50% of the third funding tranche amount and carry an exercise price equal to 120% of the 15-day VWAP immediately prior to funding.

Fourth funding tranche

On 30 June 2025, C/M Capital provided a further $0.291 million in funding by way of Convertible Notes with a face value of $0.314 million. Upon closing of this tranche, C/M Capital was issued 1,200,495 unquoted options with an exercise price of $0.1212 each, expiring on 30 June 2028. These options represent 50% of the fourth funding tranche amount and carry an exercise price equal to 120% of the 15-day VWAP immediately prior to funding.

Subsequent potential funding tranches

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 $3.46 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.

Extraordinary General Meeting of Shareholders (EGM)

On 17 July 2025, the Company announced it will hold an Extraordinary General Meeting of Shareholders at 10:00 am (ACST) on 15 August 2025 at Lot 30, Level 8, 30 Currie Street, Adelaide, South Australia. The meeting will consider funding-related resolutions set out in the Notice of Meeting and Explanatory Memorandum released to the ASX on 17 July 2025 and dispatched to shareholders.[22]

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Related party transactions

During the quarter, the Company made cash payments totalling $175k to related parties. These payments comprised salary-related payments to the Managing Director and directors' fees paid to Non-Executive Directors.

For the quarter ended 30 June 2025, the Company issued an aggregate of 319,094 fully paid ordinary shares to Non-Executive Chair Mr Paul White (or his associates) and Non-Executive Director Mr Simon Wandke in lieu of a combined $32.5k in directors' fees for the period from 1 April 2025 to 30 June 2025. The number of shares issued was determined by dividing the foregone fees by the Company's average daily Volume Weighted Average Price (VWAP) on the ASX over the relevant period of $0.1019, subject to a minimum average VWAP threshold of $0.08. This followed the decision by Mr White and Mr Wandke 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), an arrangement approved by shareholders at the Extraordinary General Meeting held on 5 March 2025.[23]

Investor Relations

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

- Ausbiz The Drill – '*Australia's Mining Future*' – April 2, 2025
- SA Annual State Budget Lunch – June 6, 2025
- Launch of South Australia's Trade and Investment Strategy to 2030 – July 3, 2025
- 2025 APAC Steel & Iron Ore Industry Conference – July 7-9, 2025
- TACTIC Conference & Trade Expo – July 29-30, 2025

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 $0.37 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 reflect Magnetite Mines' ongoing commitment to aligning the Razorback Project development with government priorities aimed at fostering sustainable industry growth.

Tenement holdings

During the reporting period, the Company undertook a partial surrender of Exploration Licences EL6878 and EL6877. This action was carried out in accordance with statutory and administrative requirements. The areas relinquished were assessed to be of low prospectivity and are not considered material to the Company's exploration strategy. Importantly, all primary and prospective ground within these tenements has been retained, ensuring continuity of the Company's core exploration objectives. The following tenements were held by Magnetite Mines Limited (and its controlled entities) as of 30 June 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. ASX:MGT 08/07/24 Heads of Agreement with JFE Shoji Australia Pty.
2. ASX:MGT 30/06/25 Razorback Project Update
3. ASX:MGT 30/06/25 Razorback Iron Ore Project 2025 Mineral Resource Update
4. ASX:MGT 09/06/23 Iron Peak Deposit Maiden Ore Reserve
5. ASX:MGT 26/03/25 Razorback Project Mining Lease Proposal Lodged
6. ASX:MGT 22/07/24 Green Iron grade concentrates produced using saline water
7. ASX:MGT 02/04/25 Saline water Provisional Patent submitted
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9. Nippon Steel Corp. News Release Decision is Made to Invest in the Conversion from the Blast Furnace Steelmaking
10. Journal Article Green steel: technologies enabling decarbonization from mine to steel (2024)
11. ASX:MGT 09/02/23 Iron Peak Mineral Resource Significantly Improved
12. ASX:MGT 29/04/25 Third Quarter Activities report
13. MIDREX Article Direct from MIDREX 4th Quarter 2019
14. ASX:MGT 21/12/23 Historic Partnering Agreement Signed with Ngadjuri Nation
15. SA Gov Release Yorke Peninsula and Mid North | PlanSA
16. SA Gov Release South Australia's Green Iron and Steel Strategy | Dept. for Energy and Mining
17. SA Gov Release South Australia's Green Iron Opportunity, Expression of Interest | Dept. for Energy and Mining
18. ASX:MGT 22/10/24 Green Iron SA consortium launches to spearhead South Australia's Green Iron revolution
19. ASX:MGT 30/01/25 Second Quarter Activities Report
20. Fed Gov Release New fund will position Australia at the centre of the global green iron market | Dept. of Industry, Science and Resources
21. ASX:MGT 13/01/25 Magnetite Mines Secures up to $7m Funding
22. ASX:MGT 17/07/25 Notice Of Extraordinary General Meeting
23. ASX:MGT 05/03/25 Results of Extraordinary General Meeting

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Appendix 5B

Mining exploration entity quarterly cash flow report

Name of entity

MAGNETITE MINES LIMITED

ABN	Quarter ended ("current quarter")
34 108 102 432	30 June 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 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	(210)	(1,757)
	(e) administration and corporate costs	(357)	(1,303)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	56
1.5	Interest and other costs of finance paid	(8)	(28)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	170
1.8	Other (fuel tax credit, royalty income)	-	7
1.9	**Net cash from / (used in) operating activities**	**(569)**	**(2,855)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(2)	(15)
	(d) exploration & evaluation	(366)	(3,179)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	1	1
	(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**	**(367)**	**(3,091)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	8	3,576
3.2	Proceeds from issue of convertible debt securities	1,041	3,541
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(52)	(682)
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)	(54)	(216)
3.10	**Net cash from / (used in) financing activities**	**943**	**6,219**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**1,479**	**1,213**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(569)	(2,855)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(367)	(3,091)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	943	6,219

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,486**	**1,486**

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	1,481	1,474
5.2	Call deposits	5	5
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)**	**1,486**	**1,479**

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	175
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.
- On 19 May 2025, Convertible Notes with a face value of $0.81 million were issued, maturing on 19 May 2028 (third tranche).
- On 30 June 2025, Convertible Notes with a face value of $0.314 million were issued, maturing on 30 June 2028 (fourth tranche).
- Subject to mutual agreement and necessary approvals, C/M Capital may provide up to an additional $3.46 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 were issued on 7 March 2025. On closing of the third tranche on 19 May 2025, 2,881,548 unquoted options were issued with an exercise price of $0.1301, expiring on 19 May 2028, and on closing of the fourth tranche on 30 June 2025, 1,200,495 unquoted options were issued with an exercise price of $0.1212, expiring on 30 June 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)	(569)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(366)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(935)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,486
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,486
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.59

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. Additional funding of $0.75 million (face value $0.81 million) on 19 May 2025, and $0.29 million (face value $0.314 million) on 30 June 2025 was provided by C/M Capital under the Company's existing placement capacity. 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 $3.46 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.

On 17 July 2025, the Company announced it will hold an Extraordinary General Meeting of Shareholders on 15 August 2025 to refresh the Company's placement capacity and obtain shareholder approval for the issue of Convertible Loan Notes or shares to raise up to $3.5 million. The Directors remain confident, based on past performance, that the Company will successfully raise further funds through equity, project sell-down, or debt to fund the Group's planned expenditure.

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: 30 July 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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