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MAGNETITE MINES

Magnetite Mines Limited
ACN 108 102 432

PROSPECTUS

This Prospectus relates to:

- the offer of up to 40,852,578 Shares and up to 40,852,578 Options to Eligible Shareholders under a pro rata renounceable rights issue, representing an offer of 1 New Share for every 3 Shares held on the Record Date at an issue price of $0.065 per New Share, together with 1 free attaching Option for every 1 New Share subscribed under the Rights Issue, to raise up to approximately $2.65 million;
- the Shortfall Offer described in Section 3.2; and
- the offer of up to 1,327,709 Options to the lead manager of the Offers.

The Rights Issue is partially underwritten to an amount of $500,000.

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

THIS PROSPECTUS IS NOT FOR RELEASE TO US WIRE SERVICES OR FOR DISTRIBUTION IN THE UNITED STATES

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Important Notice

Prospectus

This Prospectus is issued by Magnetite Mines Limited ACN 108 102 432 (**Magnetite Mines** or **Company**) and relates to:

- the offer of up to 40,852,578 Shares and up to 40,852,578 Options to Eligible Shareholders under a pro rata renounceable rights issue, representing 1 New Share for every 3 Shares held on the Record Date at an issue price of $0.065 per New Share, together with 1 free attaching Option for every 1 New Share subscribed under the Rights Issue;
- the Shortfall Offer described in Section 3.2,

(together, the **Offers**); and

- the offer of up to 1,327,709 Options to the lead manager of the Offers.

This Prospectus is dated 15 August 2025 and was lodged with ASIC and ASX on that date. This is a replacement prospectus which replaces the prospectus dated 8 August 2025 and which was lodged with ASIC and ASX on that date (**Original Prospectus**).

This replacement prospectus has been issued by the Company to add additional disclosure for investors with respect to:

- a further breakdown of the use of the working capital that some of the funds raised under the Offers will be used for – see the Use of Funds table in section 4.1
- the insertion of a pro forma statement of financial position – see section 4.5 and the Annexure

None of ASIC and ASX, or their respective officers, take responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares or Options may be issued on the basis of this Prospectus later than 13 months after the date of the Original Prospectus.

The Company has applied to ASX for Official Quotation of the New Shares and Options offered pursuant to this Prospectus within 7 days of the date of the Original Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. New Shares and Options allotted and issued pursuant to this Prospectus will be allotted and issued on the terms and conditions set out in this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities, including options to acquire continuously quoted securities (as defined in the Corporations Act), and has been prepared in accordance with section 713 of the Corporations Act. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all information that is generally required to be included in a document of this type. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

No representation other than in this Prospectus

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

Prospectus does not contain investment advice

The information provided in this Prospectus is not investment advice and it has been prepared without taking into account your investment objectives, financial situation or particular circumstances. It is important that you read and consider the information in this Prospectus in full before deciding to apply for New Shares and/or Options and consider the risks that could affect the performance of the New Shares and Options as set out in Section 7 of this Prospectus.

If you are in any doubt about whether to participate in the Offers, you should seek advice from your financial, taxation or other professional adviser before participating.

Accessing the Prospectus and an Application Form

With respect to the Rights Issue, this Prospectus will be issued in electronic format only.

A copy of this Prospectus and a personalised Application Form will be available from the opening date of the Rights Issue, expected to be 15 August 2025, by logging in to the offer website at www.computersharecas.com.au/mgtoffer. Prior to that date a copy of the Prospectus (with no personalised Application Form) is available for viewing at the Company's website www.magnetitemines.com or from the ASX website, www.asx.com.au (ASX ticker code: MGT).

If you access a copy of this Prospectus electronically you should ensure that you read the entire Prospectus before making any Application.

Eligible Shareholders will only be able to accept the Offers by completing the personalised Application Form which accompanies this Prospectus at www.computersharecas.com.au/mgtoffer, and by making payment using BPAY® (refer to Section 3.6 of this Prospectus for further information) or, for New Zealand residents only, by electronic funds transfer (refer to Section 3.7 of this Prospectus for further information).

Only the Lead Manager can apply for the Lead Manager Options.

The Company reserves the right not to accept an Application Form from a person that is not eligible to participate in a particular offer being made under this Prospectus or if it has reason to believe that when that person was given access to the Application Form, a copy of the electronic Prospectus together with any relevant supplementary or replacement prospectus was not made available, or any of those documents were incomplete or altered.

Key risks

Potential investors should be aware that subscribing for New Shares and/or Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares and Options in the future. Investors should consider consulting their professional advisers before deciding whether to apply for New Shares or Options under this Prospectus.

Website

No document or information on the Company's website is incorporated by reference into this Prospectus.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of the Options to be issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (https://magnetitemines.com) and accompanying the electronic Prospectus at www.computersharecas.com.au/mgtoffer. By completing an Application Form under the Offers, the applicant warrants that they have read and understood the TMD and that they fall within the target market set out in the TMD.

Privacy

The Company collects information about each applicant provided on an Application Form for the purposes of processing the application, and, if the application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Registry, the Company's related bodies corporate, agents, contractors and third-party service providers (including mailing houses), the ASX, the ASIC and other regulatory authorities.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1900* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

If an Applicant becomes a securityholder of the Company, the Corporations Act requires the Company to include information about the security holder (including name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your application. An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under the law. A fee may be charged for access. Access requests must be made in writing to the Company's registered offices.

Rounding

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

Definitions

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion. Please refer to the Glossary in Section 9 of this Prospectus for a list of defined terms.

Restrictions of foreign jurisdictions

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, or to issue this Prospectus.

No action has been taken to register or qualify the New Shares or Options being offered under the Offers or otherwise permit a public offering of the New Shares or Options in any jurisdiction other than Australia and New Zealand. This Prospectus may not be distributed to or relied on by persons outside Australia or New Zealand.

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This Prospectus may not be released or distributed in the United States or to any person acting for the account or benefit of a person in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be unlawful. The New Shares and Options to be offered and sold under the Rights Issue have not been, and will not be, registered under the US Securities Act, or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares and Options may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the US Securities Act (which Magnetite Mines has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable US securities laws.

THIS PROSPECTUS IS NOT FOR RELEASE TO US WIRE SERVICES OR FOR DISTRIBUTION IN THE UNITED STATES.

Shareholders resident in New Zealand

The New Shares and Options offered under the Offers are not being offered or sold to the public in New Zealand other than to Eligible Shareholders to whom the offer of New Shares and Options under the Offers is being made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.*

This document has not been registered, filed or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Financial information and forward-looking statements

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

Taxation implications

The Directors do not consider it appropriate to provide Eligible Shareholders advice regarding the taxation consequences of applying for New Shares or Options under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any taxation consequences to you. As a result, you should consult your own professional tax adviser in connection with applying for New Shares or Options under this Prospectus.

Enquiries

If you have any questions in relation to how to participate in the Rights Issue after reading this Prospectus, please call the Magnetite Mines Offer Information Line on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia), or consult your stockbroker, accountant or other professional adviser. The Magnetite Mines Offer Information Line will be open from 8.30am to 5.00pm (Sydney time), Monday to Friday, until the Closing Date.

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1 Letter from the Chair

MAGNETITE MINES

8 August 2025

Dear Shareholder,

Magnetite Mines Limited – pro rata renounceable rights issue

On behalf of the Directors of Magnetite Mines Limited (**Magnetite Mines** or **Company**) and in accordance with the terms of this Prospectus, I would like to invite Eligible Shareholders to participate in a pro rata renounceable rights issue of one New Share for every three Shares held on the Record Date at an issue price of $0.065 per New Share, together with one free attaching Option for every one New Share subscribed for (**Rights Issue**). Each Option issued under the Rights Issue will be issued with an exercise price of $0.12 and will be exercisable on or before the date that is two and half years after the date of issue of the Option. The Company will apply for quotation of the Options on ASX meaning that, subject to ASX approving quotation, they will be tradeable following their issue.

Eligible Shareholders will also have the ability to apply for additional New Shares, together with free attaching Options under the Shortfall Offer. The Shortfall Offer comprises an offer of New Shares, together with free attaching Options as described above, that were not subscribed for by Eligible Shareholders under the Rights Issue.

The issue price of the New Shares represents a 25% discount to the closing price of the Shares on 7 August 2025, the last day on which the Shares traded on ASX before the announcement of the Capital Raising, and a 30% discount to the 90-day volume-weighted average price (VWAP) of the Shares traded on ASX up to and including that date. The Rights Issue and the Shortfall Offer allow Eligible Shareholders to subscribe for New Shares, together with attaching Options, without incurring brokerage or transaction costs, and to participate in the future growth of the Company.

The Rights Issue is renounceable, meaning that Eligible Shareholders are able to renounce their rights and seek to trade those rights on ASX during the Rights Trading Period commencing on 12 August 2025 and ending on 22 August 2025.

The Company believes that a Rights Issue is a fair and appropriate capital raising approach, as it allows all Eligible Shareholders to participate in this fundraising in proportion to their holdings and potentially trade their Rights Issue entitlement if they elect not to participate for some or all of their New Shares, noting that the Company cannot guarantee that there will be any market or value in trading the rights.

Eligible Shareholders may apply for New Shares under the Rights Issue from 15 August 2025 by accessing a copy of this Prospectus by logging in to www.computersharecas.com.au/mgtoffer and accessing a personalised Application Form and paying the subscription amount for New Shares by BPay® or, if you are a resident of New Zealand, by electronic funds transfer.

The Rights Issue aims to raise up to approximately $2.65 million and is partially underwritten to an amount of $500,000 by Mahe Capital. All of the Directors of Magnetite Mines will be participating in the Offer.

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Background to the Rights Issue

Magnetite Mines is committed to developing the Razorback iron ore project (the **Razorback Project**) with the intent of attracting and securing suitable strategic and offtake partners in exchange for funding support to enable the completion of a Definitive Feasibility Study (**DFS**) for the Razorback Project, and the opportunity to become a future joint venture partner in the Razorback Project.

Over the past year, our Company has made important progress in advancing the Razorback Project with a number of critical project milestones achieved.

- **Strategic Partnering**
  In July 2024, Magnetite Mines signed a non-binding Heads of Agreement with JFE Shoji Australia Pty Ltd (JFE), part of the JFE Group that includes JFE Steel, Japan's second-largest steelmaker (JFE Agreement). The JFE Agreement sets a framework to secure funding towards the completion of a DFS in exchange for production offtake and JV rights. In parallel, commercial discussions have progressed with other potential strategic partners, with JFE indicating a preference to participate as a co-investor. The JFE Agreement was recently extended to 31 December 2025.

- **Mining Lease Proposal submitted**
  In March 2025, the Company submitted a comprehensive Mining Lease Proposal (**MLP**) to the South Australian Department for Energy and Mining. The MLP seeks approval for the establishment of mining and processing operations at Razorback and is progressing through formal assessment. Land access negotiations are also advancing in parallel, with three tenement consent agreements signed with underlying tenement holders and binding land access secured for the Razorback Project's Hillgrange Intermodal Hub.

- **Razorback Project water supply options refined**
  The base case water supply option for the Razorback Project is to use fresh water via a coastal desalination plant and pipeline to site. This configuration is referenced in the Company's MLP submission and included in the Razorback Project's financial modelling. Testwork using saline water completed in 2024 demonstrated the possibility of using seawater to process ore, a breakthrough with the potential to reduce both costs and environmental impact. A provisional patent for this proprietary processing method was lodged in April 2025, and further optimisation is underway.

- **Green Iron SA consortium formed**
  In October 2024, Green Iron SA, a consortium comprising Magnetite Mines along with leading infrastructure and engineering firms Aurizon Holdings, Flinders Port Holdings and, GHD, was established. Green Iron SA submitted a well-received Expression of Interest (EOI) to the South Australian Government outlining a plan to establish a Green Iron production hub in Port Pirie using Razorback magnetite as feedstock. 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.

- **Razorback Project Mineral Resource Estimate increased**
  In June 2025, the Company announced a revised Mineral Resource Estimate (**MRE**) for Razorback, increasing from approximately 3.2 to 3.8 billion tonnes. The Global Mineral Resource across all Company projects now stands at approximately 6.6 billion tonnes.

Further funding is now required to progress the development of the Razorback Project, provide time to complete strategic partnering discussions, assess the gold and critical mineral potential of the Company's tenements, and for general working capital to sustain the Company's operations.

Uses of capital raised from the Rights Issue

In addition to working capital requirements, the Company has four clear priorities for the funding proceeds (net of costs) from the Rights Issue:

1. seeking to complete a binding transaction with strategic partners (JFE and potentially others) to secure DFS funding;

2. supporting the assessment of the Razorback Project's MLP with the South Australia Department of Energy and Mining and continuation of land access negotiations;

3. completing further de-risking studies with a focus on firming the design, capital and operating cost estimates for the Razorback Project's water supply; and

4. assessing the Company's South Australian tenement portfolio for gold and critical mineral potential, guided by historical open file exploration data and in response to favourable market conditions for these commodities. [1]

Eligibility to participate in the Rights Issue

Participation in the Rights Issue is open to Shareholders who, at 7.00pm (Sydney time) on 15 August 2025, are entered in Magnetite Mines' share register as a holder of Shares and whose address in Magnetite Mines' share register is in Australia or New Zealand, and who are not in the United States or acting for the account or benefit of persons in the United States.

The Rights Issue is expected to open on 15 August 2025 and will close at 5.00pm (Sydney time) on 29 August 2025 (unless extended).

Further information and risks

This Prospectus contains further information about the Rights Issue, including its terms and conditions, which set out the criteria for determining eligibility for participation, as well as the rules relating to applications for New Shares and Options under the Rights Issue. The Board recommends that you read this Prospectus in full, and in conjunction with Magnetite Mines' continuous disclosure notices on the ASX (available online at www.asx.com.au, using ASX ticker code MGT), including the ASX announcement and Investor Presentation lodged alongside the announcement of this Rights Issue.

Before deciding whether or not to participate in the Rights Issue, Shareholders should carefully read the risks set out in Section 7 of this Prospectus. There is also a risk that the market price of the Company's Shares may rise or fall between the date of this Prospectus and the time of issue of the New Shares. This means that the price you pay for the New Shares issued to you may be less than, or more than, the market price of the Company's Shares during this period.

If you have any questions relating to your participation in the Rights Issue after reading this Prospectus, please call the Magnetite Mines Offer Information Line on 1300 850 505 (from within Australia) or +61 3 9415 4000(from outside Australia), or consult your stockbroker, accountant or other professional financial adviser. The Magnetite Mines Offer Information Line will be open from 8.30am to 5.00pm (Sydney time), Monday to Friday, until the Closing Date.

This capital raising marks an important step in supporting the Company's strategy to become a leading global supplier of premium iron ore products, unlock broader exploration potential, and deliver long-term value to shareholders.

On behalf of the Board, I invite you to consider this opportunity and thank you for your continued support of Magnetite Mines.

Yours faithfully

Paul White
Chair of the Board
Magnetite Mines Limited

[1] It should be noted that this work is preliminary and conceptual in nature, and the Company has not yet verified the historical data. Results from this work, if material, will be reported in accordance with the JORC Code (2012) and ASX Listing Rules 5.7 and 5.12. There has been insufficient exploration to estimate a Mineral Resource, and it is uncertain whether further exploration will result in the estimation of a Mineral Resource.

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2 Timetable and Summary of Offers

2.1 Timetable

Event	Date
Announcement of Rights Issue and Lodgment of Original Prospectus with ASIC and ASX	Friday, 8 August
Ex-date for Rights Issue Unless otherwise determined by ASX, rights trading commences on a deferred settlement basis	Tuesday, 12 August
Record date for determining Rights (**Record Date**)	7.00pm Wednesday, 13 August
Prospectus and personalised Application Form made available at www.computersharecas.com.au/mgtoffer Rights Issue opens (**Opening Date**)	Friday, 15 August
Rights trading ends at ASX market close	Friday, 22 August
Unless otherwise determined by ASX, New Shares and attaching Options quoted on a deferred settlement basis	Monday, 25 August
Last day to extend the offer closing date	Tuesday, 26 August
Rights Issue closes (**Closing Date**)	5.00pm on Friday, 29 August
Announcement of results and shortfall (if any) under the Rights Issue	Friday, 5 September
Issue and allotment of New Shares and Options	Before Noon Friday, 5 September
Commencement of trading of New Shares and Options on ASX on a normal settlement basis Dispatch of holding statements	Monday, 8 September
Last date to issue Shortfall Shares (see Section 3.2)	29 November 2025

*** These dates are indicative only and are subject to change. Magnetite Mines, reserves the right, subject to the Corporations Act and the ASX Listing Rules, to amend this indicative timetable by sending a revised timetable to ASX. In particular, Magnetite Mines reserves the right to extend the Closing Date, accept late applications under the Rights Issue (either generally or in particular cases), and to withdraw or vary the Rights Issue without prior notice. Any extension of the closing date will have a consequential effect on the date for the allotment and issue of Shares and Options. All times are to Sydney, Australia time.*

**** The issue of the Lead Manager Options remains subject to Shareholder approval at the Company's forthcoming Annual General Meeting, and if approved by Shareholders, the Lead Manager Options will be issued to the Lead Manager within one week of the close of the Annual General Meeting.*

2.2 Investment overview and summary of Offers

You should read this Section in conjunction with the details of the Offers set out in Section 3 of this Prospectus.

Key Offer details	Summary	Further information
Rights Issue	The Rights Issue is being made as a pro rata renounceable entitlement offer to acquire 1 New Share for every 3 Shares held on the Record Date at an issue price of $0.065 per New Share, together with 1 free attaching Option for every 1 New Share subscribed, to raise up to approximately $2.65 million. Each Option will be issued with an exercise price of $0.12 and is exercisable on or before the date that is two and half years after the date of issue of the Options. Any fractional entitlements to New Shares or Options will be rounded down to the nearest whole number. The purpose of the Rights Issue and the intended use of the funds raised are set out in Section 4 of this Prospectus.	Section 3, Section 4
Purpose of the Rights Issue	The proceeds from the Rights Issue (net of costs of the Rights Issue) will be used for general working capital purposes and to: • seek completion of a binding transaction with strategic partners (JFE and potentially others) to secure DFS funding; • support the assessment of the Razorback Project's MLP with the South Australia Department of Energy and Mining and continuation of land access negotiations; • complete further de-risking studies with a focus on firming the design, capital and operating cost estimates for the Razorback Project's water supply; and • assess the Company's tenement portfolio for gold and critical mineral opportunities, guided by historical data.	Section 4.1
Eligible Shareholders of Rights Issue and Shortfall Offer	Eligible Shareholders are eligible to participate in the Rights Issue and Shortfall Offer, being shareholders who: (1) were a registered holder of Shares at 7.00pm (Sydney time) on the Record Date, being 13 August 2025; (2) have a registered address in either Australia or New Zealand; and (3) are not in the United States and are not acting for the account or benefit of a person in the United States.	Section 3.4

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Key Offer details	Summary	Further information
Rights Issue Price	The Rights Issue Price for the New Shares is $0.065 per New Share. The Rights Issue Price represents a 25% discount to the closing price of the Shares on 7 August 2025, the last day on which the Shares traded on ASX before the announcement of the Capital Raising, and a 30% discount to the 90 day VWAP of the Shares on ASX up to and including that date. There is a risk that the market price of the Shares may rise or fall between the date of this Prospectus and the time of issue of New Shares under the Rights Issue. This means that the price you pay for the New Shares issued to you may be less than, or more than, the market price of Shares at the date of this Prospectus or the time of issue. Your application is unconditional and may not be withdrawn even if the market price of Shares is less than the Rights Issue Price. The Options are offered to participants in the Rights Issue for nil consideration on the basis of 1 Option for every 1 New Share subscribed for under the Rights Issue.	Section 3.1
Shortfall Offer	The Shortfall Offer provides participants in the Rights Issue the opportunity to apply for additional New Shares, together with free attaching Options, that were not subscribed for by Eligible Shareholders under the Rights Issue. The New Shares, together with attaching Options, offered under the Shortfall Offer will be issued at the discretion of the Company and on the same terms and conditions (including Rights Issue Price) as the New Shares and attaching Options under the Rights Issue. If the New Shares are not fully subscribed by Eligible Shareholders under the Shortfall Offer, the Company reserves the right to place those New Shares (together with free attaching Options) within 3 months of the close of the Rights Issue to sophisticated or professional investors identified by the Company, subject to compliance with the ASX Listing Rules.	Section 3.2
Lead Manager Options	In consideration for services to be performed by the Lead Manager in connection with the Rights Issue, the Company has agreed to issue the Lead Manager one Option for every $2 raised under the Offers, and accordingly, subject to the final amount raised under the Offers, a total of up to 1,327,709 Options may be issued to the Lead Manager. The issue of the Lead Manager Options remains subject to the approval of Shareholders at the Company's forthcoming Annual General Meeting, expected to be held in November 2025. All of the Lead Manager Options are being issued to the Lead Manager on the same terms as the free attaching Options to be issued under the Rights Issue.	Section 3.3

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Key Offer details	Summary	Further information
Participation and key risks	If you are in any doubt as to what action you should take regarding the Offers, Magnetite Mines recommends you seek independent financial advice from your stockbroker, accountant or other professional adviser. Before making any application for New Shares and/or Options you should consider the key risks facing Magnetite Mines' business and the key risks of investing in Shares and Options that are set out in Section 7 of this Prospectus. Some of those key risks include: • future capital needs and additional funding • strategic partner risk • resource estimation risk • operating and project costs • commodity and price volatility and exchange rate risks • debt risk • specific risks relating to the Company's Razorback Project If you do not wish to participate in the Rights Issue, you need not take any further action.	Section 7
Rights Trading	The Rights Issue is renounceable which means that if you do not want to participate in the Rights Issue, or if you only wish to take up some of your Rights, provided your Shares are held on the CHESS sub-register, you may trade your remaining Rights on ASX by contacting an ASX market participant (your stockbroker). Rights trading is scheduled to commence on 12 August 2025 on a deferred settlement basis and will end on 22 August 2025. The Company does not guarantee that there will be any market or value in trading the Rights.	Section 3.1
How to apply under the Rights Issue and Shortfall Offer	You may apply for New Shares and Options under the Rights Issue and Shortfall Offer, by reviewing a copy of this Prospectus online at www.computersharecas.com.au/mgtoffer, and by following the directions on the Application Form and making payment directly from an Australian bank account by BPAY® or, if you are resident in New Zealand, by making payment by electronic funds transfer (EFT). Your payment must be received by the Registry prior to the close of the Offers at 5.00pm (Sydney time) on 29 August 2025 (unless extended).	Sections 3.5, 3.6 and 3.7
Rights and liabilities attached to New Shares	New Shares issued under the Offers will rank equally with all other Shares on issue.	Section 5

Key Offer details	Summary	Further information
	Details on the rights and liabilities attaching to Shares (including the New Shares) is set out in Section 5 of this Prospectus.	
Rights and liabilities attached to Options	Options to be issued under this Prospectus have the rights and liabilities set out in Section 6. The Company will seek quotation of the Options on ASX.	Section 6
Is the Rights Issue underwritten?	The Rights Issue is partially underwritten to an amount of $500,000 by Mahe Capital, meaning that if Eligible Shareholders subscribe for an amount less than $500,000, Mahe Capital has agreed to subscribe for New Shares and attaching Options equal to the shortfall below $500,000. A summary of the material terms of the underwriting agreement between the Company and Mahe Capital are set out in Section 8.8.	Section 3.13 and Section 8.8
Issue of Shares and Options	The New Shares and attaching Options offered under the Rights Issue and Shortfall Offer are expected to be issued on or around 5 September 2025. Holding statements for the New Shares and Options issued on or around 5 September 2025 are expected to be despatched to participants on or around 8 September 2025.	Section 3.15
How will the Offers impact existing securities on issue?	Assuming the Rights Issue is fully subscribed, following completion of the Rights Issue, the Company will have a total of 163,410,313 Shares, 21,880,819 unquoted Options, 57,491,986 quoted Options and 3,474,280 convertible notes on issue. Assuming the Lead Manager Options are issued following Shareholder approval obtained at the Company's forthcoming Annual General Meeting, the number of quoted Options will increase by up to 1,327,709.	Section 4.3
What will be the effect of the Offers on control of the Company?	The effect of the Offers on control of the Company will vary with the level of Rights taken up by Eligible Shareholders and the number of Shortfall Shares acquired or placed in the Shortfall Offer. No Shareholder is expected to, and no Shareholder will be entitled to, increase their voting power to an amount greater than 19.9% as a result of the Offers.	Section 4.4
What is the effect of the Offers on the financial position of the Company?	If fully subscribed, the financial effect of the Offers on the Company will be to increase the Company's cash reserves by a maximum of approximately $2.65 million (based on full subscription but subject to the rounding of fractional entitlements to New Shares), before deducting the costs of the Offers. A pro forma statement of financial position of the Company showing the effect of the Offers on the Company is set out in the Annexure to this Prospectus.	Section 4.2, Section 4.5 and Annexure

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Key Offer details	Summary	Further information
More information	If you have any questions in relation to how to participate in the Offers, please contact the Magnetite Mines Offer Information Line on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia), or consult your stockbroker, accountant or other professional adviser. The Magnetite Mines Offer Information Line will be open from 8.30am to 5.00pm (Sydney time), Monday to Friday, until the Closing Date. Alternatively, you can access a copy of this Prospectus online at www.computersharecas.com.au/mgtoffer. If you have any questions in relation to whether an investment in Magnetite Mines through the Rights Issue and Shortfall Offer is appropriate for you, please contact your stockbroker, accountant or other professional adviser.	

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3 Details of the Offers

3.1 Rights Issue

The Rights Issue is being made as a pro rata renounceable rights issue to existing Shareholders of 1 New Share for every 3 Shares held on the Record Date at an issue price of $0.065, together with 1 free attaching Option for every 1 New Share subscribed for, to raise up to approximately $2.65 million (subject to the rounding of fractions and entitlements to New Shares).

Each Option will be issued with an exercise price of $0.12 and is exercisable on or before the date that is two and half years after the date of issue of the Options.

Any fractional entitlements to New Shares or Options will be rounded down to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, up to 40,852,578 New Shares and up to 40,852,578 free attaching Options will be issued pursuant to the Rights Issue.

All of the New Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5 for further information regarding the rights and liabilities attaching to the Shares.

All of the Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6. All Shares issued on conversion of the Options will rank equally with the Shares on issue at the date of this Prospectus.

If all of the Options issued under the Rights Issue are exercised in due course, the Company will receive approximately $4.9 million in additional funds. However, the exercise of Options is entirely at the discretion of the holder and is likely to depend on the share price of the Company prior to the expiry date of the Options.

The purpose of the Rights Issue and the intended use of funds raised are set out in Section 4.1.

The Rights Issue is renounceable which means that if you do not want to participate in the Rights Issue, or if you only wish to take up some of your Rights, provided you hold your Shares on the CHESS sub-register you may trade your remaining Rights on ASX by contacting an ASX market participant (your stockbroker). Rights trading is scheduled to commence on 12 August 2025 on a deferred settlement basis and will end on 22 August 2025. The Company does not guarantee that there will be any market or value in trading the rights. It is the responsibility of purchasers of Rights to inform themselves of the eligibility criteria for the exercise of the Rights. If holders of Rights after the end of the Rights Trading Period do not meet the eligibility criteria, they will not be able to exercise the Rights.

3.2 Shortfall Offer

Any New Shares and attaching Options not taken up pursuant to the Rights Issue (including any Rights of Ineligible Shareholders not able to be sold by the Company's nominee) will form the Shortfall Offer (**Shortfall Shares**). The Shortfall Offer is a separate offer made pursuant to this Prospectus.

The Shortfall Shares will first be made available for subscription to Eligible Shareholders. If all Shortfall Shares are not subscribed for by Eligible Shareholders the Company reserves the right to place those Shares (together with free attaching Options) to investors within three months following the Closing Date, subject to compliance with the ASX Listing Rules. The terms and conditions (including the issue price and free attaching Options) under the Shortfall Offer are the same as those for the Rights Issue.

All decisions regarding the allocation of Shortfall Shares will be made by the Board and will be final and binding on all Applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Shares applied for will be issued.

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The Company will have no liability to any Applicant who receives less than the number of Shortfall Shares that they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Shares under the Shortfall Offer any Application Monies will be returned to the Applicant (without interest) as soon as practicable.

3.3 Lead Manager Options

In consideration for services to be performed by the Lead Manager in connection with the Rights Issue, the Company has agreed to issue the Lead Manager one Option for every $2 raised under the Offers, and accordingly subject to the Offers being fully subscribed a total of up to 1,327,709 Options may be issued to the Lead Manager. The number of Lead Manager Options that will be issued to the Lead Manager is entirely dependent on the amount raised under the Offers, with such number being exactly half of the total amount raised under the Offers (being both the Rights Issue and the Shortfall Offer), rounded up to the nearest Lead Manager Option.

The issue of the Lead Manager Options remains subject to the approval of Shareholders at the Company's forthcoming Annual General Meeting, expected to be held in November 2025.

All of the Lead Manager Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6. All Shares issued on conversion of the Lead Manager Options will rank equally with the Shares on issue at the date of this Prospectus.

If all of the Lead Manager Options are exercised, in due course the Company will receive up to approximately $160,000 in additional funds. However, the exercise of the Lead Manager Options is entirely at the discretion of the holder and is likely to depend on the share price of the Company prior to the expiry date of the Lead Manager Options.

The Lead Manager will be contacted directly by the Company with respect to its subscription for the Lead Manager Options.

If Shareholders approve the issue of the Lead Manager Options they will be issued to the Lead Manager within one week of the Annual General Meeting. If Shareholders do not approve the issue of the Lead Manager Options at the Annual General Meeting, the Company will (at its election) and subject to compliance with applicable law, pay to the Lead Manager the equivalent value of the Lead Manager Options in cash (**Lead Manager Options Cash Value**), or issue to the Lead Manager (or its nominees) Shares with the same value as the Lead Manager Options Cash Value (**Lead Manager Shares**) at the price that is the lower of the Rights Issue Price and the closing price of the Shares on the day before the issue of the Lead Manager Shares. The Lead Manager Options Cash Value will be calculated by using the Black & Scholes option valuation formula.

The Lead Manager is a 'sophisticated investor' under section 708(8) of the Corporations Act and, as such, no Target Market Determination is required in connection with the offer of the Lead Manager Options, and their subsequent issue (subject to Shareholder approval).

3.4 Eligibility for Rights Issue and Shortfall Offer

Rights Issue

Only Eligible Shareholders may participate in the Rights Issue.

'Eligible Shareholders' for the purpose of the Rights Issue are Shareholders who:

(a) are a registered holder of Shares at 7.00pm (Sydney time) on the Record Date, being 13 August 2025;

(b) have a registered address in either Australia or New Zealand; and

(c) are not in the United States and are not acting for the account or benefit of a person in the United States.

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The Company has determined that due to the low number of overseas shareholders and the cost of complying with regulatory requirements the Rights Issue will not be made available to Shareholders who are residents in jurisdictions outside Australia and New Zealand. Accordingly, the Rights Issue is not made to Shareholders with a registered address outside of Australia and New Zealand, or that are in the United States or are acting for the account or benefit of a person in the United States, and accordingly those Shareholders may not participate (**Ineligible Shareholders**).

For the purposes of ASX Listing Rule 7.7.1(c), the Company has appointed the Underwriter as its nominee to arrange for the sale of the Ineligible Shareholders' Rights and to account to them for the net proceeds of the sale (if any). There is no guarantee that there will be any value or market for the Rights, or that the Underwriter will be able to trade them on ASX. If any proceeds of sale are realised they will be distributed to the Ineligible Shareholders for whose benefit the Rights have been sold in proportion to their shareholdings as at the Record Date (after deduction of the costs of sale).

Participation in the Rights Issue is optional and is subject to the terms and conditions set out in this Prospectus.

Shortfall Offer

The Shortfall Offer will initially only be extended to Eligible Shareholders who make an application for their full entitlement under the Rights Issue.

To apply for Shortfall Shares under the Shortfall Offer, follow the instructions set out in Section 3.5 below.

Participation in the Shortfall Offer is optional and is subject to the terms and conditions set out in this Prospectus.

If Eligible Shareholders do not subscribe for all Shortfall Shares available under the Shortfall Offer, the Board reserves the right to place the balance of the Shortfall Shares (together with attaching Options) to sophisticated or professional investors within three months of the Closing Date, subject to compliance with the ASX Listing Rules. Any such offer will not count towards the Company's placement capacity under ASX Listing Rule 7.1 or ASX Listing Rule 7.1A.

3.5 What Eligible Shareholders may do

The number of New Shares to which Eligible Shareholders are entitled is shown on each personalised Application Form which can be accessed on the application website at www.computersharecas.com.au/mgtoffer (**Offer Website**) once a copy of this Prospectus has been downloaded and reviewed.

Eligible Shareholders may choose to do any of the following:

(a) ***if you wish to accept and take up all of your Rights:***

(i) complete the Application Form at the Offer Website for all of your Rights; and

(ii) make payment by BPAY® or, if you are resident in New Zealand, EFT, in Australian currency, for the appropriate Application Monies by following the instructions in Sections 3.6 or 3.7 below; or

(b) ***if you wish to accept and take up all of your Rights and also apply for Shares under the Shortfall Offer:***

(i) complete the Application Form at the Offer Website for all of your Rights and the number of Shortfall Shares you wish to apply for; and

(ii) make payment by BPAY® or, if you are resident in New Zealand, EFT, in Australian currency, for the appropriate Application Monies by following the instructions in Sections 3.6 or 3.7 below; or

(c) ***if you wish only to accept and take up part of your Rights:***

(i) complete the Application Form at the Offer Website for the number of Rights you wish to take up; and

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(ii) make payment by BPAY® or, if you are a resident of New Zealand, EFT, in Australian currency, for the appropriate Application Monies by following the instructions in Sections 3.6 or 3.7 below; or

(d) ***if you do not wish to accept and take up any of your Rights, and you wish to sell all of your Rights:***

(i) if you hold your Shares on the CHESS sub-register you may trade your Rights on ASX by contacting your ASX market participant (your stockbroker) and instructing them to sell your Rights; or

(ii) if you hold your Shares on the issuer sponsored sub-register, you must renounce and transfer your Rights to another person by contacting the Registry on the Magnetite Mines Information Line and obtaining a Renunciation Form, completing that Renunciation Form and sending it to the Registry before the Closing Date; or

(e) ***if you wish to accept part of your Rights and sell the balance:***

(i) for the Rights that you wish to accept, complete the Application Form at the Offer Website for the number of Rights you wish to take up and make payment by BPAY® or, if you are resident in New Zealand, EFT, in Australian currency, for the appropriate Application Monies by following the instructions in Sections 3.6 or 3.7 below;

(ii) for the Rights that you wish to sell, follow the instructions in paragraph (d) above;

(f) ***if you do not wish to accept and take up all or part of your Rights***, and you do not wish to sell any of your Rights, you are not obliged to do anything and your Rights will lapse.

3.6 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

(a) by paying the Application Monies you will be taken to have made the declarations on the Application Form;

(b) if you do not pay for your Rights in full, you are deemed to have taken up your Rights in respect of such whole number of New Shares which is covered in full by your Application Monies; and

(c) if you pay for more than your Rights in full, you are deemed to have taken up your Rights in respect of such whole number of New Shares which is covered by your Application Monies plus as many Shortfall Shares as your Application Monies will pay for in full.

You must quote your unique customer reference number as your payment reference/description when processing your BPAY® payment. If you have more than one shareholding and consequently receive more than one invitation to apply for New Shares, when taking up your Rights in respect of one of those shareholdings only use the unique customer reference number specific to that shareholding as set out in the applicable Application Form. Do not use the same customer reference number for more than one of your shareholdings. Failure to do any of this may result in your funds not being allocated to your application and New Shares and attaching Options subsequently not being issued to you.

It is your responsibility to ensure that your BPAY® payment is received by the Registry by no later than 5.00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application Monies received for more than your final allocation of New Shares (only where the amount is $1.00 or greater) will be refunded. No interest will be paid on any Application Monies received or refunded.

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3.7 Payment by Electronic Funds Transfer (EFT) – New Zealand residents only

For New Zealand residents, you may pay by EFT, by following the instructions on the Application Form. Please note that should you choose to pay by EFT:

(a) by paying the Application Monies you will be taken to have made the declarations on the Application Form;

(b) if you do not pay for your Rights in full, you are deemed to have taken up your Rights in respect of such whole number of New Shares which is covered in full by your Application Monies; and

(c) if you pay for more than your Rights in full, you are deemed to have taken up your Rights in respect of such whole number of New Shares which is covered by your Application Monies plus as many Shortfall Shares as your Application Monies will pay for in full.

You must quote your unique customer reference number as your payment reference/description when processing your EFT payment. If you have more than one shareholding and consequently receive more than one invitation to apply for New Shares, when taking up your Rights in respect of one of those shareholdings only use the unique customer reference number specific to that shareholding as set out in the applicable Application Form. Do not use the same customer reference number for more than one of your shareholdings. Failure to do any of this may result in your funds not being allocated to your application and New Shares and attaching Options subsequently not being issued to you.

It is your responsibility to ensure that your EFT payment is received by the Registry by no later than 5.00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application Monies received for more than your final allocation of Shares (only where the amount is $1.00 or greater) will be refunded. No interest will be paid on any Application Monies received or refunded.

3.8 Application for Shortfall Shares

To apply for Shortfall Shares under the Shortfall Offer, follow the instructions set out in the Application Form and pay the Application Monies in accordance with Section 3.5(b) above.

You may apply for as many New Shares as you wish under the Shortfall Offer regardless of the size of your present shareholding, however the Company retains absolute discretion with respect to allocations of New Shares under the Shortfall Offer, including to ensure compliance with any legal requirements.

If you pay for more than your Rights in full, you are deemed to have taken up your Rights in respect of such whole number of New Shares which is covered by your Application Monies plus as many Shortfall Shares as your Application Monies will pay for in full.

3.9 Consequences of completing an Application Form

By completing an Application Form or paying any Application Monies, you will be taken to have acknowledged and represented to the Company and the Underwriter that:

(a) you are bound by the terms of the Offers and this Prospectus;

(b) you have reviewed a copy of this Prospectus and the accompanying Application Form and read them both in their entirety;

(c) the Application Form may not be varied or withdrawn by you except as required by law;

(d) the Application Form does not need to be signed to be a valid application and the Directors' decision on whether to treat an acceptance as valid and how to construe, amend or complete the Application Form is final;

(e) you are eligible to be offered the New Shares and/or Options in accordance with all applicable laws, and any acceptance by you on your own behalf or in respect of any person for which you are acting complies with all applicable law;

(f) the New Shares and Options have not, and will not be, registered under the securities laws in any jurisdiction outside Australia and New Zealand and accordingly, the New Shares and Options may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws, in particular the US Securities Act;

(g) you authorise the Company and its respective officers or agents to do anything on your behalf necessary for the New Shares and Options to be issued to you, including to act on instructions of the Registry and use any contact details set out in the Application Form or held on record by the Registry; and

(h) you agree to be bound by the provisions of the Constitution (as amended and as it may be amended from time to time in the future), and the terms and conditions of the issue of the Options set out in Section 6.

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3.10 Privacy policy

Chapter 2C of the Corporations Act requires information about a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder.

Magnetite Mines and the Registry may collect personal information to process your application, implement the Offers and administer your holding of Shares. The personal information contained in the share register is also used to facilitate payments and corporate communications (including financial results), annual reports and other information to be communicated to holders of Shares, and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.

Your personal information may be disclosed to joint investors, the Registry, securities brokers, third party service providers (including print and mail service providers, technology providers and professional advisers), related entities of Magnetite Mines and its agents and contractors, and the ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.

Computershare's privacy policy is available on their website: https://www.computershare.com/au/privacy-policies.

3.11 Costs of participation in the Rights Issue

Magnetite Mines will not charge any brokerage, commissions or other transaction costs in respect of the application for, and allotment of, New Shares and/or Options to be issued under this Prospectus.

3.12 No minimum subscription and oversubscription under Rights Issue

There is no minimum subscription under the Rights Issue.

If the Company receives Applications for an amount that exceeds the full subscription amount under the Offers, the Company reserves the right to use its available placement capacity under Chapter 7 of the ASX Listing Rules to accept those Applications and to issue additional New Shares and attaching Options on the same terms as the Offers. Any such issue of additional New Shares and attaching Options will be made under, and in accordance with, this Prospectus.

3.13 Underwriting of Rights Issue

The Rights Issue is partially underwritten to an amount of $500,000 by Mahe Capital.

Accordingly, if following the Closing Date Eligible Shareholders have not subscribed for New Shares under the Rights Issue with a value of at least $500,000, under the terms of the Underwriting Agreement, and subject to the conditions set out in the Underwriting Agreement, the Underwriter will be required to take up rights and subscribe for New Shares and attaching Options with a total aggregate subscription price equal to the shortfall under $500,000.

A summary of the material terms of the underwriting agreement are set out in Section 8.8.

3.14 ASX quotation

An application for Official Quotation of the New Shares and Options offered pursuant to this Prospectus has been made to ASX within 7 days after the date of the Original Prospectus.

If ASX does not grant Official Quotation of the New Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by ASIC), the Company will not issue any New Shares (or attaching Options) and it will refund all Application Monies received under the Offers within the time prescribed under the Corporations Act, without interest.

If the Company does not receive sufficient Applications to meet the requirements for Official Quotation of a second class of securities (being the Options) under the ASX Listing Rules, or ASX does not grant Official Quotation of the Options offered pursuant to this Prospectus under the Offers before the expiration of 3 months after the date of issue of the Prospectus (or such other period as varied by ASIC), the Company will not issue any Options in connection with the Offers and it will refund all Application Monies received for the Options (which will be $nil as there is no consideration payable with respect to the issue of the Options) within the time prescribed under the Corporations Act, without interest, however the Company may continue with the issue of New Shares under the Offers without the Options, or may, subject to compliance with applicable law, issue Options that are not quoted on ASX.

The fact that ASX may grant Official Quotation to the New Shares and the Options is not to be taken in any way as an indication of the merits of the Company or the New Shares or Options offered under this Prospectus.

3.15 Issue of New Shares (and Options) under Offers

New Shares, and attaching Options issued pursuant to the Offers under this Prospectus are expected to be issued on or around 5 September 2025 in accordance with the ASX Listing Rules.

Holding statements for the New Shares and/or Options issued on or around 8 September 2025 will be mailed to successful Applicants in accordance with the ASX Listing Rules as soon as practicable after their issue.

3.16 Overseas Shareholders

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of New Shares and Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended, and the New Shares and/or Options will not be issued to, any Shareholders with a registered address which is outside Australia or New Zealand, including in a circumstance where a person outside Australia or New Zealand acquires Rights through trading on ASX.

The New Shares and attaching Options under the Offers are not being offered or sold to the public in New Zealand other than to Eligible Shareholders to whom the offer of New Shares and attaching Options under the Offers are able to be made in reliance on the *Financial Markets*

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Conduct Act 2013 and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.*

This document has not been registered, filed or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

3.17 Beneficial holders, nominees, trustees and custodians

The foreign selling restrictions under the Offers summarised in Section 3.16 above apply to the underlying beneficial holder. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons whose registered address is not in Australia or New Zealand are responsible for ensuring that applying for New Shares does not breach securities laws in relevant overseas jurisdictions.

Nominees and custodians that hold Shares should note that the Offers are only available to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial holder of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offers is compatible with applicable foreign laws and the rules outlined in Section 3.16 above.

3.18 Inconsistency

The terms and conditions of the Offers set out in this Prospectus prevail to the extent of any inconsistency with the Application Form.

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4 Purpose and effect of the Capital Raising

4.1 Purpose of the Capital Raising and use of funds

The Company is committed to developing its 100%-owned Razorback Project located in South Australia's Braemar Iron Formation with the intended strategy of attracting suitable strategic and offtake partners willing to provide funding support for the completion of the Razorback Project's Definitive Feasibility Study (**DFS**), and to become future joint venture partners in the Razorback Project.

Additionally, in light of favourable market pricing conditions for other commodities, the Company intends to assess its current expansive tenement position in South Australia for the presence of gold, copper and other critical minerals prospectivity.

Razorback Project progress

The Razorback Project is set to become a major mine in South Australia, potentially underpinning the development of a new green iron production and export industry with significant economic benefits to both the South Australian and Australian economies, as well as producing an export commodity that is forecast to be sought after by our key trading partners. The global steel industry has committed to decarbonise steelmaking and the timing of Razorback's development is in line with the forecast increase in demand for premium-quality magnetite concentrates required to produce green iron and steel.

Stage 1 operations are being designed to produce 5Mtpa of magnetite concentrates, expandable to 10Mtpa.

Building on the work already undertaken, the Company has made important progress with a number of critical project milestones achieved:

1. **Strategic Heads of Agreement with major Japanese steelmaking group to deliver the funding required to reach a Final Investment Decision (FID).**

   - On 8 July 2024, the Company announced the signing of a Heads of Agreement with JFE Shoji Australia Pty Ltd, (**JFE**), a subsidiary of JFE Holdings, which incorporates JFE Steel, Japan's second largest steel maker (JFE Agreement). The JFE Agreement sets the framework for potential funding of the work required to progress the Razorback Project to FID, including contributing to the completion of a DFS, in exchange for Razorback Project offtake rights.
   - In parallel, Magnetite Mines engaged in commercial negotiations with other potential strategic partners for a potential binding transaction to provide funding for working capital, further de-risking studies and contribution to the completion of a DFS.
   - During the subsequent technical and commercial due diligence period, and in light of the additional interest in the Razorback Project from other potential strategic partners, JFE expressed their preference to share the investment in the Razorback Project via co-investment with one or more other potential strategic partners.
   - The Company and JFE subsequently extended the JFE Agreement to 31 December 2025, on the same terms, to provide additional time for the Company to engage in transactional discussions and negotiations with other strategic partners.

2. **Mining Lease Proposal submitted for assessment with South Australian Government.**

   - On 26 March 2025, the Company lodged a Mining Lease Proposal (MLP) with the South Australian Department for Energy & Mining (DEM), compiled in accordance with the State's *Mining Act 1971* (Mining Act). The MLP represents a formal application by the Company for the granting of a Mining Lease (ML) that will provide secure tenure for the establishment of mining and processing operations at the Company's Razorback Project.
   - The MLP also includes consideration of Federal Government matters under the *Environment Protection and Biodiversity Conservation Act 1993*, with no standalone environmental impact assessment required.

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- The MLP is currently being assessed by DEM and to date no material issues have been identified.
- Negotiation of land access agreements is occurring in parallel to MLP assessment, with three tenement consent agreements signed with underlying tenement holders and binding land access secured for the Razorback Project's Hillgrange Intermodal Hub.

3. Razorback Project water supply options refined with coastal desalination as the base case and the potential to use a proprietary saline water processing method, developed by the Company, undergoing further assessment

- The base case water supply for the Razorback Project, referenced in the MLP submission and included in the Razorback Project's financial modelling, is to use a standalone desalination plant located at the coast on the Upper Spencer Gulf, with pumping stations and buried pipeline to transport fresh water to the Razorback site. This option provides long term surety of water supply with very low technical risk.
- On 22 July 2024, the Company announced pioneering laboratory test results demonstrating the potential to produce 'Green Iron' feed grade magnetite concentrates largely using saline water (seawater) from a composite sample of Iron Peak deposit ore. This breakthrough testwork revealed a promising pathway for a simpler and lower-cost water solution for the Razorback Project, potentially reducing the need for fresh water and the capital and operating costs associated with a large desalination plant.
- On 2 April 2025, the Company announced the submission of a provisional patent for its proprietary saline water processing technology.
- On 30 June 2025, the Company announced further saline water testwork on Razorback deposit sample which revealed that further flotation chemistry optimisation is required for the Razorback deposit to achieve the same level of performance as observed for the Iron Peak deposit.

4. Green Iron SA consortium formed with a plan to establish a green iron hub in Port Pirie

- On 20 June 2024, the South Australian Government launched a Green Iron Expression of Interest (EOI) process to assess the de-risking requirements that would incentivise private investment in a Green Iron production plant in the Upper Spencer Gulf by 2030. This initiative signals priority interest and intent by the South Australian Government to collaborate with industry and other stakeholders in the establishment of a major new Green Iron industry.
- On 22 October 2024, the Company announced the establishment of a new consortium called Green Iron SA. The consortium is comprised of Magnetite Mines, Aurizon Holdings, Flinders Port Holdings, and GHD. Green Iron SA made a comprehensive EOI submission to the Department for Energy and Mining, which was highly regarded. Green Iron SA's submission provided a detailed plan to establish a Green Iron hub in Port Pirie with the supply of magnetite concentrates from the Razorback Project
- The Company and its consortium partners continue to engage closely with the South Australian government as the foundations are prepared for a new green iron industry in South Australia.

5. Razorback Project Mineral Resource Estimate increased

- On 30 June 2025, the Company announced an updated Mineral Resource Estimate (MRE) for the Razorback Project, reflecting the alignment of the cut-off grade methodology used for the MRE with that used for the Probable Ore Reserve calculation. This update, completed in consultation with Widenbar Associates and reviewed by AMC Consultants, provides a consistent and robust basis for evaluating mine planning and project economics ahead of DFS commencement.
- As a result of this revision, the Razorback Mineral Resource increased from approx. 3.2 billion tonnes to approx. 3.8 billion tonnes and the Company's Global Mineral Resource (including Razorback, Iron Peak, and Muster Dam) increased from approx. 6.0 billion tonnes to approx. 6.6 billion tonnes, all reported in accordance with the JORC Code (2012)

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as Indicated and Inferred Resources. Refer to ASX announcement 'Razorback Iron Ore Project 2025 Mineral Resources Update' dated 30 June 2025[2].

Exploration of other minerals

Magnetite Mines holds over 2,500km^2 of mineral exploration tenements in South Australia and, as well as hosting the Company's vast iron ore Mineral Resources, the tenements could potentially be prospective for other minerals.

In response to recent increases in market spot prices for gold and silver, and favourable demand outlooks for copper and other critical minerals, the Company intends to undertake an early-stage appraisal of its South Australian tenement holdings, initially by re-assaying archived samples from previous Magnetite Mines drilling programmes and reviewing open-file data available on the South Australian governments open-access "SARIG" platform.

Results from this work, if material, will be reported in accordance with the JORC Code (2012) and ASX Listing Rules 5.7 and 5.12. The planned work is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain whether further exploration will result in the estimation of a Mineral Resource.

Use of capital raised

In addition to general working capital requirements, and building on the progress made, the Company has four clear priorities for the funding proceeds (net of costs) from the Offers:

1. seeking to complete a binding transaction with strategic partners (JFE and potentially others) to secure DFS funding;

2. support the assessment of the Razorback Project's MLP with the South Australia Department of Energy and Mining and continuation of land access negotiations;

3. complete further de-risking studies with a focus on firming the design, capital and operating cost estimates for the Razorback Project's water supply; and

4. assess the Company's South Australian tenement portfolio for gold and critical mineral potential, guided by historical open file exploration data and in response to favourable market conditions for these commodities.[3]

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[2] ASX Announcement: Razorback Iron Ore Project 2025 Mineral Resource Update
[3] It should be noted that this work is preliminary and conceptual in nature, and the Company has not yet verified the historical data. Results from this work, if material, will be reported in accordance with the JORC Code (2012) and ASX Listing Rules 5.7 and 5.12. There has been insufficient exploration to estimate a Mineral Resource, and it is uncertain whether further exploration will result in the estimation of a Mineral Resource.

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Item	Allocation if $0.5 million raised under Rights Issue and Shortfall Offer (A$'000)	Allocation if $1.5 million raised under Rights Issue and Shortfall Offer (A$'000)	Allocation if Rights Issue and Shortfall Offer fully subscribed ($2.65 million) (A$'000)
Support Mining Lease Proposal assessment / land access	$50	$100	$200
Water derisking studies	$50	$300	$600
Tenement prospectivity assessment for gold, copper, REE	$0	$100	$200
Anticipated costs to complete binding agreements with strategic partners	$100	$250	$250
Working capital	$195	$575	$1,155
Expenses of the Offers	$105	$175	$250
Total	**$500**	**$1,500**	**$2,655**

Notes:

All amounts are in A$'000 (thousands).

The use of proceeds table above is a statement of the proposed application of the funds to be raised under the Offers as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions. The Company reserves the right to vary the way the funds that are raised are applied.

General working capital includes amounts for ongoing corporate administration and operating costs (including directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs).

The estimated expenses of the Offers includes legal, ASX and Registry costs in connection with the Offers.

4.2 Effect of the Offers

The principal effect of the Offers will be to:

- increase the cash reserves of the Company by, at a minimum $500,000 (assuming the conditions under the Underwriting Agreement are satisfied and the Underwriting Agreement is not terminated) and up to a maximum of approximately $2.65 million (based on full subscription but subject to the rounding of fractional entitlements to New Shares), before deducting the costs of the Capital Raising;
- increase the number of Shares on issue as shown in Section 4.3 below; and
- assuming the Offers are fully subscribed, increase the number of Options on issue as shown in Section 4.3 below (subject to ASX approval of Official Quotation of the Options to be issued under the Offers).

The Company's prevailing cash position can be reviewed via the quarterly Appendix 5B's the Company lodges with ASX.

4.3 Effect on the Company's capital structure

The effect of the Capital Raising on the capital structure of Magnetite Mines, based on $500,000 (underwritten amount), $1.5 million and up to approximately $2.65 million (full subscription but

subject to the rounding of fractional entitlements to New Shares) being raised under the Capital Raising is set out below.

Shares and Options	Number (if $0.5 million raised under Rights Issue and Shortfall Offer)	Number (if $1.5 million raised under Rights Issue and Shortfall Offer)	Number (if Rights Issue and Shortfall Offer fully subscribed)
Shares currently on issue	122,557,735	122,557,735	122,557,735
New Shares to be issued pursuant to the Rights Issue (including the Shortfall Offer)	7,692,307	23,076,923	40,852,578
Total Shares	**130,250,042**	**145,634,658**	**163,410,313**
Quoted options currently on issue (ASX: MGTOA)	16,639,408	16,639,408	16,639,408
Unquoted options currently on issue	21,880,819	21,880,819	21,880,819
Convertible Loan Notes (maximum number of Shares to be issued if converted)	43,428,500	43,428,500	43,428,500
Options to be issued pursuant to Rights Issue	7,692,307	23,076,923	40,852,578
Lead Manager Options	250,000	750,000	1,327,709
Total share capital (on a fully diluted basis)	**220,141,076**	**251,410,308**	**287,539,327**

Notes:

Full subscription is subject to the rounding of fractional entitlements of New Shares.

As at the date of this Prospectus the Company has 16,639,408 quoted Options (MGTOA), 21,880,819 unquoted Options, and 3,474,280 Convertible loan notes on issue, as follows:

(a) 16,639,408 quoted options (ASX: MGTOA) with an exercise price of $0.30 each expiring on 2 October 2027;

(b) 286,071 unquoted options with an exercise price of $2.03 each expiring on 14 October 2025;

(c) 1,049,654 unquoted options with an exercise price of $1.39 each expiring on 1 December 2025;

(d) 600,000 unquoted options with an exercise price of $0.915 each expiring on 15 December 2025;

(e) 8,106,355 unquoted options with an exercise price of $0.1542 each expiring on 7 March 2028;

(f) 2,881,548 unquoted options with an exercise price of $0.1301 each expiring on 19 May 2028;

(g) 1,200,495 unquoted options with an exercise price of $0.1212 each expiring on 30 June 2028;

(h) 382,883 unquoted options with an exercise price of $1.34 each expiring on 1 December 2028;

(i) 167,940 unquoted options with an exercise price of $0.78 each expiring on 1 February 2029;

(j) 1,978,713 unquoted options with an exercise price of $0.556 each expiring on 5 December 2029;

(k) 5,227,160 unquoted options with an exercise price of $0.229 each expiring on 6 December 2030;

(l) 946,000 convertible notes with a face value of $1 each expiring 24 December 2027;

(m) 1,404,000 convertible notes with a face value of $1 each expiring 7 March 2027;

(n) 810,000 convertible notes with a face value of $1 each expiring 19 May 2027; and

(o) 314,280 convertible notes with a face value of $1 each expiring 25 June 2027.

Since the Rights Issue Price is below the current floor price of the exercise price of the Convertible Notes, in accordance with the terms of the Convertible Securities Agreements (**CSAs**) with associated entities of C/M Capital Partners, the Company has obtained the consent of the counterparties to proceeding with the Rights Issue. In consideration for the consent, the Company has agreed to investigate appropriate

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compensation for the counterparties to ensure that they are not disadvantaged by the Offers which, subject to compliance with regulatory requirements and any shareholder approval that may be required, may include revising the terms of the CSAs and/or an issue of further equity to the counterparties. Any resulting change in terms or increase in share capital or fully diluted share capital will be notified to ASX once agreed.

4.4 Effect on the control of the Company

As at the date of this Prospectus, the Company has not received any formal notification of any Shareholder having a substantial shareholding of more than 5% of the Company's issued share capital (although the Company is aware that Citicorp Nominees Pty Limited has an aggregate holding of approximately 13.39% on behalf of various underlying beneficial Shareholders, but none of whom themselves, as far as the Company is aware, hold more than 5% of the Company's issued share capital).

The potential effect that the Rights Issue will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand. However, given the structure of the Rights Issue (together with the Shortfall Offer), it is considered unlikely to have a material effect on the control of the Company.

The potential effect on control of the Offers is summarised below:

- in the likely event that some Eligible Shareholders do not take up all of their Rights under the Rights Issue, then the interests of those Eligible Shareholders in the Company will be diluted relative to those Eligible Shareholders who subscribe for their full Rights, or those Eligible Shareholders who take up their full Rights and subscribe for additional Shares under the Shortfall Offer;

- while Eligible Shareholders who take up all of their Rights can apply for such number of Shortfall Shares as they determine, the Company has discretion over allocations and it will look to disperse the Shortfall Shares in a manner which will ensure that no Eligible Shareholder affects the control of the Company and no holder increases their holding to an amount in excess of 19.9% (and the allocation policy under the Shortfall Offer will expressly prohibit such an occurrence);

- the Underwriter has agreed to underwrite the Offers up to an amount of $500,000, which may result in the Underwriter acquiring a maximum voting power in the Company of 4.7% if it subscribes for its full underwritten amount and the Rights Issue is fully subscribed, however it is expected that the Underwriter will appoint sub-underwriters meaning that the Underwriter is extremely unlikely to hold that percentage in that circumstance; and

- other than as noted above, given the structure of the Rights Issue as a pro rata issue and since the Offers are partially underwritten to $500,000, the Company does not otherwise expect that the Offers will have a material effect on the control of the Company or result in any shareholder increasing their holding to an amount in excess of 19.9%.

4.5 Financial effect of the Offers

A pro forma statement of financial position that shows the financial effect of the Rights Issue and the Shortfall Offer on the Company is set out in the Annexure (**Pro Forma Statement**).

The audited statement of financial position as at 30 June 2024 and the Company's reviewed statement of financial position as at 31 December 2024 have each been prepared on the basis of the accounting policies adopted by the Company as more fully disclosed in the Company's Annual Report for the financial year ended 30 June 2024.

The unaudited Pro Forma Statement as at 30 June 2025 has been prepared for illustrative purposes only using the Company's reviewed 31 December 2024 statement of financial position as the base and assuming the Offers are fully subscribed to raise $2.65 million (before costs). To the extent that the Company raises less than that amount, the cash balance of the Company will be reduced by the corresponding shortfall.

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The Pro Forma Statement has been prepared to provide investors with information on the assets and liabilities of the Company and the pro forma assets and liabilities of the Company as noted below. The historical financial information and the pro forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

The Options to be issued pursuant to the Rights Issue will be issued for nil consideration. Accordingly, there will be no immediate effect on the Company's financial position. However, capital will be raised if those Options are subsequently exercised. This will have a positive effect on the Company's balance sheet by raising current assets by a corresponding amount. However, the Company is not able to specify with any certainty the extent of any change to the statement of financial position given the uncertainty around the number of Options to be ultimately issued and whether and when (if at all) the Options may be exercised.

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5 Rights and Liabilities attaching to Shares

5.1 Introduction

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted, and continues to be admitted, to the Official List of the ASX.

5.2 Escrow restrictions

In the event that ASX determines that certain Shares should be classified as 'restricted securities', a Shareholder must not dispose of those restricted securities (and the Company must refuse to acknowledge a disposal) during the applicable escrow period, except as permitted by the ASX Listing Rules. Shareholders who hold restricted securities are taken to have agreed that the restricted securities are kept on the Company's issuer sponsored sub-register and to have a holding lock applied for the duration of the escrow period. Shareholders will not be entitled to participate in any return of capital on restricted securities during the escrow period except as permitted by the ASX Listing Rules.

5.3 Voting at a general meeting

The Company's Constitution requires the Company to decide resolutions at a general meeting on a show of hands unless a poll is demanded before a vote by show of hands is taken, or before or immediately after the declaration of the result of the show of hands by the chair of the general meeting, by at least five members present and entitled to vote on the relevant resolution or by any member or members present and entitled to vote on the relevant resolution representing at least 5% of the votes that may be cast on the resolution on a poll. In the case of an equality of votes upon any proposed resolution, the chair of the meeting does not have a second or casting vote and the proposed resolution is taken as having been lost.

5.4 Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and ASX Listing Rules. The Company must give at least 28 days' written notice of a general meeting.

The Company's Constitution enables the Company to hold a general meeting at two or more venues using any technology that gives the Shareholders as a whole a reasonable opportunity to participate. The chair of the meeting may, subject to the Corporations Act and the Constitution, allow the meeting to continue or adjourn the meeting in the event that a technical difficulty prevents a Shareholder from participating in the meeting.

5.5 Dividends

The Board may pay any interim and final dividends that, in its judgement, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and decide the method of payment.

5.6 Transfer of Shares

Subject to the Constitution and to any rights or restrictions attached to a Shareholder's Shares, Shares may be transferred by proper ASTC transfer (effected in accordance with the ASX Settlement Operating Rules, *Corporations Regulations 2001* (Cth) and ASX Listing Rules) or by a written transfer in any usual form or in any other form approved by the Board and permitted by the Corporations Act and ASX requirements. The Company may decline to register, or prevent registration of, a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the ASX Listing Rules.

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5.7 Issues of further Shares

The Board may, subject to the Constitution, Corporations Act and the ASX Listing Rules issue, allot or grant options for, or otherwise dispose of, Shares in the Company on such terms as the Board decides.

5.8 Winding up

If the Company is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of shares, Shareholders will be entitled to a share in any surplus property of the Company in proportion to the number of Shares held by them. If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or any part of the Company's property and decide how the division is to be carried out as between Shareholders or different classes of shareholders.

5.9 Non-marketable parcels

In accordance with the ASX Listing Rules, the Board may sell Shares that constitute less than a marketable parcel by following the procedures set out in the Constitution. A marketable parcel of shares is defined in the ASX Listing Rules and is generally, a holding of shares with a market value of not less than $500.

5.10 Variation of class rights

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under the Constitution, and subject to the Corporations Act and the terms of issue of a class of shares, the rights attached to any class of shares may be varied:

- with the written consent of the holders of 75% of the shares of the class; or
- by a special resolution passed at a separate meeting of the holders of shares of the class.

5.11 Directors – Appointment and retirement

Under the Constitution, the Board is comprised of a minimum of three Directors and a maximum of ten Directors or such lower number as the directors determine, provided the directors have been authorised by the Company at a general meeting to make such a determination if required under the Corporations Act. Directors are elected or re-elected at general meetings of the Company.

No Director may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. The Board may also appoint any eligible person to be a Director either as an addition to the existing Directors or to fill a casual vacancy, who will then hold office until the conclusion of the next annual general meeting of the Company following his or her appointment.

5.12 Directors – Voting

Questions arising at a meeting of the Board must be decided by a majority of votes cast by the Directors present and entitled to vote on the matter. If the votes are equal on a proposed resolution, the chairman of the meeting has a casting vote in addition to any vote the chair has in his or her capacity as a director, unless there are only two Directors present or entitled to vote in which case the chairman of the meeting does not have a second or casting vote and the proposed resolution is taken as having been lost.

5.13 Directors – Remuneration

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director but the total aggregate amount provided to all non-executive Directors of the Company for their services as Directors must not exceed in total in any financial year the amount fixed by the Company in general meeting. Any change to that maximum fixed sum determined by the Company aggregate amount needs to be approved by Shareholders.

Directors are entitled to be paid for all travelling and other expenses they incur in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or of Board Committees. Any Director who performs extra services or makes any special exertions for the benefit of the Company may be remunerated for the services (as determined by the Board) out of the funds of the Company.

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5.14 Powers and duties of Directors

The business of the Company is to be managed by the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers that are within the power of the Company and that are not by the Constitution or by law directed or required to be done by the Company in its general meeting.

5.15 Preference shares

The Company may issue preference shares which are, or at the option of the Company or holder are, liable to be redeemed or converted into ordinary shares. The rights attaching to preference shares are those set out in the Constitution or have been otherwise approved by special resolution of the Company.

5.16 Indemnities

The Company may indemnify each person who is or has been an officer of the Company on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by the person as an officer of the Company.

The Company may, to the extent permitted by law, purchase and maintain insurance or pay, or agree to pay, a premium for insurance for each officer of the Company against any liability incurred by that person as an officer or auditor of the Company or of a related body corporate, including, but not limited to, a liability for negligence or for legal costs.

5.17 Access to records

The Company may enter into contracts with an officer or former officer agreeing to provide rights of access to the books of the Company conferred by the Corporations Act or otherwise by law.

5.18 Amendment

The Constitution can only be amended by special resolution passed by at least three-quarters of Shareholders present (in person or by proxy, attorney or representative) and entitled to vote on the resolution at a general meeting of the Company.

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6 Rights and Liabilities attaching to Options

The free attaching Options to be issued pursuant to the Rights Issue, and the Lead Manager Options to be issued to the Lead Manager, each have the same terms and conditions as set out in this Section.

6.1 Entitlement

Each Option entitles the holder to subscribe for 1 Share upon exercise of the Option.

6.2 Exercise Price

Subject to Section 6.11, the amount payable upon the exercise of each Option will be $0.12 when exercised on or before the Expiry Date (**Exercise Price**).

6.3 Expiry Date

Each Option will expire at 5.00 pm (Sydney time) on or before the date that is 30 months after the date of issue of the Options to subscribers under the Rights Issue or, where such date falls on a day that is not a Business Day, on the next Business Day (**Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

6.4 Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

6.5 Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option holding statement (**Notice of Exercise**) and payment of the relevant Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

6.6 Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the relevant Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

6.7 Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will, subject to compliance with all applicable laws and the ASX Listing Rules:

(a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

(c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under Section 6.7(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

6.8 Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.

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6.9 Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

6.10 Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without first exercising the Options and being registered as a holder of the resulting Shares prior to the record date for the new issue of capital.

6.11 Change in Exercise Price

Subject to compliance with the ASX Listing Rules, an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

6.12 Transferability

The Company will apply for the Options to be quoted on ASX. Subject to ASX approval of Official Quotation of the Options, the Options will be transferable subject to any restrictions imposed by ASX.

If the Options are not granted approval of Official Quotation by ASX, but the Company determines to proceed with an issue of Options, the Options will be personal to the holder and will not be transferable.

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7 Risk Factors

This Section 7 describes the potential risks associated with the Company's business and an investment in Shares. It does not list every risk that may be associated with the Company or an investment in Shares now or in the future, and the occurrence or consequences of some of the risks described in this Section 7 are partially or completely outside the control of the Company, the Directors and the management team.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and impact of the risk if it did occur. The assessment is based on the knowledge of the Directors and management team as at the date of this Prospectus. There may be other risks which Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations or the valuation and performance of the Shares or Options. The importance of different risks may change and other risks may emerge in the future.

Before applying for New Shares and attaching Options, any prospective investor should be satisfied that they have a sufficient understanding of the risks involved in making an investment in the Company and should consider whether the New Shares and attaching Options are a suitable investment, having regard to their own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in the New Shares and attaching Options, it is recommended that you seek professional guidance from your stockbroker, accountant or other professional adviser before deciding whether to invest.

7.1 Risks specific to an investment in the Company

(a) Future capital needs and additional funding

Similar to all early-stage resource companies, the Company has a constant need for additional capital to maintain its corporate status and to pursue its stated activities or projects. The Company continues to require additional funding to continue as a going concern, and to complete the Definitive Feasibility Study (**DFS**) on the Razorback Project. The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to the number of factors, many of which are outside the Company's control. Any inability to obtain sufficient funding for the Company's continued operation, and its projects will result in the delay or cancellation of certain activities or projects, including the Razorback Project, and may result in the Company ceasing to be able to continue as a going concern.

(b) Strategic partner risk

As previously announced, the Company has signed a non-binding Heads of Agreement with JFE, which sets the framework for potential funding of the work required to progress the Razorback Project to FID, including contributing to the completion of a DFS, in exchange for Razorback Project offtake rights. In parallel, Magnetite Mines has engaged in commercial negotiations with other potential strategic partners for a potential binding transaction to provide funding for working capital, further de-risking studies and contribution to the completion of the DFS. During the subsequent technical and commercial due diligence period, and in light of the additional interest in the Razorback Project from other potential strategic partners, JFE has expressed their preference to share the investment in the Razorback Project via co-investment with one or more other potential strategic partners. The Company is in discussion with parties that may be willing to provide future funding but no binding commitment from a strategic partner (including JFE) currently exists. The Company's ability to identify and secure critical strategic partners to advance the DFS and FID for the Razorback Project within an acceptable time, and on terms acceptable to the Company and the strategic partner will vary according to a number of factors, many of which are outside the Company's control. Any inability to secure appropriate strategic partners will result in the delay or

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cancellation of certain activities or projects, including the Razorback Project, and may result in the Company ceasing to be able to continue as a going concern.

(c) Material business risk

Magnetite Mines recognises that effective risk management is a critical component of its operations. The Company has developed a robust framework for identifying, understanding, managing, and reporting risks. As outlined in the Company's Board Charter, the Board bears the responsibility for overseeing our risk management framework and monitoring significant business risks. The Audit & Risk Committee assists the Board in ensuring the existence of an appropriate corporate risk management framework and in identifying business, operational, financial, and regulatory risks along with mitigation measures.

Given the nature of Magnetite Mines' operations, the material business risks that could have an adverse impact on the Company's financial position or performance include economic risks, operational risks, social licence-to-operate and health, safety and environmental risks. A description of the nature of the risks and how such risks are managed is set out below. This list is neither exhaustive nor in order of importance.

(d) Operating and project risks

Unforeseen risks may arise in the development, construction and production phases of the Razorback Project including mining and/or processing issues, environmental hazards, industrial and environmental accidents, industrial disputes, project consumable and other project input cost increase, labour force disruption, materials and plant and equipment unavailability, mechanical failure or plant breakdown, unusual or unexpected geological formation, pit wall or embankment geotechnical failures, regulatory environment changes, and inclement weather conditions. Such occurrences could result in adverse economic impacts**.**

(e) Major Project Delivery

Magnetite Mines is focused on creating shareholder value through the future commercial development of the Razorback Project. However, with any future significant capital project, there is a risk of failure or incomplete achievement of project objectives, which could result in lower investment returns than initially anticipated. These risks could emerge from various factors, including challenges in obtaining necessary regulatory approvals within expected timelines, obstacles in securing land access (including navigating native title agreements), procurement issues resulting from delays in equipment fabrication or constraints in global supply chains, labour shortages, inflationary pressures, failure to effectively define or meet project scope, budget, and definition, deficiencies in project design and quality, concerns regarding process safety, failures in cost control and delivery schedule management, limitations in available resources and suboptimal decision-making.

(f) Disputes and litigation

The nature of the operations of Magnetite Mines means it may be involved in litigation or disputes from a range of sources, including contractual disputes, breach of laws, lawsuits or personal claims. Magnetite Mines engage experienced external legal firms and keeps abreast of claims, changes to legislation and regulatory requirements.

(g) Commodity price volatility and exchange rate risks

In the early stages of development, resource project economics are particularly sensitive to changes in commodity prices and foreign currency exchange rates assumptions, which can impact investment attractiveness. In the event that the Company achieves development success, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors.

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Furthermore, international prices of various commodities and some services are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency. This exposes the Company to the fluctuations and volatility of the rates of exchange between the United States dollar and the Australian dollar, as determined by international markets.

(h) Cyber Risk

The integrity, availability and confidentiality of data within Magnetite Mines' information and operational technology systems may be subject to intentional or unintentional disruption (for example, from a cyber security attack). Given the current size of Magnetite Mines' business, the Company engages a third party IT support company who have robust processes and technology, supported by specialist cyber security skills to prevent, detect, respond and recover from such attacks should one occur.

(i) People and Capability

The industry in which Magnetite Mines operates faces challenges in attracting and retaining personnel with specialised skills and expertise. The inability to attract and retain such individuals could potentially disrupt business continuity through the loss of critical human resource capability. To address this risk, we have implemented employment arrangements that are specifically designed to secure and retain key personnel.

(j) Health, Safety and Environmental risks

The business of exploration and development involves a variety of risks that may impact the health and safety of personnel, the community and the environment. Potential failure to manage these risks could result in injury or loss of life, damage to the environment, legal liability and damage to Magnetite Mines' reputation. Losses and liabilities arising from such events could increase costs and have a material adverse effect on the operations and/or financial conditions of Magnetite Mines. Magnetite Mines has implemented an online safety management system to identify and manage risks in this area, and works closely with contractors and consultants to ensure planned activities are conducted safely and with supervision, as may be required.

Insurance policies, standard operating procedures, contractor management processes and facility design and integrity management systems, amongst other things, are important elements of the system that support the mitigation of these risks. Magnetite Mines seeks to maintain appropriate policies of insurance consistent with those customarily carried by organisations in the resources sector. Any future increase in the cost of such insurance policies, or an inability to fully renew or claim against insurance policies as a result of the current economic environment (for example, due to a deterioration in an insurers ability to honour claims), could adversely affect Magnetite Mines' business, financial position and operational results.

(k) Climate Change

Magnetite Mines is likely to be subject to increasing regulations and costs associated with climate change and, specifically, management of carbon emissions. Strategic, regulatory and operational risks and opportunities associated with climate change and the energy transition are progressively being incorporated into Company policy, strategy and risk management processes and practices. The Company actively monitors current and potential areas of climate change and energy transition risk.

(l) Speculative Nature of Investment

Any potential investor should be aware that subscribing for Shares involves various risks. The Shares to be issued pursuant to the Offer carry no guarantees with respect to the payment of dividends, return of capital or market value. An investment in the Company should therefore be considered speculative in nature.

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7.2 Razorback Project

The Company currently has a number of iron ore projects within South Australia. The Razorback Project is the primary focus, consisting of the Razorback and Iron Peak deposits. On 9 June 2023, the Company announced to ASX the results of a pre-feasibility optimisation study (**PFS**) for the Razorback Project. The study identified a number of key risks for the Razorback Project such as access to key project resources (such as land, water, transport and power), approvals, project management and product handling, as well as mitigation strategies. These risks and associated mitigation plans are being addressed in the development work programme for the Razorback Project. The risks include:

a) Resource Estimation risk

The Company holds projects, including the Razorback Project, for which Mineral Resource and Ore Reserve estimates have been prepared, and engineering and economic studies have been completed. However, these estimates and calculations rely on assumptions and expressions of judgement based on knowledge, experience and industry practice. The actual quality and characteristics of mineral deposits cannot be known until mining takes place and will almost always be different from the assumptions used to develop resource estimates. Consequently, actual mineral resources may differ from those estimated, which may have a negative effect on operations and the Razorback Project's economic performance.

b) Resources/geology

Mineral Resources and Ore Reserve estimates have been prepared for Razorback, however further geological and geo-metallurgical investigations may result in changes to these estimates and hence to the Razorback Project outcomes.

Variability within the orebody including grade distribution, mineralogy, ore hardness, structural complexity, liberation characteristics, and metallurgical response that differs from assumptions used in the Mineral Resource and Ore Reserve estimates may have a negative effect on operations and the Razorback Project's economic performance.

c) Mining

The Razorback Ore Reserve estimate was based on mining approaches and designs derived from geological model information available at the time and completed to a Pre-feasibility Study (PFS) level of accuracy, resulting in estimates of mining quantities, costs, and ore qualities. These estimates relied on assumptions for pit designs, geotechnical parameters, scheduling, and equipment selection that were considered appropriate for the PFS level of study.

Further investigations and refinement are required to achieve a Definitive Feasibility Study (DFS) level of accuracy for the Razorback Project. Geotechnical drilling, hydrogeological studies, and more detailed mine design studies may result in changes to pit geometry, strip ratios, mine design, blast factors, scheduling strategies, and mining equipment requirements. These factors may have negative effects on mining costs and mining production rates.

d) Processing

Process plant capital and operating costs, throughput rates, and metallurgical recoveries have been estimated from investigations completed to a PFS level of accuracy. Further investigations and refinement are required to achieve a DFS level of accuracy for the Razorback Project, which may result in material changes to processing assumptions.

Following more detailed metallurgical testwork, metallurgical parameters, including grind size, recovery rates, concentrate grade, and reagent consumption, may be revised. Further work may identify geometallurgical variability that could affect plant performance or require changes to the process design.

Process plant capital and operating cost inputs such as steel, cement, process equipment, energy, labour and consumables are subject to change during the Razorback Project's development stages, which may have a negative effect on Razorback Project economics.

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e) Product transport and logistics

Road, rail, and port options for product transport and export logistics for Razorback concentrate products were examined during the PFS studies to identify viable transport solutions for the Razorback Project. Pricing and access assumptions were based on indicative third-party estimates and available infrastructure at the time of study.

Further investigations are required to achieve a DFS level of accuracy for the Razorback Project's product transport and logistical requirements, which may result in material changes to the assumptions. Final outcomes may differ following further engineering design, stakeholder engagement, land access agreements, environmental studies and regulatory permitting.

There is no guarantee that access to preferred transport infrastructure will be secured on acceptable commercial terms, or within the required Razorback Project timeline. Availability, cost, and conditions of access for road, rail, and port infrastructure and third-party provided services may vary depending on market dynamics, capacity constraints, and regulatory developments.

f) Tailings

Historically, resource project tailings management represents a key area of technical, environmental, and regulatory risk.

The Razorback Project will produce significant quantities of tailings from processing operations, which require storage in a Tailings Storage Facility (TSF), the design of which has been undertaken to PFS level of accuracy. Further investigations are required to achieve a DFS level of accuracy for the Razorback Project's TSF, including the development of long-term management and closure strategies.

Outcomes from further geotechnical, hydrological, and geochemical investigations may influence embankment design, liner requirements, decant water management, and operational controls. These factors may have negative effects on the Razorback Project's capital costs, land footprint, permitting complexity, and compliance with evolving regulatory and industry standards.

Securing environmental and regulatory approvals for the TSF will depend on the acceptability by regulators of the final TSF design and proposed operating strategy.

g) Power

The Razorback Project requires access to reliable electrical power, to be supplied via a high-voltage transmission line connection to the South Australian electricity grid.

Preliminary engineering and commercial options for grid connection were assessed during the Razorback Project's optimisation study phase, which identified potential connection points and transmission routes. Further investigations are required to achieve a DFS level of accuracy for the Razorback Project's electricity transmission and connection assumptions.

The South Australian electricity market is evolving, with increased integration of renewable energy sources, battery storage technologies, and changes to market pricing structures. These shifts may have a negative impact on Razorback's power supply assumptions.

Access to South Australia's electricity transmission network infrastructure is subject to regulatory oversight currently by ElectraNet and the Australian Energy Market Operator (AEMO). Competition for access to the transmission network from other high-voltage (HV) network users, transmission capacity constraints, network augmentation requirements, or changes to access charges and connection policies may have negative effects on the cost, timing, and availability of power for the Razorback Project.

h) Water

Water supply for mining and ore processing operations historically represents a significant technical, environmental, and regulatory risk, particularly when the project is located in arid locations, in the interior, or away from existing water supply networks.

The Razorback Project will require approximately 10-12 GL of water per annum to support its Stage 1 (5Mtpa) mining and ore processing operations. The current

assumption for water supply is to source desalinated seawater delivered to the Razorback Project site via a dedicated buried pipeline. Further investigations are required to achieve a DFS level of accuracy for the Razorback Project's water supply assumptions.

Key uncertainties include the location, design, and approval of a desalination facility; permitting of marine intake and salt brine discharge infrastructure; and compliance with regulatory frameworks governing marine and inland water use. These elements will require detailed environmental assessments, engagement with government agencies, and consultation with community and stakeholder groups.

The capital and operating costs associated with desalination infrastructure including plant construction, energy consumption, and brine management are subject to changing market conditions and evolving environmental standards.

A proposed pipeline alignment has been defined and construction methods considered appropriate to a PFS level of accuracy. Further investigations are required to achieve a DFS level of accuracy and the current assumptions may change based on further geotechnical, environmental, and engineering studies. Potential changes in alignment, easement access, land use restrictions, and construction complexity may have negative effects on costs, regulatory approvals, and schedule.

i) Reliance on key personnel and consultants

The Company's success largely depends on the core competencies of its Directors, management and third party consultants and their familiarisation with, and ability to operate in, the resources industry. The financial performance of the Company and the value of an investment in the Company partly depend on the ability of the Company to retain these key personnel and consultants.

j) Tenement title

The Company's ongoing title to its currently held tenements is contingent upon continued compliance with the terms and conditions of grant, including the satisfaction of minimum annual expenditure or work commitments. Accordingly, the ability of the Company to maintain its tenement holdings is subject to the availability of funding for minimum expenditure compliance.

Failure of the Company to meet its statutory tenement obligations, or an inability to justify variations or deferrals to the relevant regulatory authorities, may result in the forfeiture, relinquishment, or compulsory surrender of tenements, either in whole or in part. Partial surrender of tenement areas may limit access to prospective mineralisation or constrain future exploration and development flexibility.

k) Counterparty, supplier and joint venture risks

The Company is a party to a number of contracts with suppliers and may in the future become a party to other contracts or commercial arrangements (such as joint venture agreements). There is a risk that one of the Company's commercial counterparties may default on their obligations or not act in the best interests of the Company. There is a risk of insolvency or managerial failure by any of the contractors or other suppliers used by the Company in any of its activities, or that any of those agreements are terminated in accordance with their terms. There is also a risk of legal or other disputes between the Company and co-venturers or contractors or other suppliers. This may have an adverse effect on the interests and prospects of the Company.

l) Input pricing and availability

The timing and cost of inputs to mining businesses, including consultants, people, equipment, construction materials and consumables, vary with demand and supply and has historically been tight when commodity prices rise. Inflationary impacts on mining inputs may result in increased capital and operating cost or delays to the Razorback Project.

m) Technology and performance risk

The scope for development of the Razorback Project relies on third party technology and design, some of it proprietary. The Company is currently conducting metallurgical testing

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and while testing to date has been encouraging, there is no guarantee or assurance that processing outcomes will be replicated at commercial scale, with potential impacts to throughput, quality and costs.

n) Regulatory risk

Changes in government policy (such as in relation to taxation, environmental and cultural protection, and licensing) or statutory changes may affect Magnetite Mines' business operations and its financial position. A change in government regime may significantly result in changes to fiscal, monetary, property rights and other issues which may result in a material adverse or positive impact on Magnetite Mines' business. Magnetite Mines monitors changes in relevant regulations and engages with regulators and governments to ensure policy and law changes are appropriately influenced and understood.

o) Permitting risk

All Exploration licences held by Magnetite Mines are subject to the granting and approval of relevant government bodies and ongoing compliance with licence terms and conditions. Tenure management processes and standard operating procedures are utilised to minimise the risk of losing tenure. The Company regularly engages with principal regulator Department for Energy and Mining regarding its tenement compliance management. Development of Razorback requires new consents, licensing and operating approvals for which the extensive preparatory work is underway. Major new consents and licences will need to be secured pursuant to the SA Mining Act 1971, while other regulatory approvals and consents (State and/or Commonwealth) may also be required. As with any approval process, consent is not guaranteed and conditions or other consent requirement may impact the Razorback Project timing and outcomes.

p) Land access, cultural heritage Native Title and community stakeholders

Magnetite Mines is required to notify owners and occupiers of land within its licence areas prior to undertaking exploration works and must negotiate access conditions prior to commencing mine development activities. There is a risk that any negotiations could protracted and/or costly.

Magnetite Mines operates in a number of areas within South Australia that are subject to Native Title determination or claim. Native title rights are acknowledged by Magnetite Mines and the Company must comply with relevant obligations under Federal and State regulation. A Native Title agreement is generally required before the commencement of exploration activities upon a tenement or prior to the granting of a mining lease; consequently, this may impact the timing and cost of exploration, development and production. Magnetite Mines notes that it already has a relevant agreement in place for exploration activities upon the Razorback tenements and negotiation for a mining agreement is scheduled into the development process.

The iron ore industry is also subject to interest from a wide range of stakeholders from the broader community who may be opposed to the role of the industry. Magnetite Mines' standard operating procedures and stakeholder engagement processes are used to manage land access, cultural heritage, native title and community stakeholder risks. The Company actively engages with its stakeholders and monitors for any emerging risks.

q) Environmental, Social and Governance (ESG)

As part of the company's ESG initiatives, the environmental and social impacts of its operations will be baselined against global best practice, with an ambition to outperform peer iron ore suppliers on Scope 1, 2 and 3 emissions profiles. This will be a key area of focus as part of the DFS, but the final environmental footprint and impacts of the Razorback Project have yet to be defined.

7.3 General risks

(a) The price of Shares may fluctuate

Following their issue, the New Shares may trade on ASX at a price higher or lower than the price paid for the New Shares. The price of Shares may trade on ASX at a price

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higher or lower than the exercise price of the Options which could determine whether a holder wishes to exercise the Options (and receive value upon exercise in the form of a Share) or not.

The price at which the New Shares trade following the Capital Raising will be affected by the financial performance of the Company and by external factors unrelated to the operating performance of the Company, including movements on international share markets, the level of interest rates and exchange rates, general domestic and international economic conditions and government policies relating to taxation and other matters.

(b) Dilution

The potential exercise of existing Options and the Options to be issued pursuant to this Prospectus will have a dilutory effect on the existing shareholdings of Shareholders. This means that each New Share may ultimately represent a lower proportion of the ownership of the Company on a fully diluted basis.

(c) Trading in Shares and/or Options might not be liquid

There can be no guarantee that an active market in the Shares or the Options will exist. There may be relatively few potential buyers or sellers of the Shares or the Options on the ASX at any time. This may increase the volatility of the market price of the Shares or the Options. It may also affect the prevailing market price at which Shareholders are able to sell their Shares or the Options. Ultimately, this may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders paid for their Shares or the implied price of the Options at the time of issue.

(d) Australian Accounting Standards may change

Australian Accounting Standards are set by the AASB and are outside the control of the Company. The AASB regularly introduces new or refined Australian Accounting Standards, which may affect future measurement and recognition of key statements of profit and loss and balance sheet items, including revenue and receivables.

There is also a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statements of profit and loss and balance sheet items, may differ. Changes to Australian Accounting Standards issued by the AASB, or changes to commonly held views on the application of those standards, could materially adversely affect the financial performance and position reported in the Company's consolidated financial statements.

(e) Inflation rates

Higher than expected inflation rates could lead to increased development and/or operating costs. If such increased costs cannot be offset by increased sources of capital or potential revenue, this could impact the Company's future financial performance.

(f) Debt and interest rates

The Company currently has indebtedness to an investor in the form of convertible notes, which have various maturity dates in 2027. If the Company is unable to refinance or repay that debt at maturity, and the investor is not willing to convert that debt into Shares, the Company would be in default of the agreement with the investor. If the investor chose to enforce that default, and the Company is unable to pay the debt, it could result in the Company ceasing to be able to continue as a going concern.

If the Company borrows further money in the future (including issuing further convertible notes to investors), it may be exposed to increased costs and/or interest rates which would increase the cost of servicing the Company's debts.

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(g) Other risks

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares and attaching Options to be issued under this Prospectus.

Shareholders and other investors are recommended to consult their stockbroker, accountant or other professional adviser before deciding whether to apply for New Shares and attaching Options pursuant to this Prospectus.

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8 Additional Information

8.1 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities or an offer of options to acquire securities in a class of securities that has been continuously quoted by ASX in the three months prior to the date of the Prospectus. The New Shares which will be issued pursuant to this Prospectus are in the same class as Shares that have been continuously quoted on the official list of the ASX during the three months prior to the issue of this Prospectus. The Options are options to acquire Shares, such Shares having been continuously quoted securities on the official list of the ASX during the three months prior to the issue of this Prospectus.

In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect on the Company of the issue of the New Shares and Options and the rights and liabilities attaching to the New Shares and Options. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Eligible Shareholders should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from the lodgement of the Company's annual financial report for the financial year ended 30 June 2024 up to the date of this Prospectus. This requires the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the securities exchange operated by ASX.

Generally, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

    (i) the Company's annual financial report for the year ended 30 June 2024;

    (ii) the Company's half-yearly financial report for the six-month period ended 31 December 2024; and

    (iii) any continuous disclosure documents given by the Company to ASX after the lodgement of the Company's annual financial report for the year ended 30 June 2024 and before the lodgement of this Prospectus with ASIC.

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Copies of all documents lodged with ASIC in relation to the Company can be inspected at the Company's principal place of business during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report for the financial year ended 30 June 2024 and up to the date of lodgement of this Prospectus with ASIC are set out in the table below.

Date	Headline	Type
12/08/2025	Commencement of Rights Trading - MGTRG	Rights Trading Announcement
08/08/2025	Target Market Determination	Disclosure Document
08/08/2025	Notice to Option holders – Renounceable Rights Issue	Letter to Option holders
08/08/2025	Proposed issue of securities - MGT	Appendix 3B
08/08/2025	Renounceable Rights Issue Prospectus	Disclosure Document
08/08/2025	Investor Presentation	Company Presentation
08/08/2025	Renounceable Rights Issue to Raise up to $2.65 million	Rights Issue Announcement
30/07/2025	TACTIC Conference Presentation	Company Presentation
30/07/2025	Quarterly Activities Report and App 5B Cash Flow report	Fourth Quarter Activities Report
28/07/2025	Notification of cessation of securities	Appendix 3H
28/07/2025	Appendix 3Y - Change of Director's Interest Notice	Appendix 3Y
28/07/2025	Cleansing Statement – Section 708A(5)(e)	Cleansing Notice
28/07/2025	Application for quotation of securities	Appendix 2A
17/07/2025	Notice of Extraordinary General Meeting/Proxy Form	Notice of Extraordinary General Meeting
02/07/2025	Appendix 3Y - Change of Directors' Interest Notice x 2	Appendix 3Y
02/07/2025	Cleansing Statement – Section 708A(5)(e)	Cleansing Notice
02/07/2025	Application for quotation of securities	Appendix 2A
30/06/2025	Notification of cessation of securities	Appendix 3H
30/06/2025	Cleansing Statement - Section 708A(12C)(e)	Cleansing Notice
30/06/2025	Notification regarding unquoted securities – MGT	Appendix 3G

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Date	Headline	Type
30/06/2025	Razorback Project Update	Progress Report
30/06/2025	Razorback Iron Ore Project 2025 Mineral Resource Update	Progress Report
23/05/2025	Appendix 3Y - Change of Directors' Interest Notice x 3	Appendix 3Y
23/05/2025	Appendix 3Y – Late Lodgement Notice	Appendix 3Y
23/05/2025	Expiry of Quoted Options	Expiry of Quoted Options
23/05/2025	Application for quotation of securities	Appendix 2A
19/05/2025	Cleansing Statement - Section 708A(12C)(e)	Cleansing Notice
19/05/2025	Notification regarding unquoted securities	Appendix 3G
01/05/2025	Notification of Expiry of Quoted Options - MGTO	Expiry of Quoted Options
29/04/2025	Quarterly Activities Report and App 5B Cash Flow report	Third Quarter Activities Report
03/04/2025	Cleansing Statement – Section 708A(5)(e)	Cleansing Notice
03/04/2025	Application for quotation of securities	Appendix 2A
02/04/2025	Saline Water Provisional Patent Submitted	Progress Report
26/03/2025	The Australian Green Iron & Steel Forum Presentation	Company Presentation
26/03/2025	Razorback Project Mining Lease Proposal Lodged	Progress Report
25/03/2025	Application for quotation of securities	Appendix 2A
14/03/2025	Notification of cessation of securities	Appendix 3H
12/03/2025	Half Year Accounts	Half Year Audit Review Half Year Directors' Statement Half Year Accounts Half Year Directors' Report
07/03/2025	Cleansing Statement – Section 708A(12C)(e)	Cleansing Notice
07/03/2025	Notification regarding unquoted securities	Appendix 3G

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Date	Headline	Type
05/03/2025	Results of EGM	Results of Meeting
05/03/2025	Chair's address to the Extraordinary General Meeting	Chair's address to the EGM
07/02/2025	Resignation of CFO and Co-Company Secretary	Resignation of Chief Financial Officer / co-Company Secretary
31/01/2025	Notice of Extraordinary General Meeting/Proxy Form	Notice of Extraordinary General Meeting
30/01/2025	Quarterly Activities Report and App 5B Cash Flow report	Second Quarter Activities Report
24/01/2025	Cleansing Statement – Section 708A(12C)(e)	Cleansing Statement
24/01/2025	Notification regarding unquoted securities	Appendix 3G
24/01/2025	Cleansing Statement - Section 708A(5)(e) Notice	Cleansing Statement
24/01/2025	Application for quotation of securities	Appendix 2A
13/01/2025	Proposed issue of securities	Appendix 3B
13/01/2025	Proposed issue of securities	Appendix 3B
13/01/2025	Magnetite Mines secures up to $7M funding	Funding Announcement
13/12/2024	Notification of cessation of securities	Appendix 3H
06/12/2024	Appendix 3Y – Change of Director's Interest Notice x 3	Appendix 3Y
06/12/2024	Notification regarding unquoted securities	Appendix 3G
06/12/2024	Notification regarding unquoted securities	Appendix 3G
06/12/2024	Application for quotation of securities	Appendix 2A
06/12/2024	Notification of cessation of securities	Appendix 3H
27/11/2024	Results of 2024 AGM	Results of Meeting
27/11/2024	Final Director Notice (Appendix 3Z)	Appendix 3Z
27/11/2024	MD's AGM Presentation	Company Presentation MD's Address to Shareholders
27/11/2024	Chair's address to the AGM	Company Presentation Chair's Address to Shareholders

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Date	Headline	Type
30/10/2024	1st Quarter Activities Report and Appendix 5B	First Quarter Activities Report
29/10/2024	Notice of General Meeting/Proxy Form	Notice of Meeting
29/10/2024	IMARC Conference Presentation	Company Presentation
29/10/2024	Resignation of Director – Jim McKerlie	Director Resignation
25/10/2024	Appendix 3Y – Change of Director's Interest Notice x 6	Appendix 3Y
24/10/2024	Top 20 Option Holders & Distribution Schedule – MGTOA	Issued Capital - Other
24/10/2024	Notification of cessation of securities	Appendix 3H
24/10/2024	Cancellation of Loyalty Options Issued to Directors	Issued Capital - Other
22/10/2024	Green Iron SA alliance launched for Green Iron revolution	Progress Report
04/10/2024	Section 7018A(5)(e) Notice	Cleansing Notice
04/10/2024	Appendix 3Y – Change of Director's Interest Notice x 6	Appendix 3Y
02/10/2024	Notification of cessation of securities	Appendix 3H
02/10/2024	Application for quotation of securities	Appendix 2A
02/10/2024	Top 20 Option Holders & Distribution Schedule – MGTOA	Issued Capital - Other
02/10/2024	Application for quotation of securities	Appendix 2A
02/10/2024	Supplementary Prospectus	Renounceable Issue
02/10/2024	Rights Issue Closes Securing $2.4M	Renounceable Issue

The announcements are also available through the Company's website https://magnetitemines.com/asx-announcements/.

8.2 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last closing prices of the Shares on ASX during the three months immediately preceding 7 August 2025 (being the latest practicable date prior to the lodgement of the Original Prospectus with ASIC) and the respective dates of those prices were:

	Price	Date
Highest	$0.12	29 May 2025

Lowest	$0.071	24 June 2025
Last close before announcement	$0.087	7 August 2025

The Rights Issue Price for the New Shares represents a discount of 25% to the last market price of Shares on 7 August 2025, being the last trading date before the announcement of the Capital Raising.

8.3 Substantial Shareholders

As at the date of this Prospectus, the Company has not received any formal notification of any Shareholder having a substantial shareholding of more than 5% of the Company's issued share capital (although the Company is aware that Citicorp Nominees Pty Limited has an aggregate holding of approximately 13.39% on behalf of various underlying beneficial Shareholders, but none of whom themselves, as far as the Company is aware, hold more than 5% of the Company's issued share capital).

8.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

  (i) its formation or promotion; or

  (ii) the Offers; or

(c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

  (i) the formation or promotion of the Company; or

  (ii) the Offers.

8.5 Directors' interests

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below:

Director	Shares	Options
Paul White	1,531,983	648,894
Simon Wandke	230,587	32,757
Tim Dobson	1,813,287	3,984,180

Note: The table above does not include any New Shares and/or Options that the Directors may apply for under the Offers.

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8.6 Litigation

As at the date of this Prospectus, Magnetite Mines is not involved in any legal proceedings against the Company and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.7 Remuneration of Directors

The Constitution provides that each Director is entitled to such remuneration from the Company as the Board decides. The total maximum remuneration of non-executive directors in any financial year is determined by the Company in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The current maximum aggregate amount payable to all non-executive directors in any financial year has been set at an amount not to exceed $800,000. The determination of each individual non-executive director's remuneration within that approved remuneration pool is made by the Board having regard to a number of factors including the inputs and value to the Company of the non-executive director's contribution.

Under the Constitution of the Company, the remuneration of the executive directors is determined by the Board. As at the date of this Prospectus, the Company has one executive director, being the Managing Director, whose remuneration has been set by the Board.

The table below sets out the total remuneration provided to each of the Directors and their associated companies during the last two financial years (**FY**), inclusive of directors' fees, executive payments, consultancy fees, superannuation benefits and share-based payments.

Director	FY 2024	FY2025
Paul White [1]	111,000	139,375
Simon Wandke [2]	126,320	122,650
Tim Dobson [3]	807,807	839,607

Notes:

1 Mr Paul White was appointed as Chair of the Board on 23 September 2024. Effective 1 February 2025, Mr White elected to forego $90,000 of his annual $160,000 fee entitlement in lieu of an issue of shares to the same value to support the Company's cash conservation strategy.

2 Effective 1 February 2025, Mr Simon Wandke elected to forego $40,000 of his annual $110,000 fee entitlement in lieu of an issue of shares to the same value to support the Company's cash conservation strategy.

3 Mr Tim Dobson was appointed as Chief Executive Officer on 23 August 2022 and appointed as Managing Director on 23 September 2024. His remuneration includes the valuation of non-cash payments relating to Short-Term Incentive Performance Rights and Long-Term Incentive Options.

Please refer to the remuneration report, which is contained on pages 32-51 of the Company's latest annual financial report for the financial year ended 30 June 2024 (**Annual Report)**, for full details of the remuneration of the Company's directors in FY2024.

Related party transactions (if any) are disclosed on page 51 of the Company's Annual Report.

The Annual Report was lodged with ASX on 30 September 2024 and is available on the company's announcements platform at the ASX website – www.asx.com.au (ASX code: MGT).

8.8 Underwriting

The Underwriter has agreed to underwrite the issue of 7,692,308 New Shares, together with 7,692,308 Options (**Underwritten Securities**) totaling an underwritten amount of $500,000 (**Underwritten Amount**) in accordance with an underwriting agreement dated on or about the date of this Prospectus (**Underwriting Agreement**).

In accordance with the mandate agreed between the Lead Manager and the Company, and the terms of the Underwriting Agreement, in connection with the Lead Manager's management of the Rights Issue and the underwriting of the Rights Issue, the Lead Manager will receive the following remuneration:

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(a) subject to shareholder approval at the Company's forthcoming AGM, one Lead Manager Option for every $2 raised under the Offers;

(b) a lead manager's fee of $60,000 which the Lead Manager or its nominees has elected to be satisfied through an investment in New Shares under the Offers;

(c) a management fee of 1% of the total amount raised under the Offers, which the Lead Manager or its nominees has elected to be satisfied through an investment in New Shares under the Offers;

(d) an underwriting fee of 5% of the Underwritten Amount; and

(e) a placement fee of 5% of any shortfall placed by the Lead Manager beyond the Underwritten Amount, including any additional amount that might be placed under the Company's ASX Listing Rule 7.1 and 7.1A placement capacity (if applicable).

The Company will also be required to reimburse the Underwriter for all of the reasonable costs incurred by the Underwriter in relation to the Offers. The Underwriter is responsible for any sub-underwriting fees and expenses or selling fees and expenses.

If Shareholders do not approve the issue of the Lead Manager Options at the Annual General Meeting, the Company will (at its election) and subject to compliance with applicable law, pay to the Lead Manager the equivalent value of the Lead Manager Options in cash (**Lead Manager Options Cash Value**), or issue to the Lead Manager (or its nominees) Shares with the same value as the Lead Manager Options Cash Value (**Lead Manager Shares**) at the price that is the lower of the Rights Issue Price and the closing price of the Shares on the day before the issue of the Lead Manager Shares. The Lead Manager Options Cash Value will be calculated by using the Black & Scholes option valuation formula. The underwriting of the Rights Issue is conditional upon the satisfaction or waiver by the Underwriter of the certain conditions ordinarily found in an agreement of this type, including that:

(a) the Underwriter being satisfied with the due diligence investigations by the Company in relation to the Rights Issue; and

(b) the Company's solicitors providing the Underwriter with a legal sign-off letter in relation to the due diligence investigations.

In accordance with the Underwriting Agreement and as is customary with these types of arrangements:

(a) the Company has (subject to certain limitations, including where the loss arises through the Underwriter performing its underwriting obligation) agreed to indemnify the Underwriter, its officers, employees, advisers and related bodies corporate, and the officers, employees and advisers of any of its related bodies corporate against losses suffered or incurred in connection with the Offer;

(b) the Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer;

(c) the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where:

    (i) ***(Indices fall)***: the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;

    (ii) ***(Commodities)***: the price of COMEX gold or the price of NYMEX WTI crude oil falling 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;

    (iii) ***(Price)***: the Rights Issue Price is greater than the volume weighted average price of Shares calculated over three consecutive trading days after the date of the Underwriting Agreement;

    (iv) ***(Misleading Announcement)***: it transpires that the Company has made a statement via the ASX that is misleading or deceptive or likely to mislead or deceive or there is an omission or missing information that is price sensitive.

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(v) ***(Adverse change)***: an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time. Material Adverse Event means:

(A) a material adverse effect on the outcome of the Offer or on the subsequent market for the Underwritten Securities (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in Underwritten Securities); or

(B) a material adverse effect on the assets, condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries either individually or taken as a whole;

(vi) ***(Board and senior management composition)***: other than as previously notified to ASX or the Underwriter, there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter, such consent not to be unreasonably withheld;

(vii) ***(Change in shareholdings)***: there is a material change in the major or controlling shareholdings of the Company or any of its subsidiaries (other than as a result of the Offers or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company or any of its subsidiaries ; and

(viii) ***(Market Conditions)***: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom or the United States of America.

8.9 Interests of experts and advisers

Other than as set out in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

(b) promoter of the Company;

(c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offers; or

(c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

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(a) the formation or promotion of the Company; or

(b) the Offers.

8.10 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares and Options), the Directors, the persons named in the Prospectus with their consent as proposed Directors, any underwriter, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and

(b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Mahe Capital has given its written consent to being named in this Prospectus as the Lead Manager and Underwriter to the Rights Issue in the form and manner in which it is named. Mahe Capital has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Mills Oakley has given its written consent to being named in this Prospectus as the legal adviser to the Company in the form and manner in which it is named. Mills Oakley has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Computershare has given its written consent to being named in this Prospectus as the Registry in the form and manner in which it is named. Computershare has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

8.11 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately $250,000 (excluding GST), assuming full subscription under the Rights Issue and Shortfall Offer. If only the underwritten amount of $500,000 is raised, the total expenses of the Offers are estimated to be approximately $105,000 (excluding GST).

8.12 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Shares and the Options.

8.13 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including the New Shares and Options issued under this Prospectus. If an investor is broker sponsored, APSL will send a CHESS statement.

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The CHESS statement will set out the number of New Shares and Options issued to an investor under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub-register, your statement will be dispatched by the Registry and will contain the number of New Shares and Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

8.14 Governing law

This Prospectus, the Offers, and the contracts formed on acceptance of the Offers are governed by the laws in force in New South Wales.

Any dispute arising out of, or in connection with this Prospectus or the Offers will be determined by the courts of New South Wales. By accepting the Offers, you agree to submit to the non-exclusive jurisdiction of the courts in New South Wales.

8.15 Director's authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.

Paul White
Chair of the Board
Magnetite Mines Limited

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9 Glossary

$ means the lawful currency of the Commonwealth of Australia.

Applicant means a person who submits payment under the offer.

Application means:

(a) with respect to the Rights Issue, an application for New Shares, together with attaching Options, which is offered under this Prospectus; or

(b) with respect to the Lead Manager Options, an application for Lead Manager Options which are offered under this Prospectus.

Application Form means:

(a) with respect to the Rights Issue, an Entitlement and Acceptance Form (personalised or otherwise), which accompanies this Prospectus with respect to the Offers (including any electronic form provided by an online Application facility); or

(b) with respect to the Lead Manager Options, an application form which is provided by the Company to the Lead Manager with respect to the Lead Manager's application for the Lead Manager Options.

Application Monies means the total subscription amount to be paid by an Applicant for New Shares at the Rights Issue Price.

ASPL means ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except any day that ASX declares is not a business day.

Capital Raising means the Rights Issue and the Shortfall Offer.

CHESS means the Clearing House Electronic Sub register System operated by ASPL.

Closing Date means the date on which the Offers closes, being the date specified as such in the timetable set out in Section 2.1 (unless extended or closed early).

Computershare or **Registry** means the share registry for the Company, being Computershare Investor Services Pty Limited ACN 078 279 277.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001 (Cth).*

DFS means definitive feasibility study.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholders are the Shareholders determined in accordance with Section 3.4.

Ineligible Shareholders means those Shareholders who are not Eligible Shareholders determined in accordance with Section 3.4.

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JFE means JFE Shoji Australia Pty Ltd.

Lead Manager means Mahe Capital.

Lead Manager Options means Options to be issued to the Lead Manager pursuant to this Prospectus.

Magnetite Mines or **Company** means Magnetite Mines Limited ACN 108 102 432.

Mahe Capital means Mahe Capital Pty Ltd ACN 634 087 684 .

MLP means mining lease proposal.

New Share means a Share to be issued under the Rights Issue.

Offers has the meaning given to it in the Important Notice.

Official Quotation means official quotation of a security on ASX.

Option means an option to acquire a Share on the terms on which the option is issued, and includes the attaching options under the Offers and the Lead Manager Options (where applicable).

Original Prospectus means the prospectus dated 8 August 2025 and lodged with ASIC on that date, and which this Prospectus replaces.

PFS has the meaning given to it in Section 7.2.

Prospectus means this prospectus, which replaces the Original Prospectus.

Razorback Project means the Company's flagship Razorback iron ore project in South Australia.

Record Date means the date specified in the timetable set out in Section 2.1.

Rights means the entitlements of a Shareholder who is eligible to participate in the Rights Issue.

Rights Issue has the meaning given to it in Section 3.1.

Rights Issue Price means $0.065 per New Share.

Rights Trading Period means the period from 12 August 2025 to 22 August 2025 during which the Rights are expected to trade on ASX.

Section means a section of this Prospectus.

Securities mean Shares and/or Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall Offer has the meaning given to it in Section 3.2.

Shortfall Shares has the meaning given to it in Section 3.2.

TSF means tailings storage facility.

Underwriter means Mahe Capital.

Underwriting Agreement has the meaning given to it in Section 8.8.

US Securities Act means the US Securities Act of 1933, as amended.

VWAP means volume weighted average price.

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Corporate Directory

Directors Paul White *Non-executive Chairman* Simon Wandke *Non-executive Director* Tim Dobson *Managing Director*	**Registered Office & Principal place of business** Level 3, 30 Currie Street Adelaide, SA 5000 ***Shareholder Enquiries*** Contact Computershare Telephone: 1300 850 505 Website: https://magnetitemines.com/
Company Secretary Inthu Siva	**Registry** Computershare Investor Services Pty Limited Level 17 221 St Georges Terrace Perth WA 6000
Legal adviser Mills Oakley Level 7 151 Clarence Street Sydney NSW 2000	**Magnetite Offer Information Line** Within Australia: 1300 850 505 Outside Australia: +61 3 9415 4000 Operating hours: 8.30am to 5.00pm (Sydney time) Monday – Friday until the Closing Date (excluding public holidays).
ASX Code MGT	**Offer website** www.computersharecas.com.au/mgtoffer

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Annexure – Pro Forma Statement of Financial Position

	30 June 2024 Audited $	Audit Reviewed 31 December 2024 $	Subsequent events $	Pro forma 30 June 2025 $	Pro forma adjustments (assuming full subscription of Rights Issue) $	Pro forma after the Offers (assuming full subscription of Rights Issue) $
Assets						
Current assets						
Cash and cash equivalents	5,134,710	1,029,206	456,973	1,486,179	2,655,417	4,141,596
Other receivables	274,634	353,832	(154,789)	199,043		199,043
Total current assets	5,409,344	1,383,038	302,184	1,685,222	2,655,417	4,340,639
Non-current assets						
Other receivables	112,588	195,726	-	195,726		195,726
Exploration Expenditure	32,863,921	37,627,288	1,361,414	38,988,702		38,988,702
Property, plant and equipment	107,343	104,065	(21,440)	82,625		82,625
Right of use of assets	477,950	517,904	(120,276)	397,628		397,628
Total non-current assets	33,561,802	38,444,983	1,219,698	39,664,681		39,664,681
Total assets	38,971,146	39,828,021	1,521,882	41,349,903	2,655,417	44,005,320
Liabilities						
Current liabilities						
Trade and other payables	969,114	898,908	(89,602)	809,306		809,306
Provisions	267,642	440,737	(15,894)	424,843		424,843
Lease liabilities	313,855	238,047	16,118	254,165		254,165
Convertible loan	1,975,000	-	-	-		-
Total current liabilities	3,525,611	1,577,692	(89,378)	1,488,314		1,488,314
Non-current liabilities						
Lease liabilities	135,390	267,376	(118,279)	149,097		149,097
Convertible loan	-	-	3,474,280	3,474,280		3,474,280
Total non-current liabilities	135,390	267,376	3,356,001	3,623,377		3,623,377
Total liabilities	3,661,001	1,845,068	3,266,623	5,111,691		5,111,691
Net assets	35,310,145	37,982,953	(1,744,741)	36,238,212	2,655,417	38,893,629
Equity						
Contributed Equity	89,513,282	98,268,200	(230,416)	98,037,784	2,655,417	100,693,201
Reserves	13,398,439	14,358,347	26,223	14,384,570		14,384,570
Accumulated losses	(67,601,576)	(74,643,594)	(1,540,548)	(76,184,142)		(76,184,142)
Total equity	35,310,145	37,982,953	(1,744,741)	36,238,212	2,655,417	38,893,629

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