ASX ANNOUNCEMENT

30 JANUARY 2026

SECOND QUARTER ACTIVITIES REPORT

ENDING 31 DECEMBER 2025

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RAZORBACK IRON ORE PROJECT

- **Strategic Partnering**
  - **Broadening focus**: Strategic partnering approach expanded in response to evolving global iron and steel decarbonisation dynamics, with increased focus on jurisdictions progressing with greater urgency including China and the Middle East.
  - **JFE Shoji Australia (JFESA)**: The non-binding Heads of Agreement (HoA) with JFESA lapsed on 31 December 2025 in accordance with its agreed terms. JFESA continues to recognise the quality and strategic value of Razorback, with potential for future collaboration.
  - **ZEN Energy (ZEN)**: Magnetite Mines renewed its Memorandum of Understanding (MoU) with ZEN Energy to collaboratively assess a green iron production opportunity in South Australia, with Magnetite Mines positioned as the key raw material supply partner.
- **Project Approvals**
  - **Mining Lease Proposal (MLP)**: MLP successfully passed the state government's validity assessment stage, underscoring the technical strength of the MLP. The MLP has now progressed to cross-agency assessment and public consultation stages.
- **Green Iron SA consortium**
  - **CSL Australia Pty Ltd (CSL)**: Green Iron SA welcomed CSL, part of Canada's The CSL Group Inc., as the newest member of the consortium. CSL brings world-leading experience in self-unloading transhipment vessels, bulk materials handling and port-infrastructure partnerships.
- **Infrastructure and government support**
  - **Power supply**: ElectraNet 'NTx' high-voltage power line planning identifies preferred transmission corridor to pass near Razorback, with potential to significantly reduce power transmission costs to the Project.
  - **Water supply**: South Australia's 20-year *State Infrastructure Strategy 2025* recommendation for a Braemar water supply feasibility study advanced with South Australia's Department for Energy and Mining.

MULTI-COMMODITY EXPLORATION PROGRAM

- **Rare Earth Elements (REE)**
  - **Ironback Hill REE Project**: Additional laboratory results from re-assayed archived drill samples confirm further near-surface, clay hosted Rare Earth Element (REE) mineralisation. Targeted, low-cost air-core REE drill program planned for Q1, 2026.
  - **New tenement granted**: Exploration Licence EL7100, *'Braemar Creek'* adjacent to Ironback Hill REE project granted, extending exploration optionality in local creek systems potentially prospective for REE.
- **Copper**
  - **Mutooroo Ridge**: Re-sampling of historic drill core targeting copper mineralisation completed, samples submitted with assay results pending.
- **Gold**
  - **Manunda North**: Low-cost, tenement-wide geological desktop review in progress.
  - **Manna Hill Gold ELA:** Application for tenement (ELA-01079) lodged for a new gold exploration licence north of the Razorback Iron Ore Project, covering ground with historic workings and subject to regulatory approval.

CORPORATE

- **Cash and cash equivalents at 31 December 2025**: $2.8 million
- **C/M Capital Partners facility:** 460,000 Convertible Loan Notes converted into 9,330,629 fully paid ordinary shares.
- **Annual General Meeting (AGM) -** All AGM resolutions passed following voting at the Company's AGM held on 26 November 2025 at the Hotel Grand Chancellor in Adelaide.

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

RAZORBACK IRON ORE PROJECT

Strategic partnering

The Company remains committed to attracting the right strategic partners at this stage of the Razorback Project's development and is broadening its strategic partnering approach in response to shifting global iron and steel decarbonisation dynamics.[1]

As transition pathways diverge across regions, Magnetite Mines is prioritising engagement with jurisdictions demonstrating greater urgency and alignment in policy settings, capital investment and project timelines, supporting Razorback's positioning as a long-term supplier of high-grade, Direct Reduction (DR)-grade magnetite products into emerging low-emissions steel value chains.

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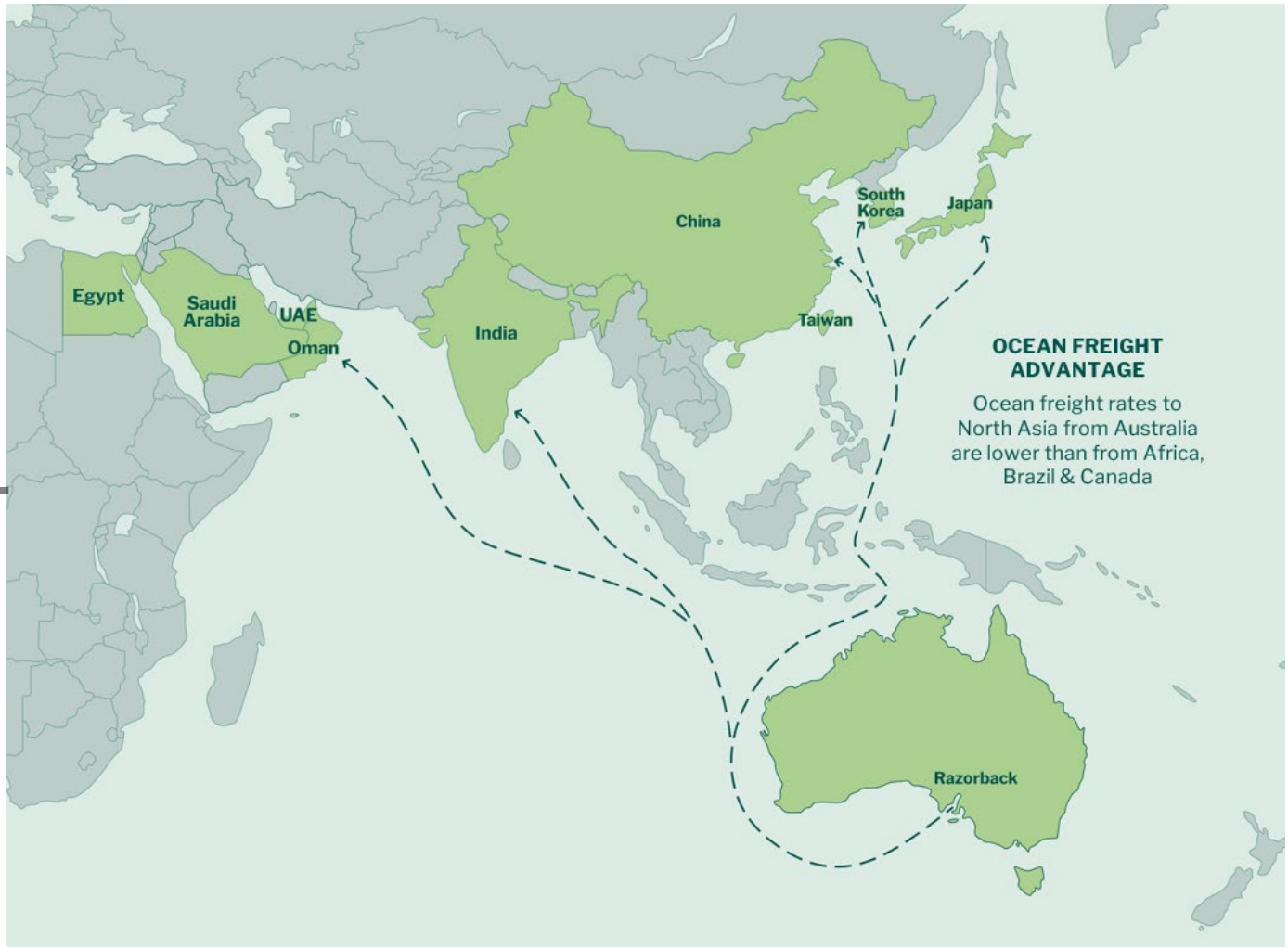

Figure 1. Australia is well positioned to supply major regional steelmaking markets with DR-grade concentrates and green iron

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Global iron and steel decarbonisation dynamics

Global iron and steel decarbonisation remains a high priority across the world's major steel producing regions. Led by Electric Arc Furnace (EAF) rollout, the proportion of total steelmaking capacity currently in development that is using EAF technology has increased from 33% to 50% over the past three years.

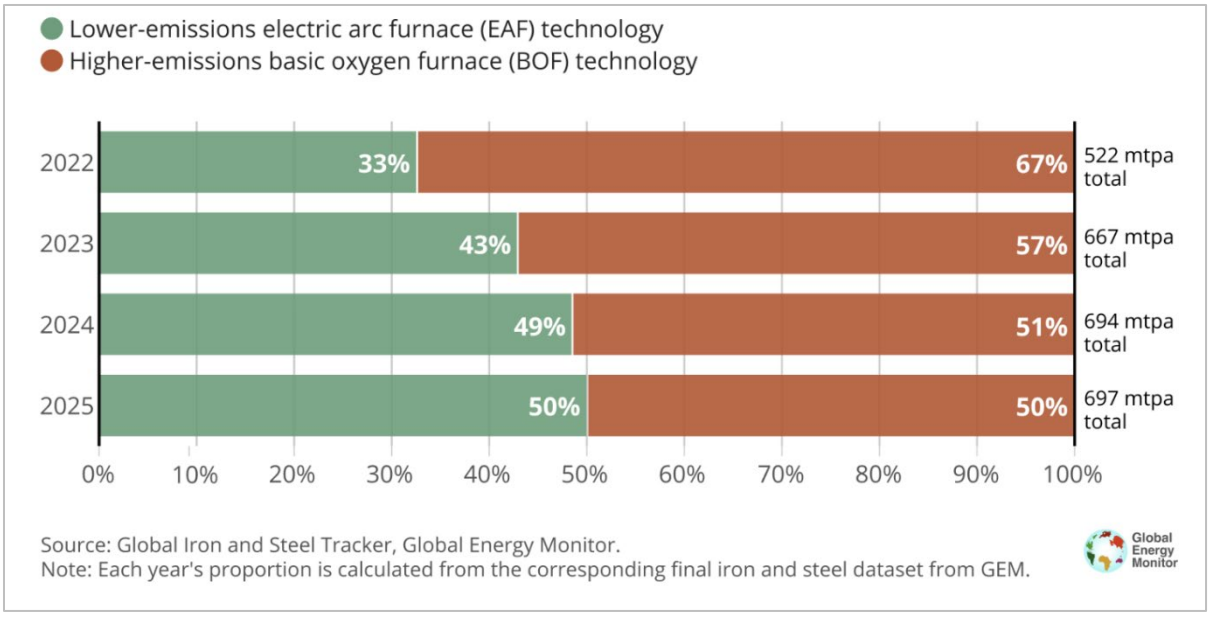

Figure 2. Global Energy Monitor - Proportion of steelmaking capacity in development globally, by year and technology

Regional focus areas

Based on these dynamics, Magnetite Mines is prioritising engagement across regions where decarbonisation urgency and commercial readiness are strengthening, including:

- **China**: accelerating transition supported by ETS expansion and strengthened Australia–China cooperation on steel decarbonisation.[2,3]
- **Middle East**: continued investment in green hydrogen and DRI-EAF pathways underpinned by competitive renewables and established DRI capacity.[4]
- **European Union**: CBAM implementation from 1 January 2026 is expected to strengthen demand for low-emissions supply chains.[5]
- **Japan & South Korea**: long-term commitment remains intact, with near-term pacing influenced by market conditions.
- **United States**: structurally high EAF penetration (~72%) supports lower-emissions steelmaking.
- **Australia**: increased national focus driven by the $1 billion Green Iron Investment Fund and the Whyalla Steelworks sale process, reinforcing South Australia's potential leading role in the green iron value chain.[6,7]

JFE Shoji Australia (JFESA)

The non-binding Heads of Agreement (HoA) entered into with JFE Shoji Australia on 8 July 2024, which provided a framework for due diligence and discussions relating to potential participation in funding and delivery of the Razorback Definitive Feasibility Study (DFS), lapsed on 31 December 2025 in accordance with its agreed terms.[1,8] While the HoA has concluded, JFESA remains engaged and continues to recognise the quality and strategic value of Razorback, with potential for future collaboration and supply discussions.

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ZEN Energy

Magnetite Mines has renewed and revised its Memorandum of Understanding (MoU) with ZEN Energy to assess a potential green iron production opportunity in South Australia.[1] Ongoing discussions with ZEN and its partners are focused on developing a project that leverages supportive federal and state policy settings, South Australia's renewable energy advantages and the Company's DR-grade magnetite resources.[6,8,9,10,11] Magnetite Mines is positioned as the key raw material supply partner, with Port Pirie identified as the preferred location for the proposed green iron concept, which is aligned with the Green Iron SA consortium initiative.[12,13]

Project approvals – Mining Lease Proposal (State Government)

The Razorback Project Mining Lease Proposal (MLP) submitted to the South Australian Government in March 2025, successfully passed a validity assessment by the Department for Energy and Mining (DEM) as the first stage of the MLP approvals process.[14,15]

Compiled in accordance with the South Australian *Mining Act 1971*, the MLP is the formal application for the granting of tenure for proposed mining and processing operations at the Company's 100%-owned Razorback Project, located 240km northeast of Adelaide in South Australia's Braemar iron province. The MLP will also serve as the basis of assessment for Commonwealth matters under the *Environment Protection and Biodiversity Conservation Act 1999* as part of a singular, streamlined process.

Figure 3. Artist's impression of future processing operations at Razorback.

The Company has made available the MLP (including all appendices) via the Magnetite Mines website, ahead of the South Australian Government's statutory consultation phase that is anticipated to begin in February 2026.

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Stakeholder engagement, land access and Native Title

Magnetite Mines maintained its commitment to providing a series of accessible opportunities for stakeholders and community members to engage with company representatives. Key engagement activities in the quarter included:

- hosting a f**ore**sight One-to-One meeting program in Peterborough following the publication of the MLP, providing the opportunity for interested persons to be guided through the approvals documents
- meeting with local government leaders to discuss future planning initiatives
- participated in a number of forums and meetings with business operators to continue building supply chain and service sector connections
- meetings with key landowners to progress priority access negotiations.

Magnetite Mines continued its preparations for Native Title Mining Agreements for several tenements including Muster Dam (EL 6746), Mutooroo Ridge (EL 6877), Sister's Dam (EL 6037) and Braemar Creek (EL 7100) to provide for future advanced exploration activities. Discussions with legal representatives of the Wilyakali Native Title Aboriginal Corporation (as applicable) have been progressed, while review of processes with Ngadjuri Nation have also been initiated to provide for more-recently awarded tenements.

RAZORBACK PROJECT INFRASTRUCTURE & GOVERNMENT SUPPORT

CSL Australia joins Green Iron SA consortium

During the quarter, Green Iron SA expanded its membership with the addition of CSL Australia Pty Ltd (part of Canada's The CSL Group Inc.) as the consortium's newest member.[12,13] CSL brings world-class maritime and bulk export logistics expertise, strengthening the consortium's capability to support the development of South Australia's emerging green iron industry and deliver an integrated mine-to-market supply chain.

CSL is the country's largest owner-operator of self-unloading and transhipment vessels and has extensive operational experience in the Upper Spencer Gulf, including management of a floating offshore transhipment system near Whyalla. This established system transfers iron ore from smaller feeder vessels to Capesize vessels using self-unloading barges and telescopic ship-loaders - providing a proven solution aligned with Green Iron SA's logistics needs for bulk magnetite export from the region.

CSL's involvement complements Aurizon's rail capability and Flinders Port Holdings' port infrastructure expertise, helping complete the transport corridor from mine to export market. Together with Magnetite Mines and GHD, the consortium continues to progress the infrastructure and logistics framework required to help unlock the Braemar Iron Region and position South Australia as a key supplier of high-purity magnetite feedstock for green iron and steelmaking.

Green Iron SA was established in October 2024 by Magnetite Mines, Aurizon Holdings, Flinders Port Holdings and GHD to accelerate the development of a green iron industry in South Australia.[13]

GREEN IRON SA

MAGNETITE MINES AURIZON Flinders Ports GHD CSL AUSTRALIA

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Electricity supply – ElectraNet "NTx" transmission update

In efforts to optimise infrastructure access for the Razorback Project and Braemar iron region more broadly, the Company has actively engaged with the SA Government and the state's transmission network provider, ElectraNet, to advocate for new high-voltage (HV) electricity transmission within South Australia's Mid-North region.[16,17,18]

NTx is ElectraNet's forward-planning program to expand South Australia's HV network, with two new high-capacity lines from the Bundey Substation near Robertstown (and the proposed grid connection point for the Razorback Project) being investigated:

1. NTx South toward Greater Adelaide and;
2. NTx North toward Whyalla/Cultana East.

While a Project Assessment Draft Report (PADR) for NTx was anticipated in December 2025 as the next key milestone for NTx, approval was provided to ElectraNet to defer its PADR submission by six months; however, a definitive route for NTx North is still proposed for March 2026. Magnetite Mines eagerly awaits this definition to enable assessment of alternative power supply options for the Razorback Project.

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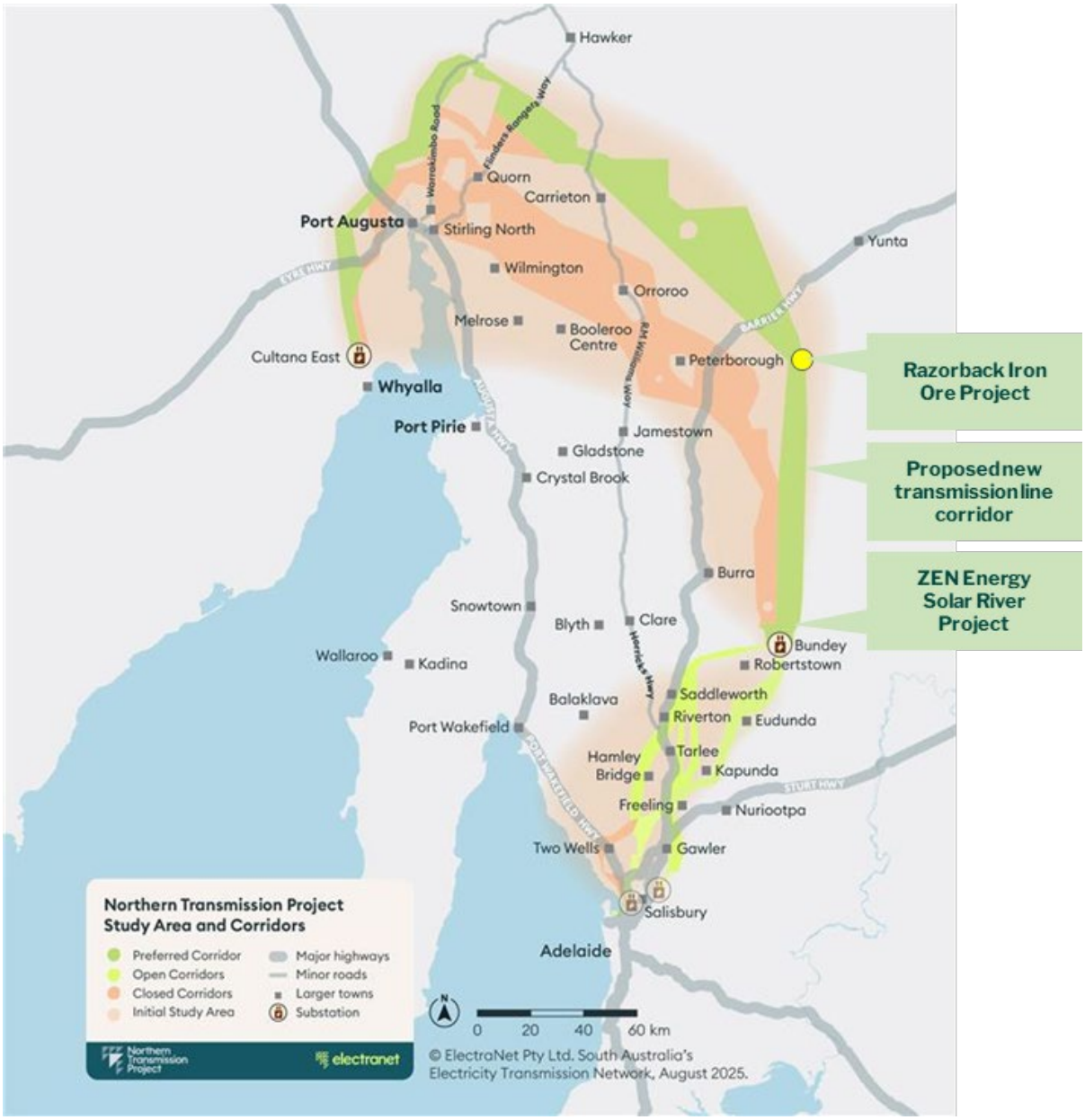

Figure 4. ElectraNet NTx corridors under consideration
(Razorback Project & ZEN Energy Solar River Project locations included by MGT)

Water supply: 20-year State Infrastructure Strategy 2025 recommendation

Magnetite Mines continues its initial planning for the Project's base case water supply – a standalone desalination plant located on the Upper Spencer Gulf coast with a buried water supply pipeline to the Razorback site.[19]

Following Premier Malinauskas' approval of the *'20-year State Infrastructure Strategy 2025'* in March 2025, Magnetite Mines has been strongly advocating for early action on steps to address Recommendation 3: '*Undertake feasibility planning to identify an economic water supply solution to unlock the Braemar Province*'.[20]

During the quarter, the Company met with DEM representatives, including those responsible for the Northern Water Project, to advance considerations of multi-user water supply options in the Braemar iron region while actively progressing plans for the company's base case supply option. Magnetite Mines has demonstrated its willingness to collaborate with government stakeholders and industry partners to find the most efficient and effective supply option for future users in the region.

MULTI-COMMODITY EXPLORATION PROGRAM

The Company continued to advance a low-cost, tenure-wide assessment of the prospectivity of its South Australian exploration portfolio during the quarter, testing for alternative commodities including gold, copper and other critical minerals.

This work, initiated in response to supportive market and policy settings and guided by historical datasets, comprises verification of historical occurrences and targeted re-assaying of archived drill materials using modern techniques. A key outcome of the work undertaken in-house to date includes the identification of further rare earth elements (REEs) in clay at the Ironback Hill prospect, in additional to the previously reported REE mineralisation.[21,22]

Ironback Hill – Additional Rare Earth Elements (REE) identified

During the quarter, the Company advanced its low-cost assessment of alternative commodities within existing South Australian tenure and reported the identification of additional near-surface, clay-hosted REE mineralisation at the 100%-owned Ironback Hill Project, in North-East South Australia, adjacent to the Company's large magnetite iron ore deposit.[21]

These results build on earlier reporting from archived samples originally collected during an iron ore resource drilling program in 2011–2012. REE mineralisation occurs in shallow clay layers that generally follow local creek and drainage lines, consistent with the Company's working model that minerals were concentrated in zones of increased weathering due to fluvial (creek) action. Importantly, the results received provide the basis for a scout drilling program planned for early 2026. Drill targets have been defined both locally - near current mineralisation intercepts - and regionally, within 5km of Ironback Hill, to test the spatial extent of mineralisation and geological controls on mineralisation. A small 1000-2000m drilling program is proposed, with permitting and stakeholder engagement underway.[21,22]

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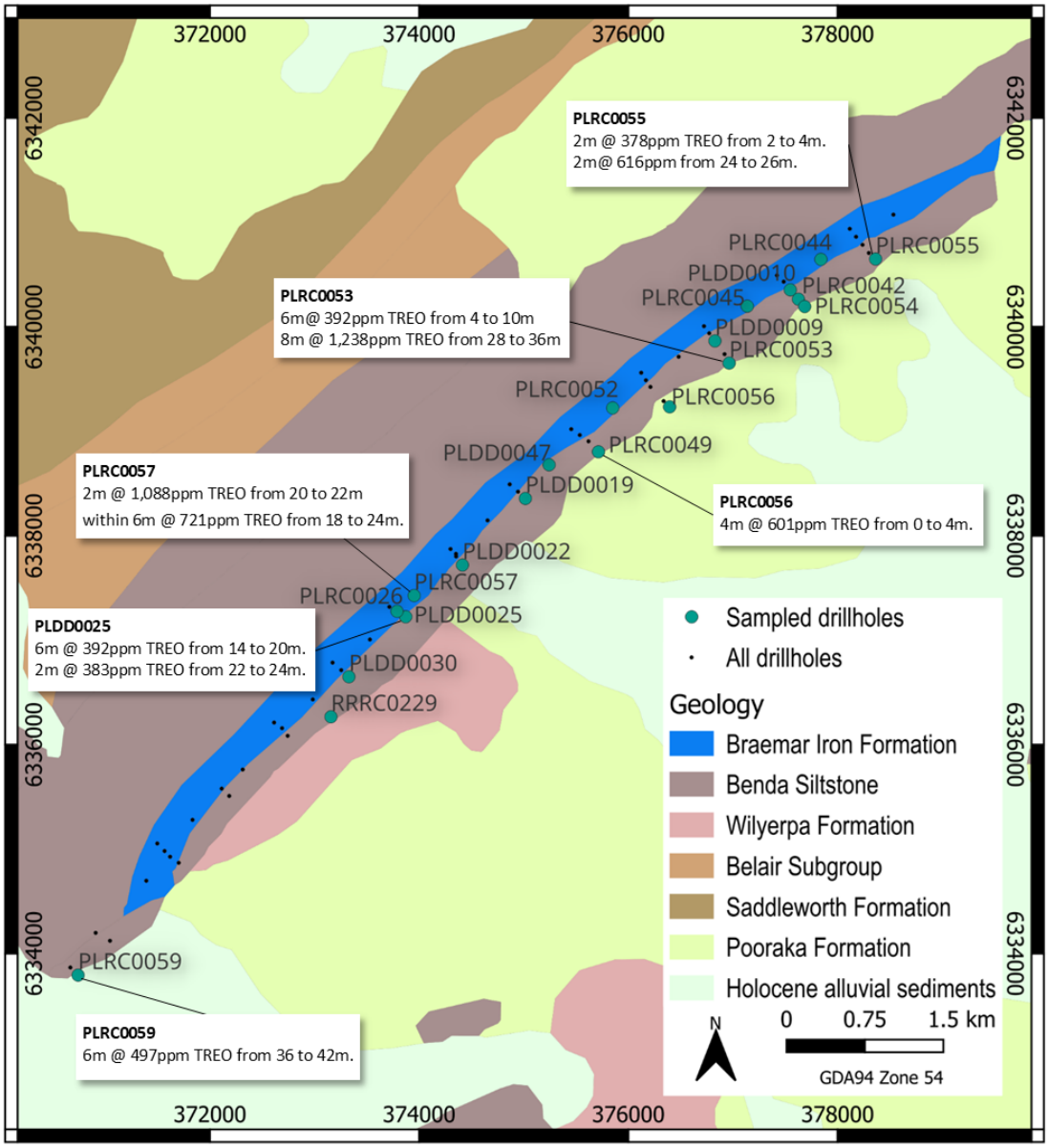

Figure 5. Drill collar location map and associated intercepts, cut-off grade of 350ppm TREO applied, no high-grade cut-offs were applied.

Significant intersections from the re-assay program (350 ppm TREO cut-off; length-weighted; downhole lengths). Results are reported for Total Rare Earth Oxides (TREO) and Neodymium Oxide (Nd_2O_3), a critical rare-earth magnet element:[A]:

[A] Reported intersections represent a selection of results expressed as calculated oxide equivalents. TREO is a sum of rare earth oxides (as listed) and is not a metal equivalent grade (no prices or recoveries are applied). The full dataset of intersections and assay results is presented in the Results section and Appendix A and B. All intercepts are reported as downhole lengths; true widths are not known due to drill hole inclination. A cut-off grade of 350 ppm TREO has been applied, with no high-grade cut-offs. TREO denotes Total Rare Earth Oxides as determined by laboratory analysis; Nd_2O_3 (neodymium oxide) is specifically reported as a key rare earth magnet element. Reporting criteria, sampling protocols and analytical methodologies are provided in the accompanying JORC (2012) Table 1.

Hole ID	Intercept
PLRC0053	8m @ 1,238ppm TREO (260ppm Nd_2O_3) from 28m to 36m within 24m @ 1,048ppm TREO (194ppm Nd_2O_3) from 10m to 34m - extending the previously reported 18m @ 866ppm TREO from 10m to 28m 6m @ 436ppm TREO (62ppm Nd_2O_3) from 4m to 10m
PLRC0057	2m @ 1,088ppm TREO (113ppm Nd_2O_3) from 20m to 22m within 6m @ 721ppm TREO (78ppm Nd_2O_3) from 18m to 24m
PLDD0025	6m @ 392ppm TREO (81ppm Nd_2O_3) from 14m to 20m 2m @ 383ppm TREO (92ppm Nd_2O_3) from 22m to 24m
PLRC0059	6m @ 497ppm TREO (93ppm Nd_2O_3) from 36m to 42m
PLRC0055	2m @ 378ppm TREO (64ppm Nd_2O_3) from 2m to 4m 2m @ 616ppm TREO (102ppm Nd_2O_3) from 24m to 26m
PLRC0056	4m @ 601ppm TREO (112ppm Nd_2O_3) from 0m to 4m

Cut-off grade of 350ppm TREO applied, no high-grade cut-offs were applied.

Disclaimer: *The results reported in this announcement are based on limited sampling and early-stage testwork. Limited metallurgical testwork has been undertaken, and recoveries and potential economic significance are unknown at this stage. Further work is required to determine the nature, extent and grade continuity of the mineralisation, and whether extraction would be technically or economically feasible.*

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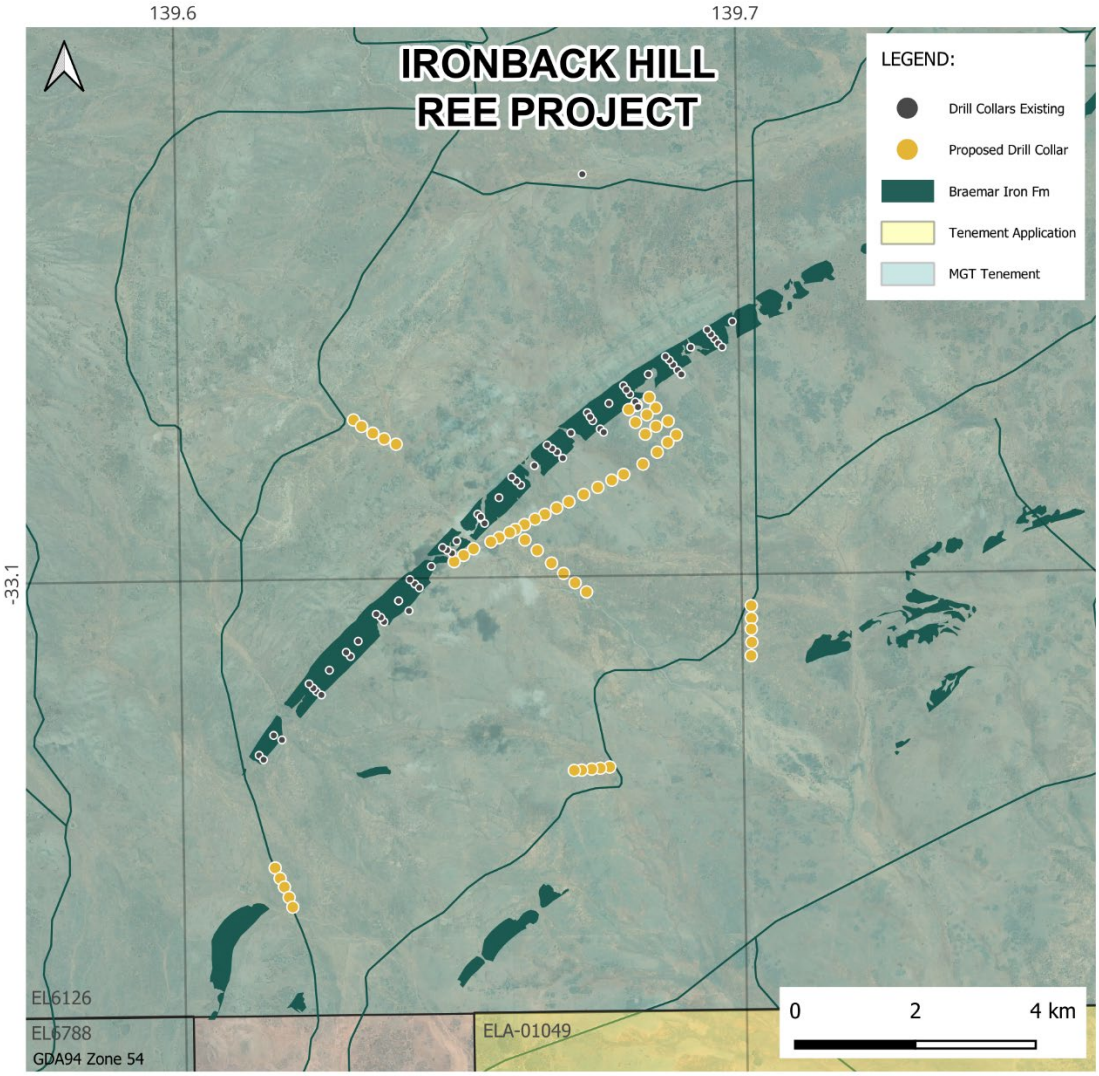

Figure 6. Existing iron ore and planned REE drill hole locations

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New tenement granted – Braemar Creek (EL7100)

Subsequent to the quarter, the South Australian Department for Energy and Mining granted Exploration Licence EL7100 (Braemar Creek) to Magnetite Mines Limited on a 100% basis.[23] The licence covers approximately 227km^2 and is located in the Braemar Iron Region, immediately adjacent to EL6126, which hosts the Ironback Hill rare earth element (REE) prospect.

The tenement secures downstream drainage corridors interpreted to be associated with the shallow, clay-hosted REE mineralisation previously reported at Ironback Hill. The grant of EL7100 consolidates the Company's tenure position in the area and provides strategic optionality for potential REE extensions, subject to the results of ongoing and planned work at Ironback Hill.

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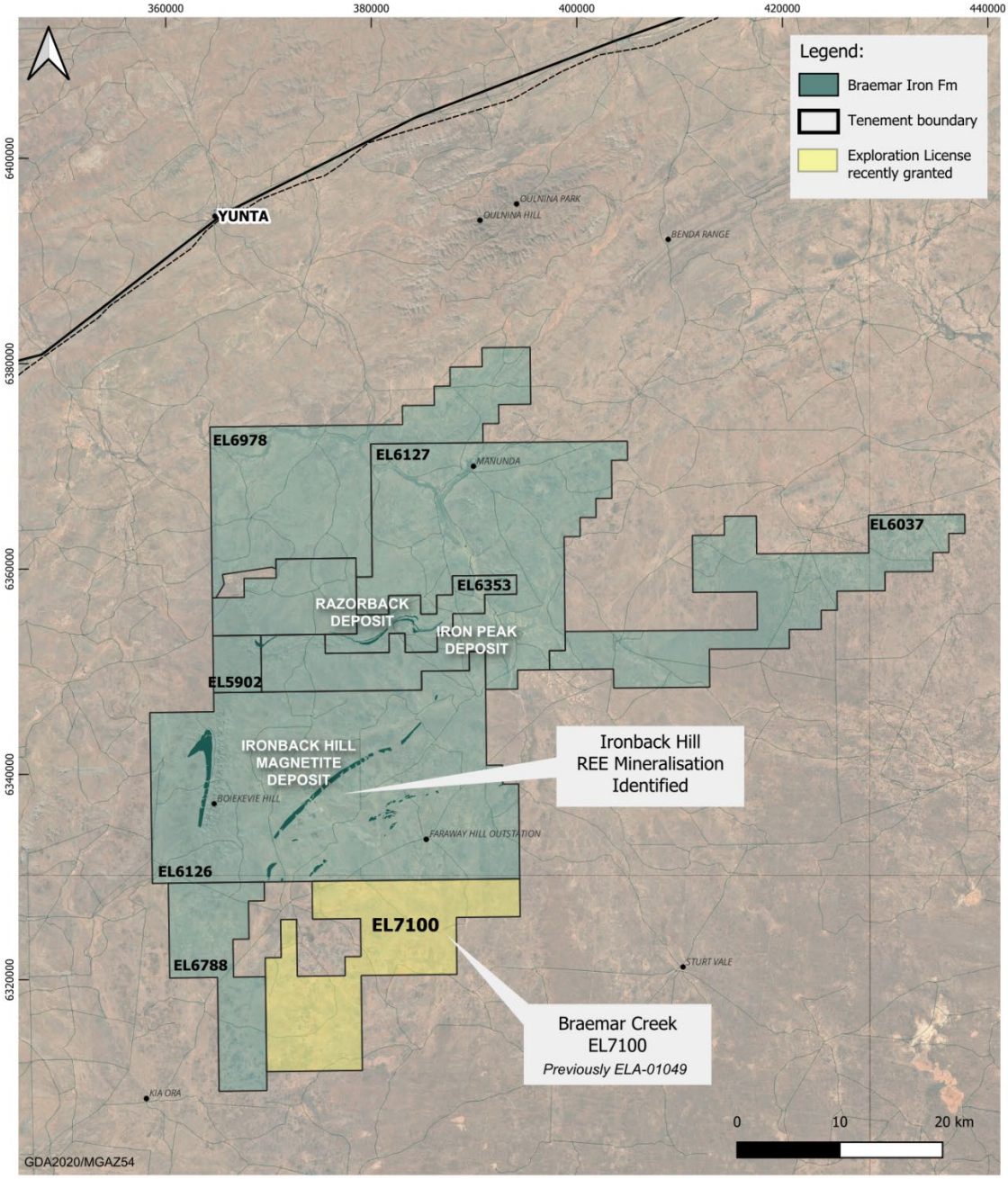

Figure 7. Location of Braemar Creek EL7100 relative to Ironback Hill REE prospect EL6126 and the Razorback Project.

No exploration activities have yet been undertaken on EL7100. Initial, low-cost work programs are planned and are expected to include compilation and review of existing data, refinement of regolith and drainage-based REE targets, and reconnaissance mapping and surface geochemical sampling along priority drainage systems. Any follow-up drilling will be contingent on results and will be progressed in a staged and disciplined manner.

The addition of EL7100 is consistent with the Company's broader strategy to assess critical minerals potential across its Braemar tenure in a phased, capital-light manner, while maintaining primary focus on advancement of the Razorback Iron Ore Project.

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GOLD AND COPPER OPPORTUNITIES

Gold tenement application – Manna Hill Exploration Licence Application (ELA), South Australia

During the quarter, the Company lodged an application for a new Exploration Licence covering ground located north of the Razorback Iron Ore Project along the Barrier Highway near Manna Hill. The tenement application covers approximately 371 square kilometres and is currently in the Exploration Licence Application (ELA) stage. Grant of the licence is subject to regulatory approval and is not guaranteed.

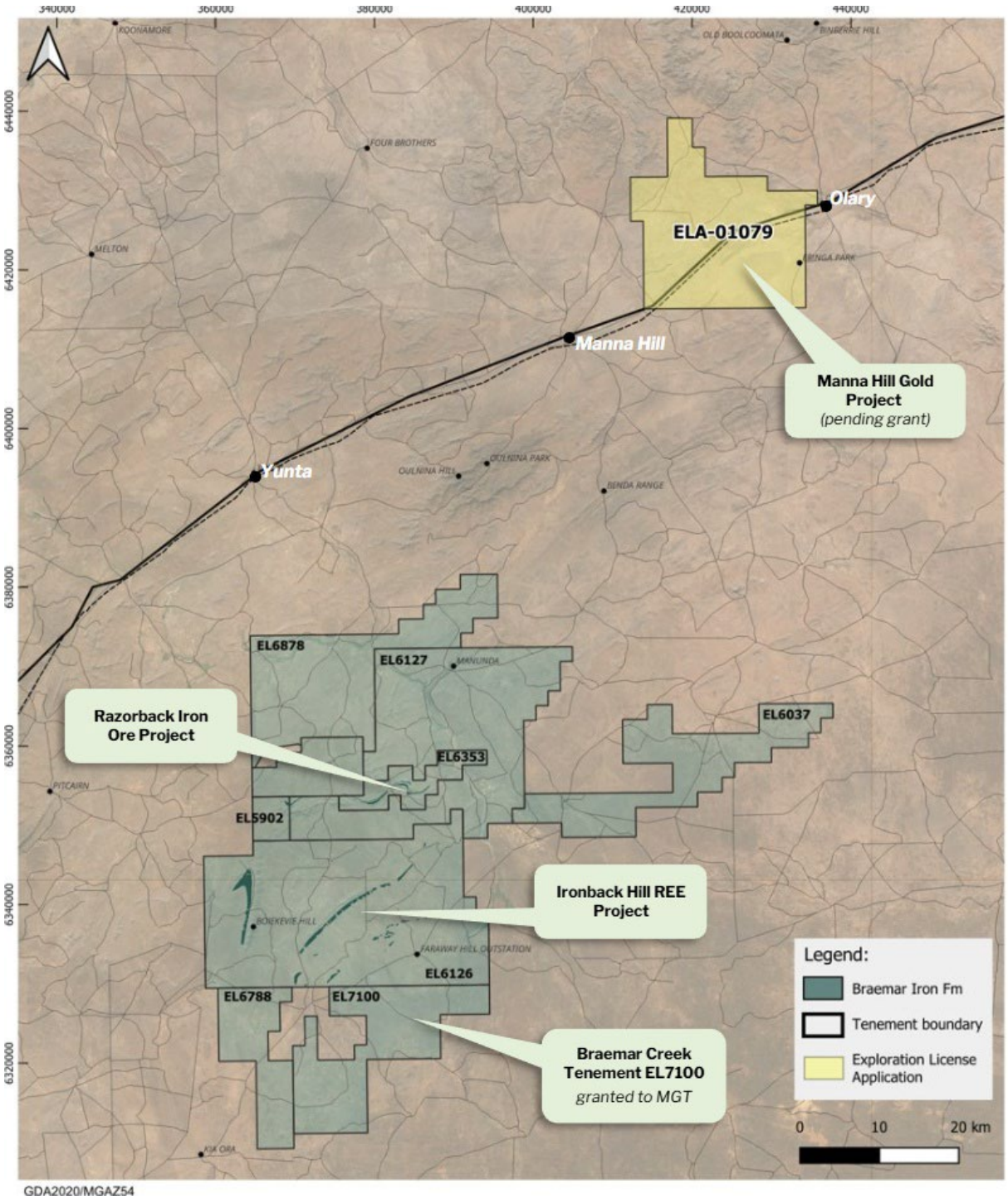

Figure 8. Manna Hill Exploration License Application (ELA-01079) pending formal grant

The application area encompasses historic gold prospects and workings recorded in South Australian Government open-file datasets. These historical records indicate small-scale past workings within stratigraphic units of the Tapleys Hill Formation and Enorama Shale, a geological package regionally associated with orogenic gold mineralisation. The historic data is selective in nature, has not been verified by the Company, and no modern systematic exploration has been undertaken over the application area.

No field exploration, sampling, drilling, or geophysical surveys have been completed by the Company on the ELA. Any future work, if the licence is granted, would initially be limited to desktop data compilation and low-impact reconnaissance activities, subject to land access, heritage clearances, and regulatory approvals.

The application is considered to provide strategic optionality by securing vacant ground with known historical workings and favourable geological context, while maintaining the Company's primary focus on advancement of the Razorback Iron Ore Project.

Disclaimer: The Exploration Licence application referred to above is subject to regulatory approval and there is no certainty that the application will be granted. The Company has not undertaken any exploration activities on the application area. References to historical workings and mineral occurrences are based on South Australian Government open-file information, which has not been verified by the Company and should not be relied upon as an indication of future mineralisation.

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Copper Exploration

During the quarter, Magnetite Mines continued early-stage reconnaissance activities at the Mutooroo Ridge Copper Project (EL6877), located along the southwestern margin of the Curnamona Province, ~80km southwest of Broken Hill, in north-eastern South Australia.[18]

Work undertaken focused on a review of historical open-file exploration data and archived diamond drill core from the Mutooroo Ridge tenement, which is stored at the South Australian Department for Energy and Mining State Core Library. Historic drilling records, as reported by previous operators, indicate the presence of copper mineralisation within the Boucault Volcanics, which form the primary geological target at the project.

Under approved permits, selected historic drill core was accessed and re-logged, and intervals not comprehensively sampled by previous operators were selected for re-assay. This work forms part of a low-cost screening program aimed at defining and prioritising mineralisation targets within the Company's existing tenure.

Sample preparation and submission to ALS Laboratories was completed in late 2025, for multi-element analysis. Assay results were not yet available at the time of writing and will be evaluated once received.

Results from this initial reconnaissance program will be used to inform further on-ground exploration activities, including the prioritisation of targets for potential follow-up work such as geochemical surveys within the Boucault Volcanics.

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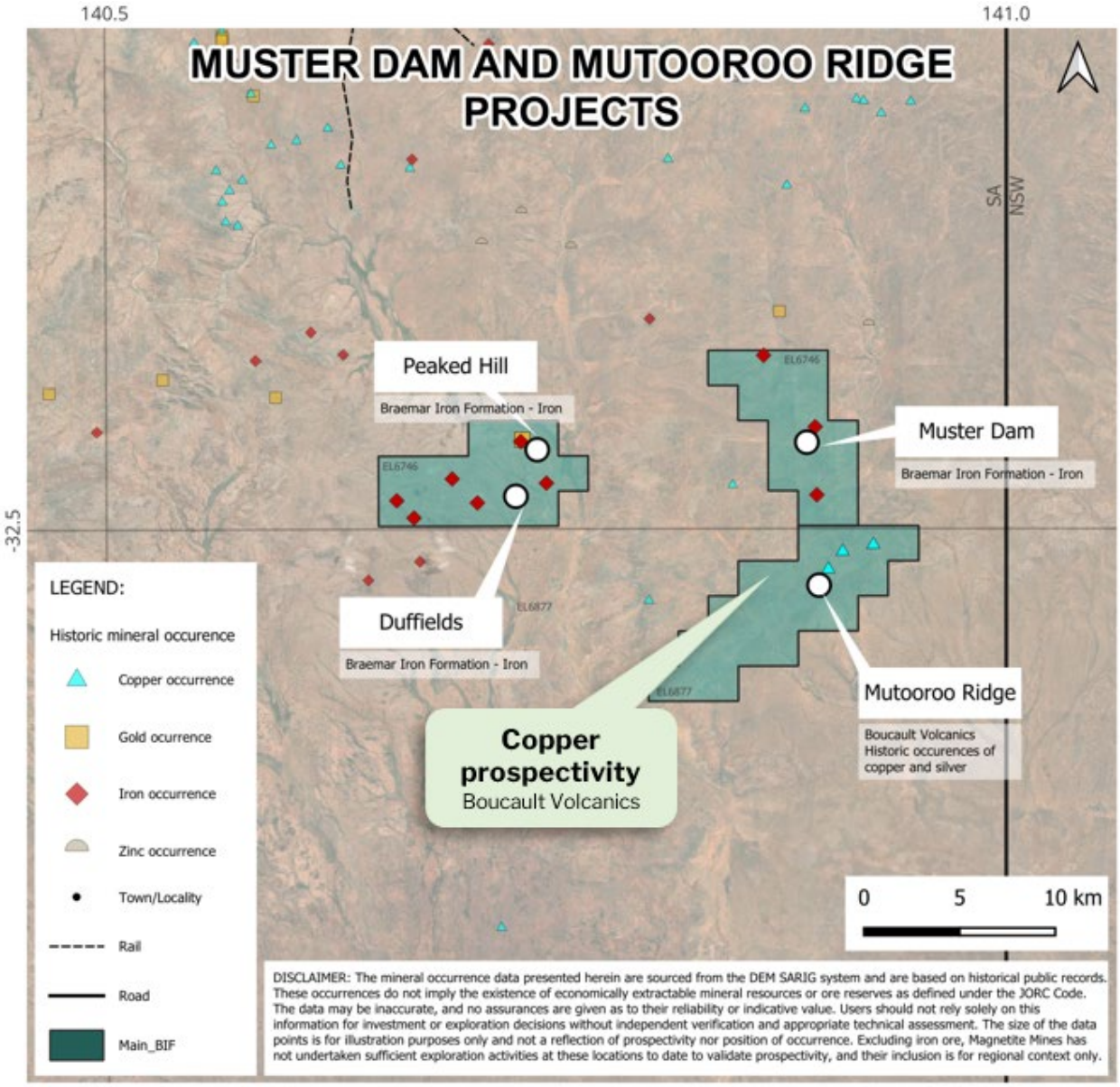

Figure 9. Location of Mutooroo Ridge Copper Project (EL6877) and the Muster Dam Project

CORPORATE

Funding / CM Capital Partners

On 2 December 2025, the Company issued 9,330,629 fully paid ordinary shares to funds associated with C/M Capital Partners LP (C/M Capital) upon conversion of 460,000 Convertible Loan Notes (with a face value of $1.00 each) issued on 23 January 2025. The shares were issued in accordance with the Cleansing Notice lodged with the ASX on 23 January 2025, pursuant to section 708A(12c)(e) of the Corporations Act 2001 (Cth).[24,25,26]

As at 31 December 2025, 2,714,280 Convertible Loan Notes remain on issue. If required by the Company, and subject to agreement by C/M Capital and the Company's compliance with all necessary approvals, C/M Capital may provide up to a further $4.5 million by way of Convertible Notes (with a face value of 108% of the relevant investment amount) from the $7.0 million (facility limit) facility, in tranches to be mutually agreed between C/M Capital and the Company.[27]

Annual General Meeting of Shareholders (AGM)

On 26 November 2025, the Company held its AGM at the Hotel Grand Chancellor in Adelaide. Shareholders voted in favour of all resolutions. All resolutions put to shareholders were carried by the requisite majority on a poll.[27]

Related party transactions

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

For the quarter ended 31 December 2025, the Company issued an aggregate of 547,805 fully paid ordinary shares to Non-Executive Chair Mr Paul White (or his associates) and Non-Executive Director Mr Simon Wandke in lieu of a combined $32.5k in directors' fees for the period from 1 October 2025 to 31 December 2025.[28,29,30]

The number of shares issued was determined by dividing the foregone fees by the Company's average daily Volume Weighted Average Price (VWAP) on the ASX over the relevant period of $0.0593, subject to a minimum average VWAP threshold of $0.048. This followed the decision by Mr White and Mr Wandke to forgo a portion of their directors' fees in cash and instead receive fully paid ordinary shares under the Company's Employee Incentive Plan (EIP), an arrangement approved by shareholders at the Annual General Meeting held on 26 November 2025.[31]

Investor Relations

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

- Australian-Japan Business Co-operation Committee Conference – Oct 3-5, 2025
- The International Mining and Resources Conference (IMARC) – Oct 21-23, 2025
- South Australian Exploration & Mining Conference (SAEMC) – Nov 28, 2025

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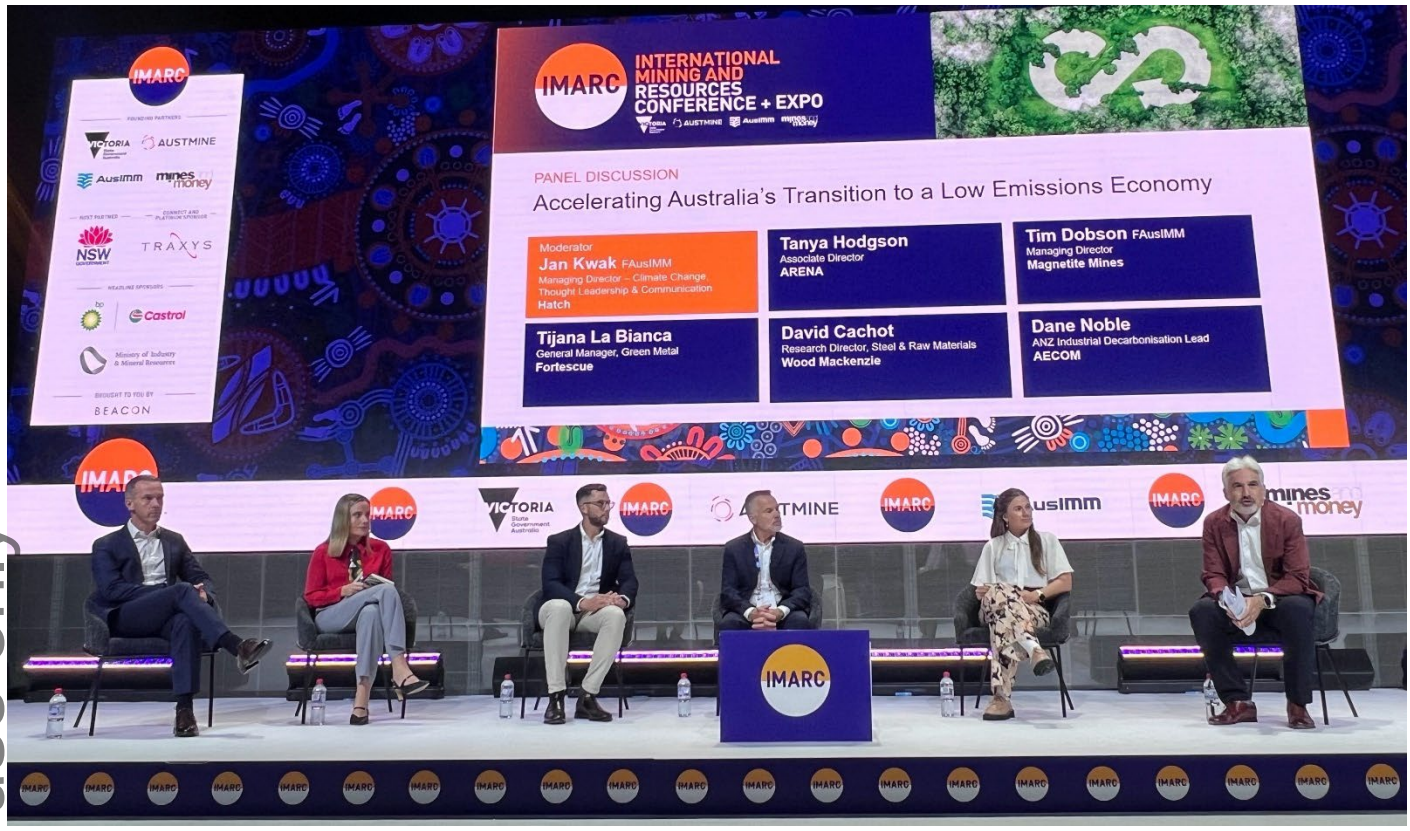

Figure 10. MD Tim Dobson participating in industry panel discussion at IMARC – Sydney, October 22, 2025

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EXPLORATION & EVALUATION EXPENDITURE

Mine production and development expenditure

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

- Exploration expenditure and tenement administration
- Mining Lease preparation, submission and associated studies
- Drilling program planning and associated approvals
- Testwork – sampling and associated analytical testwork
- Permitting and approvals related consultation
- Collaboration and consultation with the Ngadjuri Nation (native title claimant group)

Exploration and evaluation expenditure during the quarter totalled $0.34 million. No exploration drilling activities occurred during the quarter. The Company remains in the pre-development stage with no active mining operations, and therefore no expenditure was recorded during the quarter for production or development activities.

Consistent with previous disclosures, the Company is also advancing a low-cost assessment of the prospectivity of its existing South Australian tenure for alternative commodities (including gold, copper and critical minerals). This work is desktop-led and leverages open-file datasets and re-assay of archived materials to prioritise any future field activities.

In relation to the Mining Lease Proposal, the Company's expenditure and effort during the quarter were directed primarily to continued community and stakeholder consultation and to preparing formal technical responses to information requests from the Department for Energy and Mining. These activities remain the focus of current permitting workstreams and associated costs.

Tenement holdings

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

This announcement has been authorised for release to the market by the Board.

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ABOUT MAGNETITE MINES

Magnetite Mines Ltd is an ASX-listed iron ore company focused on the development of magnetite iron ore resources in the highly prospective Braemar iron region of South Australia. The Company has a 100% owned Mineral Resource of 6.6 billion tonnes and is developing the Razorback Iron Ore Project, located 240km from Adelaide, to meet accelerating market demand for premium iron ore products created by iron & steel sector decarbonisation. With the potential to produce high-value Direct Reduction (DR) grade concentrates, Razorback is set to become a very long-life iron ore project with expansion optionality in a tier 1 jurisdiction that will produce a superior iron ore product sought by steelmakers globally. For more information visit magnetitemines.com.

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References

1. ASX:MGT 19/12/25 Razorback Strategic Partnering Update
2. Reuters - 26/03/25 - https://www.reuters.com/sustainability/china-expand-carbon-trading-market-steel-cement-aluminium-2025-03-26/
3. Australian Government Release – 02/12/25 - https://www.industry.gov.au/news/australia-and-china-sign-mou-advance-steel-decarbonisation
4. Australian Government Release – 01/10/25 - Australia-UAE Comprehensive Economic Partnership Agreement (CEPA) | Australian Government Department of Foreign Affairs and Trade
5. World Economic Forum – 15/12/25 - The impact of the EU's CBAM on business and the carbon-pricing landscape | World Economic Forum
6. Australian Government Release – 20/02/25 - Albanese Government building Australia's green iron future | Prime Minister of Australia
7. South Australian Department for Energy & Mining Release - 24/06/25 - Strong international interest as sale process opens for Whyalla Steelworks | Energy & Mining
8. ASX:MGT 08/07/24 Heads of Agreement with JFE Shoji Australia Pty.
9. SA Gov Release South Australia's Green Iron and Steel Strategy | Dept. for Energy and Mining
10. SA Gov Release South Australia's Green Iron Opportunity, Expression of Interest | Dept. for Energy and Mining
11. Fed Gov Release New fund will position Australia at the centre of the global green iron market | Dept. of Industry, Science and Resources
12. ASX:MGT 22/10/24 Green Iron SA consortium launches to spearhead South Australia's Green Iron revolution
13. ASX:MGT 13/11/25 CSL Australia Joins Green Iron SA Consortium
14. ASX:MGT 26/03/25 Razorback Project Mining Lease Proposal Lodged
15. ASX:MGT 24/11/25 Razorback Mining Lease Validity Assessment Finalised
16. AEMO Release AEMO | 2024 Integrated System Plan (ISP)
17. ElectraNet Release Northern Transmission Project (NTx) | ElectraNet
18. ASX:MGT 27/11/25 MD Presentation Annual General Meeting
19. ASX:MGT 09/06/23 Iron Peak Strengthens Razorback Economics
20. Infrastructure SA ISA-20-Year-State-Infrastructure-Strategy-2025-Web.pdf
21. ASX:MGT 19/08/25 Rare Earths Mineralisation Identified at Ironback Hill
22. ASX:MGT 18/11/25 Additional Rare Earths Confirmed At Ironback Hill, Drilling Planned
23. ASX:MGT 07/01/26 New Tenement Granted Adjacent to Ironback Hill REE Project
24. ASX:MGT 02/12/25 Application for quotation of securities
25. ASX:MGT 24/01/25 Appendix 2A - Application for quotation of securities
26. ASX MGT 24/01/25 Section 708A(12C)(e) Cleansing Notice
27. ASX:MGT 26/11/25 Results of Annual General Meeting
28. ASX:MGT 23/01/26 Application for quotation of securities - MGT
29. ASX:MGT 23/01/26 Section 708A(5)(e) Notice
30. ASX:MGT 23/01/26 Appendix 3Y - Change of Directors' Interest Notice x 2
31. ASX:MGT 26/11/25 Results of 2025 AGM

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Appendix 5B

Mining exploration entity quarterly cash flow report

Name of entity

MAGNETITE MINES LIMITED

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

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(373)	(881)
	(e) administration and corporate costs	(157)	(496)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	23	36
1.5	Interest and other costs of finance paid	(8)	(16)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (fuel tax credit, royalty income)	-	-
1.9	**Net cash from / (used in) operating activities**	**(515)**	**(1,357)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(344)	(591)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	26
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (security bond)	-	-
2.6	**Net cash from / (used in) investing activities**	**(344)**	**(565)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,869
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(181)	(509)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (payment of lease liabilities)	(52)	(107)
3.10	**Net cash from / (used in) financing activities**	**(233)**	**3,253**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**3,909**	**1,486**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(515)	(1,357)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(344)	(565)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(233)	3,253

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**2,817**	**2,817**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	301	1,402
5.2	Call deposits	2,516	2,507
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,817**	**3,909**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	175
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

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

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

Note to 7.3 (above):

- On 13 January 2025, the Company announced it had secured up to $7.0 million in funding through the issue of unsecured Convertible Notes to two investment funds managed by US-based C/M Capital Partners, LP (C/M Capital).
- On 24 January 2025, Convertible Notes with a face value of $1.296 million were issued, maturing on 24 January 2027 (first tranche).
- Following shareholder approval at the EGM held on 5 March 2025, further Convertible Notes with a face value of $1.404 million were issued on 7 March 2025, maturing on 7 March 2028 (second tranche).
- On 25 March 2025, C/M Capital converted 350,000 of Convertible Notes into 4,347,826 fully paid ordinary shares.
- On 19 May 2025, Convertible Notes with a face value of $0.81 million were issued, maturing on 19 May 2028 (third tranche).
- On 30 June 2025, Convertible Notes with a face value of $0.314 million were issued, maturing on 30 June 2028 (fourth tranche).
- On 19 August 2025, C/M Capital converted 300,000 of Convertible Notes into 3,750,000 fully paid ordinary shares.
- On 2 December 2025, C/M Capital converted 460,000 of Convertible Notes into 9,330,629 fully paid ordinary shares.
- Subject to mutual agreement and necessary approvals, C/M Capital may provide up to an additional $3.46 million under the facility in future tranches.

The current key terms of the facility are:

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

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- Repayment: Any Convertible Notes which have not been previously converted (or are the subject of a conversion notice) must be repaid on the earlier to occur of:
  - 20 business days of the Maturity Date;
  - if an event of default continues for 10 business days following written notice from C/M Capital, within a further 10 business days; or
  - where there is a change of control event, delisting event, or qualifying capital raising event (being where $10m or more is raised) and if C/M Capital elects for repayment to occur, on or before the date on which the relevant event occurs.
- Ownership cap: At no point can C/M Capital hold shares in the Company that exceed 9.99% of the Company's issued share capital.
- Options: Following shareholder approval at the EGM held on 5 March 2025, and upon the closing of the second tranche, C/M Capital was issued 8,106,355 unquoted options with an exercise price of $0.1542 each, expiring on 7 March 2028 were issued on 7 March 2025. On closing of the third tranche on 19 May 2025, 2,881,548 unquoted options were issued with an exercise price of $0.1301, expiring on 19 May 2028, and on closing of the fourth tranche on 30 June 2025, 1,200,495 unquoted options were issued with an exercise price of $0.1212, expiring on 30 June 2028. These options represent 50% of the total funding amount from the first and second tranches and have an exercise price equal to 120% of the 15-day VWAP immediately prior to the respective tranche's funding. C/M Capital will be issued unquoted options equivalent to 50% of the funded amount, with an exercise price of 120% of the 15-day VWAP immediately prior to the execution date of the facility, and in the case of any subsequent funding, the date of the issuance of the options. The options will have a 36-month term from the date of issue.
- Commencement Shares: On closing of the first tranche funding, in accordance with the Company's ASX LR7.1 placement capacity, C/M Capital will be issued Ordinary Shares in the Company equivalent to 2% of the total facility amount ($140,000).
- Other terms: Customary investor protections have been agreed, such as negative covenants, events of default, and representations and warranties.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(515)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(344)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(859)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,817
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,817
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	3.28

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

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

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

8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

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

Compliance statement

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

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

Date: 30 January 2026

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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