For personal use only

MAGNETITE MINES

Magnetite Mines Limited
ACN 108 102 432

PROSPECTUS

This Prospectus relates to:

- the offer of up to 98,017,838 Shares and up to 98,017,838 Options to Eligible Shareholders under a pro rata renounceable rights issue, representing an offer of 1 New Share for every 2 Shares held on the Record Date at an issue price of $0.04 per New Share, together with 1 free attaching Option for every 1 New Share subscribed under the Rights Issue, to raise up to approximately $3.92 million;
- the Shortfall Offer described in Section 4.2; and
- the offer of up to 3,920,714 Options to the lead manager of the Offers.

The Rights Issue is partially underwritten to an amount of $800,000.

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

For personal use only

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 98,017,838 Shares and up to 98,017,838 Options to Eligible Shareholders under a pro rata renounceable rights issue, representing 1 New Share for every 2 Shares held on the Record Date at an issue price of $0.04 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 4.2,

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

- the offer of up to 3,920,714 Options to the lead manager of the Offers.

This Prospectus is dated 3 March 2026 and was lodged with ASIC and ASX on that date. 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 this Prospectus.

The Company will apply to ASX for Official Quotation of the New Shares and Options offered pursuant to this Prospectus within 7 days of the date of this 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 8 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 Entitlement and Acceptance Form

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

A copy of this Prospectus and a personalised Entitlement and Acceptance Form will be available from the opening date of the Rights Issue, expected to be 11 March 2026, is available and accessible by you (by entering your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) from your latest Holding Statement, and your postcode) at the following link: https://portal.automic.com.au/investor/home. Prior to that date a copy of the Prospectus (with no personalised Entitlement and Acceptance 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 Entitlement and Acceptance Form which accompanies this Prospectus at https://portal.automic.com.au/investor/home, and by making payment using BPAY® (refer to Section 4.6 of this Prospectus for further information) or, for New Zealand residents only, by electronic funds transfer (refer to Section 4.7 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 Entitlement and Acceptance 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 Entitlement and Acceptance 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 8 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 https://portal.automic.com.au/investor/home. By completing an Entitlement and Acceptance 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 Entitlement and Acceptance 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 Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information in the Entitlement and Acceptance 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 in the Company, the Corporations Act requires the Company to include information about the securityholder (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 securityholder 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 Entitlement and Acceptance 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 10 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.

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

For personal use only

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 .

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 contact Automic on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8.30am and 7.00pm (Sydney time), Monday to Friday, or consult your stockbroker, accountant or other professional adviser.

For personal use only

1 Letter from the Chair

3 March 2026

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 two Shares held on the Record Date at an issue price of $0.04 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 $0.08 and will be exercisable on or before the date that is 2.5 years after the date of issue of the Option to subscribers under the Rights Issue. 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 20% discount to the closing price of the Shares on 2 March 2026, the last day on which the Shares traded on ASX before the announcement of the Rights Issue, and a 27% 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 5 March 2026 and ending on 18 March 2026.

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 11 March 2026 until the Closing Date by accessing the Prospectus (together with the applicable Target Market Determination) via the Company's share registry's investor portal. Prior to that date a copy of the Prospectus (without a personalised Entitlement and Acceptance 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). Before making any application under the Rights Issue you should ensure you read the entire Prospectus carefully.

Eligible Shareholders may log in at https://portal.automic.com.au/investor/home using their existing Automic account, or alternatively access the offer via https://singleholding.automic.com.au/login by entering their SRN or HIN and other required holder details to retrieve their personalised Entitlement

For personal use only

and Acceptance Form. Applications must be made in accordance with the instructions set out in the Prospectus and on the personalised Entitlement and Acceptance Form. Payment must be made using the payment methods specified on the personalised Entitlement and Acceptance Form, including BPAY® or electronic funds transfer.

The Rights Issue aims to raise up to approximately $3.92 million and is partially underwritten to an amount of $800,000 by Mahe Capital. All of the Directors of Magnetite Mines have advised that they will be participating in the Offer.

Background to the Rights Issue

Magnetite Mines is committed to developing the Razorback Iron Ore Project with a strategy of securing suitable strategic partners to provide funding support for the completion of the Project's Definitive Feasibility Study (DFS), and to become future joint venture partners in the Project. The Company is also assessing its substantial South Australian tenement portfolio, targeting rare earth elements (REE), gold, silver, copper and other critical minerals opportunities, guided by historical data. Working capital is also required to support the Company as it pursues these progressive activities.

Over the past six months, the Company has made significant progress advancing Razorback:

- **Major Project Status awarded**
  In February 2026, the Razorback Project was granted Major Project Status by the Australian Government for a three-year period. This designation recognises the Project's national significance and enables facilitation support through the Major Projects Facilitation Agency.

- **Strategic Partnering broadened**
  In response to evolving global steel market dynamics, the Company has broadened its strategic partnering approach and is engaging with potential funding and offtake partners across multiple jurisdictions, including China, the Middle East and Europe. In December 2025, the Company renewed and modified its Memorandum of Understanding with ZEN Energy Pty Ltd to support collaborative assessment of a green iron development opportunity in South Australia with ZEN and its partners, with Magnetite Mines positioned as the key raw material supply partner.

- **Mining Lease Proposal progressed**
  In March 2025, the Company lodged a comprehensive Mining Lease Proposal (MLP) with the South Australian Department for Energy and Mining. The MLP seeks approval for the establishment of mining and processing operations at Razorback and has successfully passed validation, and has progressed to the public consultation stage. Land access negotiations continue in parallel, with three tenement consent agreements signed with underlying tenement holders and binding land access secured for the Project's Hillgrange Intermodal Hub.

- **Project water supply strategy defined**
  The base case water supply option for the Project is a coastal desalination plant and pipeline to site, providing long-term supply certainty with low technical risk. Engagement is continuing with relevant South Australian Government agencies regarding broader infrastructure planning for the Braemar Province.

- **Green Iron SA consortium expanded**
  Green Iron SA, comprising Magnetite Mines, Aurizon Holdings, Flinders Port Holdings and GHD, was expanded in November 2025 with the addition of CSL Australia Pty Ltd, part of Canada's The CSL Group Inc, bringing world-leading expertise in self-unloading transhipment vessels, bulk materials handling and port infrastructure. The consortium continues to engage with the South Australian Government as part of its broader objective to accelerate the establishment of a green iron industry in South Australia.

For personal use only

The Company has also expanded its strategic focus across its extensive South Australian tenement portfolio. Magnetite Mines holds 2,435km² of exploration tenements in South Australia prospective for rare earth elements (REE), gold, silver, copper and other critical minerals

- **Rare earth element (REE) mineralisation discovered at Ironback Hill**
  In August 2025, the Company announced it had identified near-surface clay-hosted REE mineralisation at Ironback Hill. A further announcement in November 2025 confirmed the findings. A targeted drilling program to test the extent and geological controls on mineralisation is ready to commence. The Company has also secured an adjacent tenement (Braemar Creek) to increase REE exploration optionality.

- **Copper exploration underway at Mutooroo Ridge**
  Historical drill cores from the 1970s with visible copper mineralisation have been re-sampled and submitted for assay analysis, testing for base and precious metals. The Company expects the results to be available some time in March 2026, subject to laboratory results timing.

- **Gold exploration activities planned**
  Surface sampling activities at Manunda North, identified as potentially prospective for gold, have commenced with further work currently pending land access. A new Exploration Licence Application (Manna Hill) has been made and is pending approval. Manna Hill is located approximately 100km northeast of Razorback and has historic recorded occurrences of gold.

Further details of the Company's recent achievements and work are set out in Section 5 of this Prospectus.

As a result of the Company's ongoing work, funding is now required to progress strategic partnering discussions, continue advancement of the Razorback Project through the approvals process, accelerate targeted exploration activities across multiple commodities, and provide general working capital to sustain the Company's operations.

Uses of capital raised from the Rights Issue

The Company has three clear priorities for the funding proceeds from the Rights Issue:

1. Accelerate exploration activities across the Company's substantial tenement holding targeting rare earth elements (**REE**), gold, silver, copper and other critical minerals, including follow-up programs on newly identified prospects.
2. Leverage the recent award of Australian Government Major Project Status to progress discussions towards a binding transaction with one or more strategic partners to fund the Razorback Definitive Feasibility Study (**DFS**).
3. Progress the assessment of the Razorback Mining Lease Proposal (**MLP**) with the South Australia Department for Energy and Mining (**DEM**), including continuation of land access negotiations, and ongoing engagement with government and other stakeholders regarding enabling infrastructure including water supply, power supply and port upgrades.

Eligibility to participate in the Rights Issue

Participation in the Rights Issue is open to Eligible Shareholders who, at 7.00pm (Sydney time) on 6 March 2026, 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 scheduled to open on 11 March 2026 and will close at 5.00pm (Sydney time) on 25 March 2026 (unless extended).

For personal use only

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 on the ASX platform prior to the opening of the 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 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 Share Registry Information Line on 1300 288 664 (from within Australia) or +61 2 9698 5414 (from outside Australia) between 8.30am and 7.00pm (Sydney time), Monday to Friday, or consult your stockbroker, accountant or other professional financial adviser.

This capital raising supports continued advancement of Razorback while accelerating exploration across multiple commodities. The Board believes this balanced strategy strengthens the Company's growth outlook and positions Magnetite Mines to deliver long-term value for shareholders.

On behalf of the Board, I invite you to consider participating in the Rights Issue and thank you for your continued support.

.

Yours faithfully

Paul White
Chair of the Board
Magnetite Mines Limited

For personal use only

For personal use only

2 How to apply

If you have a registered email address with the Share Registry

Shareholders with an email address recorded on the Share Register will be sent an email containing a secure link to their personalised Entitlement and Acceptance Form on 11 March 2026.

To apply, follow the secure link provided in that email and complete the prompts.

If you do not have a registered email address with the Share Registry

If no email address is recorded for you on the Share Register, you will be sent an access letter by post on 11 March 2026 containing instructions on how to apply.

Alternatively, to avoid any delays while waiting for your letter by post, you may apply by following the instructions below from 11 March 2026 onwards.

I already have an online account with Automic	I don't have an online account with Automic and wish to register for one	I don't have an online account with Automic – but wish to use Automic for this Offer only
https://portal.automic.com.au/investor/home Select: "Existing Users Sign In". Once you have successfully signed in, click on "Documents and Statements". Download the Prospectus and Entitlement and Acceptance Form. Submit your payment using the payment details provided on your personalised Entitlement and Acceptance Form. **Do not return your Entitlement and Acceptance Form.**	https://singleholding.automic.com.au/signup Select *Magnetite Mines Limited* from the dropdown list in the ISSUER field. Enter your holder number SRN / HIN (from your latest Holding Statement). Enter a single identifying word from your holder name. Enter your Postcode (Australia) or Country of Residence (Outside Australia). Tick box "I am not a robot", then 'Next' and complete any prompts. Once you have successfully signed in, click on "Documents and Statements". Download the Prospectus and Entitlement and Acceptance Form. Submit your payment using the payment details provided on your personalised Entitlement and Acceptance Form. **Do not return your Entitlement and Acceptance Form.**	https://singleholding.automic.com.au/login Select *Magnetite Mines Limited* from the dropdown list in the ISSUER field. Enter your holder number SRN / HIN (from your latest Holding Statement). Enter a single identifying word from your holder name. Enter your Postcode (Australia) or Country of Residence (Outside Australia). Tick box "I am not a robot", then 'Next' and complete any prompts. Once you have successfully signed in, click on "Documents and Statements". Download the Prospectus and Entitlement and Acceptance Form. Submit your payment using the payment details provided on your personalised Entitlement and Acceptance Form. **Do not return your Entitlement and Acceptance Form.**

For personal use only

3 Timetable and Summary of Offers

3.1 Timetable

Event	Date (2026)
Lodgment of Prospectus with ASIC and ASX and announcement of Rights Issue	Tuesday, 3 March
Ex-date for Rights Issue Unless otherwise determined by ASX, rights trading commences on a deferred settlement basis	Thursday, 5 March
Record date for determining Rights (**Record Date**)	7.00pm Friday, 6 March
Prospectus and personalised Entitlement and Acceptance Form made available at https://portal.automic.com.au/investor/home Rights Issue opens (**Opening Date**)	Wednesday, 11 March
Rights trading ends at ASX market close	Wednesday, 18 March
Unless otherwise determined by ASX, New Shares and attaching Options quoted on a deferred settlement basis	Thursday, 19 March
Last day to extend the offer closing date	Before noon, Friday, 20 March
Rights Issue closes (**Closing Date**)	5.00pm on Wednesday, 25 March
Announcement of results and shortfall (if any) under the Rights Issue	Wednesday, 1 April
Issue and allotment of New Shares and Options	Before Noon Wednesday, 1 April
Commencement of trading of New Shares and Options on ASX on a normal settlement basis Dispatch of holding statements	Thursday, 2 April
Last date to issue Shortfall Shares (see Section 4.2)	Thursday, 25 June 2026

*** 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.*

**** If following completion of the Offers there is insufficient capacity for the Company to issue the Lead Manager Options in accordance with ASX Listing Rule 7.1, then the issue of the Lead Manager Options will remain subject to Shareholder approval at an Extraordinary General Meeting of the Company to be convened at a later date. If approved by Shareholders, the Lead Manager Options will be issued to the Lead Manager within one week of the close of that meeting.*

3.2 Investment overview and summary of Offers

You should read this Section in conjunction with the details of the Offers set out in Section 4 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 2 Shares held on the Record Date at an issue price of $0.04 per New Share, together with 1 free attaching Option for every 1 New Share subscribed, to raise up to approximately $3.92 million. Each Option will be issued with an exercise price of $0.08 and is exercisable on or before the date that is 2.5 years after the date of issue of the Options to subscribers under the Rights Issue. 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 5 of this Prospectus.	Section 4, Section 5
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: 1. Accelerate exploration activities across the Company's substantial tenement holding targeting rare earth elements (REE), gold, silver, copper and other critical minerals, including follow-up programs on newly identified prospects. 2. Leverage the recent award of Australian Government Major Project Status to progress discussions towards a binding transaction with one or more strategic partners to fund the Razorback Definitive Feasibility Study (DFS). 3. Progress the assessment of the Razorback Mining Lease Proposal (MLP) with the South Australia Department for Energy and Mining (DEM), including continuation of land access negotiations, and ongoing engagement with government and other stakeholders regarding enabling infrastructure including water supply, power supply and port upgrades.	Section 5.1
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 6 March 2026; (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 4.4

For personal use only

For personal use only

Key Offer details	Summary	Further information
Rights Issue Price	The Rights Issue Price for the New Shares is $0.04 per New Share. The Rights Issue Price represents a 20% discount to the closing price of the Shares on 2 March 2026, the last day on which the Shares traded on ASX before the announcement of the Capital Raising, and a 27% 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 4.1
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 4.2
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 1 Option for every $1 raised under the Offers, and accordingly, subject to the final amount raised under the Offers, a total of up to 3,920,714 Options may be issued to the Lead Manager. If there is insufficient capacity at the close of the Offers for the Company to issue the Lead Manager Options in accordance with ASX Listing Rule 7.1, then the issue of those Options will be subject to Shareholder approval at an Extraordinary General Meeting of the Company to be convened at a later date.	Section 3.3

For personal use only

Key Offer details	Summary	Further information
	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.	
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 8 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 8
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 5 March 2026 on a deferred settlement basis and will end on 18 March 2026. The Company does not guarantee that there will be any market or value in trading the Rights.	Section 4.1
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 https://portal.automic.com.au/investor/home , and by following the directions on the Entitlement and Acceptance Form and making payment directly from an Australian bank account by BPAY® or, 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 25 March 2026 (unless extended).	Sections 4.5, 4.6 and 4.7
Rights and liabilities	New Shares issued under the Offers will rank equally with all other Shares on issue.	Section 6

Key Offer details	Summary	Further information
attached to New Shares	Details on the rights and liabilities attaching to Shares (including the New Shares) is set out in Section 6 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 7. The Company will seek quotation of the Options on ASX.	Section 7
Is the Rights Issue underwritten?	The Rights Issue is partially underwritten to an amount of $800,000 by Mahe Capital, meaning that if Eligible Shareholders subscribe for an amount less than $800,000, Mahe Capital has agreed to subscribe for New Shares and attaching Options equal to the shortfall below $800,000. A summary of the material terms of the underwriting agreement between the Company and Mahe Capital are set out in Section 9.8.	Section 4.13 and Section 9.8
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 1 April 2026. Holding statements for the New Shares and Options issued on or around 1 April 2026 are expected to be despatched to participants on or around 2 April 2026.	Section 4.15
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 294,053,513 Shares, 178,055,815 quoted Options, 32,774,919 unquoted Options, 10,208,523 performance rights and 2,714,280 convertible notes on issue. Following the issue of the Lead Manager Options (following Shareholder approval or otherwise), the number of quoted Options will increase by up to 3,920,714.	Section 5.3
What will be the effect of the Offers on the control of the Company?	The effect of the Offers on the 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 5.4
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 $3.92 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

For personal use only

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 Share Registry Information Line on 1300 288 664 (from within Australia) or +61 2 9698 5414 (from outside Australia), or consult your stockbroker, accountant or other professional adviser. The Information Line will be open from 8.30am to 7.00pm (Sydney time), Monday to Friday, until the Closing Date. Alternatively, you can access a copy of this Prospectus online at https://portal.automic.com.au/investor/home 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.	

For personal use only

4 Details of the Offers

4.1 Rights Issue

The Rights Issue is being made as a pro rata renounceable rights issue to existing Shareholders of 1 New Share for every 2 Shares held on the Record Date at an issue price of $0.04, together with 1 free attaching Option for every 1 New Share subscribed for, to raise up to approximately $3.92 million (subject to the rounding of fractions and entitlements to New Shares).

Each Option will be issued with an exercise price of $0.08 and is exercisable on or before the date that is two and a half years after the date of issue of the Options to subscribers under the Rights Issue.

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 98,017,838 New Shares and up to 98,017,838 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 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 . 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 $7.84 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 5.1.

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 5 March 2026 on a deferred settlement basis and will end on 18 March 2026. 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.

4.2 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.

For personal use only

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.

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.

4.3 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 $1 raised under the Offers, and accordingly subject to the Offers being fully subscribed a total of up to 3,920,714 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 equal to the total amount raised under the Offers (being both the Rights Issue and the Shortfall Offer), rounded up to the nearest Lead Manager Option.

If there is insufficient capacity for the Company to issue the Lead Manager Options in accordance with ASX Listing Rule 7.1, then the issue of those Options will be subject to Shareholder approval at an Extraordinary General Meeting of the Company to be convened at a later date.

All of the Lead Manager Options offered under this Prospectus will be issued on the terms and conditions set out in Section . 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 $313,000 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 need to approve the issue of the Lead Manager Options they will be issued to the Lead Manager within one week of the Extraordinary General Meeting in which they are approved. If Shareholders do not approve the issue of the Lead Manager Options at an Extraordinary 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).

4.4 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 6 March 2026;

For personal use only

(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.

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 4.5 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.

4.5 What Eligible Shareholders may do

The number of New Shares to which Eligible Shareholders are entitled is shown on each personalised Entitlement and Acceptance Form which can be accessed at https://portal.automic.com.au/investor/home (**Investor Application Portal**) 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 Entitlement and Acceptance Form at the Investor Application Portal for all of your Rights; and

(ii) make payment by BPAY® or EFT, in Australian currency, for the appropriate Application Monies by following the instructions in Sections 4.6 or 4.7 below; or

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

For personal use only

(i) complete the Entitlement and Acceptance Form at the Investor Application Portal for all of your Rights and the number of Shortfall Shares you wish to apply for; and

(ii) make payment by BPAY® or EFT, in Australian currency, for the appropriate Application Monies by following the instructions in Sections 4.6 or 4.7 below; or

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

(i) complete the Entitlement and Acceptance Form at the Investor Application Portal for the number of Rights you wish to take up; and

(ii) make payment by BPAY® or EFT, in Australian currency, for the appropriate Application Monies by following the instructions in Sections 4.6 or 4.7 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 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 Entitlement and Acceptance Form at the Investor Application Portal for the number of Rights you wish to take up and make payment by BPAY® or EFT, in Australian currency, for the appropriate Application Monies by following the instructions in Sections 4.6 or 4.7 below; and

(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.

4.6 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance 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 Entitlement and Acceptance 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 Entitlement and Acceptance Form. Do

For personal use only

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.

4.7 Payment by Electronic Funds Transfer (EFT)

New Zealand residents, and any other applicants unable to use BPAY®, may pay by EFT by following the instructions on the Entitlement and Acceptance 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 Entitlement and Acceptance 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 entitlement 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 entitlement reference number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same entitlement 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.

4.8 Application for Shortfall Shares

To apply for Shortfall Shares under the Shortfall Offer, follow the instructions set out in the Entitlement and Acceptance Form and pay the Application Monies in accordance with Section 4.5(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.

For personal use only

4.9 Consequences of completing an Entitlement and Acceptance Form

By completing an Entitlement and Acceptance 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 Entitlement and Acceptance Form and read them both in their entirety;

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

(d) the Entitlement and Acceptance 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 Entitlement and Acceptance 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 Entitlement and Acceptance 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 7.

4.10 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.

For personal use only

Automic's privacy policy is available on their website: https://www.automicgroup.com.au/privacy-policy/.

4.11 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.

4.12 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.

4.13 Underwriting of Rights Issue

The Rights Issue is partially underwritten to an amount of $800,000 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 $800,000, 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 $800,000.

A summary of the material terms of the underwriting agreement are set out in Section 9.8.

4.14 ASX quotation

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

For personal use only

4.15 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 1 April 2026 in accordance with the ASX Listing Rules.

Holding statements for the New Shares and/or Options issued on or around 2 April 2026 will be mailed to successful Applicants in accordance with the ASX Listing Rules as soon as practicable after their issue.

4.16 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 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.

4.17 Beneficial holders, nominees, trustees and custodians

The foreign selling restrictions under the Offers summarised in Section 4.16 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 4.16 above.

4.18 Inconsistency

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

For personal use only

5 Purpose and effect of the Capital Raising

5.1 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 technical and economic studies (including its DFS), and to potentially become future joint venture partners in the Razorback Project.

Additionally, the Company is continuing to assess its substantial tenement position in South Australia targeting rare earth elements (REE), gold, silver, copper and other critical minerals. It is also expanding its tenement position by applying for new tenements that are strategically located in relation to its current tenements, and prospective for critical minerals and/or precious metals.

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 planned timing of Razorback's development is aligned with the forecast increase in demand for premium-quality magnetite concentrates required to produce green iron and steel.

The Project's proposed Stage 1 operations are being designed to produce 5Mtpa of magnetite concentrates, with optionality to expand to 10Mtpa with further capital investment.

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

1. Strategic partnering approach broadened.

- The Company remains committed to securing appropriate strategic and joint venture partners to provide funding in support of the Razorback Project's development, including funding for a Definitive Feasibility Study.
- On 19 December 2025, the Company announced that it was broadening its strategic partnering approach in response to changed dynamics in the global steel industry's transition to low emission steelmaking. Accordingly, the Company has adjusted its approach to partnering and is now engaging with potential funding and offtake partners from China, the Middle East, and Europe.
- China in particular has been identified as a region where steel decarbonisation has become a high priority national initiative and is moving faster than previously anticipated. Reflecting this, in July 2025, the Australian Prime Minister and Australian iron ore executives made a targeted visit to China focusing heavily on a partnership for green iron ore and green steel. On 2 December 2025 the Australian government announced that it had signed a memorandum of understanding (**MoU**) with the Chinese government in relation to steel decarbonisation collaboration policy. China has a long association with magnetite mining, processing and concentrate offtake from Australia, with three of the five current large-scale magnetite operations in Australia currently having a majority of Chinese ownership.
- On 19 December 2025, the Company announced that it had renewed and modified its MoU with ZEN Energy Pty Ltd (ZEN), an Australian renewable energy company with an objective of being a first mover in establishing a green iron industry in Australia. The renewed MoU between ZEN and the Company supports the collaborative assessment a green iron production opportunity in South Australia with Magnetite Mines positioned as the key raw material supply partner.

For personal use only

For personal use only

2. Mining Lease Proposal submitted for assessment with South Australian Government and has successfully passed the validation stage.

- 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**) and 4 Miscellaneous Purposes Leases (**MPLs**) 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.
- The MLP is currently being assessed by DEM and to date no material issues have been identified. The assessment recently passed the validation stage and is now progressing to the public consultation stage.
- 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 awarded 'Major Project Status' by the Australian Government

- On 17 February 2026, the Razorback Iron Ore Project was awarded Major Project Status (**MPS**) by the Federal Minister for Industry and Innovation, Senator the Hon Tom Ayres, valid for a period of three years.
- The MPS program is described by the Australian Government as the *"Government's recognition of the national significance of a project – for economic growth, employment, or for regional Australia, and its need for support to navigate complex regulatory approvals"*
- Razorback is the only iron ore project currently on the list of Australian Major Projects.
- The award of MPS enables increased support and facilitation by the Major Projects Facilitation Agency (MPFA), part of the Department of Industry, Science and Resources (DISR). The MPFA is the Australian Government's first point of contact for proponents who are navigating the Australian Government approval processes for major projects.
- The designation also elevates recognition of the project within and across state and federal government departments, including trade and foreign investment portfolios.

4. Razorback Project water supply options refined with coastal desalination determined as the base case and possible government support.

- 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 a buried pipeline to transport desalinated water to the Razorback site. This option provides long term surety of water supply with very low technical risk.
- In March 2025, Infrastructure SA, a South Australian government independent body reporting to the Department of Premier and Cabinet, released its 20-year State Infrastructure Strategy 2025. Included in the report was a recommendation to "Undertake feasibility planning to identify an economic water supply solution to unlock the Braemar Province". The recommendation nominated DEM as the Lead Agency for the study, with a timeframe of 0 – 5 years.
- Magnetite Mines has since engaged with DEM, the office of Northern Water (now within DEM) and SA Water to help advance and support the timely initiation of the recommended feasibility planning. As an aspect of this engagement, the Company has executed a Confidentiality Agreement with the Minister for Mining and Energy's office to support the exchange of relevant information.

For personal use only

5. Green Iron SA consortium expanded with a plan to establish an iron ore export facility and future 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
- On 13 November 2025, the Company announced that The CSL Group Inc (**CSL**) had also joined Green Iron SA bringing world-leading experience in self-unloading transhipment vessels, bulk materials handling, and port infrastructure expertise to the consortium.
- The Company and its consortium partners continue to engage closely with the South Australian government as the foundations are established to open up the Braemar iron province in support of a new magnetite concentrate export and green iron industry in South Australia.

Exploration of other minerals

Magnetite Mines holds 2,435km^2 of mineral exploration tenements in South Australia and, as well as hosting the Company's vast iron ore resources, the tenements are potentially prospective for other minerals including rare earth elements (REE), gold, silver, copper and other critical minerals.

In response to recent significant increases in market spot prices for base and precious metals, including gold, silver and copper, and favourable demand outlooks for copper and other critical minerals, the Company announced on 8 August 2025 that it was assessing its South Australian tenement holdings for rare earths, precious metals and other critical minerals. Initial work has included the re-assaying archived samples from previous Magnetite Mines drilling programs and historic drill cores available in the South Australian core library. The Company's geologists are also reviewing open-file data available on the South Australian governments open-access "SARIG" platform.

Work to date has resulted in the following milestones:

1. Rare Earth Elements (REE)

- On 19 August 2025, the Company announced that it had identified near-surface, clay-hosted REE mineralisation at its 100% owned Ironback Hill Project, adjacent to the Company's large magnetite iron ore deposit. The mineralisation was identified by re-assaying drill samples from a 2011-2012 Magnetite Mines iron ore drilling campaign.
- On 18 November 2025, the Company announced that it had identified further REE mineralisation at Ironback Hill by re-assaying further archived drill samples from prior iron ore drilling campaigns.
- A drilling campaign is planned to test for the further presence of REE mineralisation in creek systems adjacent to Ironback Hill drill hole locations where the initial mineralisation was identified. On 16 February 2026, the Company announced that all necessary permitting and approvals have been secured and heritage clearances finalised for the drilling program, which is now ready to commence.
- In its December 2025 Quarter Activities Report, lodged on 30 January 2026, the Company announced that it had applied for, and been granted, Exploration Licence EL7100

('Braemar Creek') adjacent to Ironback Hill REE project, extending exploration optionality in local creek systems potentially prospective for REE.

2. Gold

- In its December 2025 Quarter Activities Report, lodged on 30 January 2026, the Company announced that it was completing a low-cost, tenement-wide geological desktop review of its existing Manunda North tenement, part of the Razorback Project package of tenements, after identifying potential geological settings for gold prospectivity.
- In the same report, the Company announced that it lodged an Exploration Licence Application for Manna Hill (ELA-01079), located north east of the Razorback Project, and covering ground with historic gold workings. Should this tenement be granted, the Company intends to conduct low cost exploration techniques to identify areas within the tenement for more targeted gold exploration.

3. Copper

- In its December 2025 Quarter Activities Report, lodged on 30 January 2026, the Company announced that it was continuing to undertake early stage exploration works on its Mutooroo Ridge tenement, part of the Muster Dam package of tenements. This work included the sampling of historic drill cores from a 1970s drilling campaign available in the South Australian core library and observed to have visible copper mineralisation. These samples are being assayed for copper and other base and precious metals with results expected to be available some time in March 2026, subject to laboratory test timing.

Further 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 three clear priorities for the funding proceeds (net of costs) from the Offers:

1. Accelerate exploration activities across the Company's substantial tenement holding targeting rare earth elements (REE), gold, silver, copper and other critical minerals, including follow-up programs on newly identified prospects.

2. Leverage the recent award of Australian Government Major Project Status to progress discussions towards a binding transaction with one or more strategic partners to fund the Razorback Definitive Feasibility Study (DFS).

3. Progress the assessment of the Razorback Mining Lease Proposal (MLP) with the South Australia Department for Energy and Mining (DEM), including continuation of land access negotiations, and ongoing engagement with government and other stakeholders regarding enabling infrastructure including water supply, power supply and port upgrades.

A detailed breakdown of the use of funds to be raised under the Offers is set out in the table below:

For personal use only

For personal use only

Item	Allocation if $0.8 million raised under Rights Issue and Shortfall Offer (A$'000)	Allocation if $2 million raised under Rights Issue and Shortfall Offer (A$'000)	Allocation if Rights Issue and Shortfall Offer fully subscribed ($3.92 million) (A$'000)
Project development activities: Advancement of Ironback Hill Rare Earth Elements (REE) Project – inclusive of resource evaluation, metallurgy and geological modelling.	$200	$500	$1,000
Exploration: Execute multi-commodity strategy for gold, silver, copper and other critical minerals across existing tenure; project generation and acquisition of additional tenure/projects.	$140	$350	$700
Razorback Iron Ore Project: Feasibility and technical studies to progress and de-risk Razorback, including water derisking, flowsheet development and optimisation, energy optimisation, trade-off studies.	$100	$250	$400
Permitting and Approvals: Work to support MLP assessment and secure tenure, including land access, Native Title agreements.	$25	$100	$200
Working capital	$185	$575	$1,270
Expenses of the Offers	$150	$225	$350
Total	**$800**	**$2,000**	**$3,920**

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.

5.2 Effect of the Offers

The principal effect of the Offers will be to:

- increase the cash reserves of the Company by, at a minimum $800,000 (assuming the conditions under the Underwriting Agreement are satisfied and the Underwriting Agreement is not terminated) and up to a maximum of approximately $3.92 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 5.3 below; and
- assuming the Offers are fully subscribed, increase the number of Options on issue as shown in Section 5.3 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.

5.3 Effect on the Company's capital structure

The effect of the Capital Raising on the capital structure of Magnetite Mines, based on $800,000 (underwritten amount), $2 million and up to approximately $3.92 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 $0.8 million raised under Rights Issue and Shortfall Offer)	Number (if $2 million raised under Rights Issue and Shortfall Offer)	Number (if Rights Issue and Shortfall Offer fully subscribed)
Shares currently on issue	196,035,675	196,035,675	196,035,675
New Shares to be issued pursuant to the Rights Issue (including the Shortfall Offer)	20,000,000	50,000,000	98,017,838
Total Shares	**216,035,675**	**246,035,675**	**294,053,513**
Quoted options currently on issue (ASX: MGTOA, MGTOF)	80,037,977	80,037,977	80,037,977
Unquoted options currently on issue	32,774,919	32,774,919	32,774,919
Convertible Loan Notes (maximum number of Shares to be issued if converted at current floor price)	56,547,500	56,547,500	56,547,500
Options to be issued pursuant to Rights Issue	20,000,000	50,000,000	98,017,838
Lead Manager Options	800,000	2,000,000	3,920,714
Total share capital (on a fully diluted basis)	**406,196,071**	**467,396,071**	**565,352,461**

Notes:

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

For personal use only

As at the date of this Prospectus the Company has 80,037,977 quoted Options (MGTOA, MGTOF), 32,774,919 unquoted Options, 10,208,523 performance rights and 2,714,280 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) 63,398,569 quoted options (ASX: MGTOF) with an exercise price of $0.12 each expiring on 5 March 2028;

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

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

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

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

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

(h) 13,380,648 unquoted options with an exercise price of $0.091 each expiring on 5 December 2031;

(i) 10,208,523 performance rights vesting on 30 September 2026;

(j) 186,000 convertible notes with a face value of $1 each expiring 24 January 2027;

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

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

(m) 314,280 convertible notes with a face value of $1 each expiring 30 June 2027.

Since the Rights Issue Price is below the current floor price of the exercise price of the Convertible Loan 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 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.

5.4 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 9.03% 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);

For personal use only

- the Underwriter has agreed to underwrite the Offers up to an amount of $800,000, which may result in the Underwriter acquiring a maximum voting power in the Company of 6.8% 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 $800,000, 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%.

5.5 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 Pro Forma Statement is for illustrative purposes only to assist investors with understanding the potential financial effect on the Company as if the Rights Issue had completed at 31 December 2025.

The Company's audited statement of financial position as at 30 June 2025 has 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 2025.

The unaudited Pro Forma Statement as at 31 December 2025 has been prepared for illustrative purposes only using the Company's audited 30 June 2025 statement of financial position as the base, adjusting for subsequent events after that date to 31 December 2025 and assuming that the Offers are fully subscribed to raise $3.92 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.

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. 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.

For personal use only

6 Rights and Liabilities attaching to Shares

6.1 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.

6.2 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.

6.3 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.

6.4 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.

6.5 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.

6.6 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.

For personal use only

6.7 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.

6.8 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.

6.9 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.

6.10 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.

6.11 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.

6.12 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.

6.13 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

For personal use only

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.

6.14 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.

6.15 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.

6.16 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.

6.17 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.

6.18 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.

For personal use only

7 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.

7.1 Entitlement

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

7.2 Exercise Price

Subject to Section 7.11, the amount payable upon the exercise of each Option will be $0.08 when exercised on or before the Expiry Date (**Exercise Price**).

7.3 Expiry Date

Each Option will expire at 5.00 pm (Sydney time) on or before the date that is two years and six 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.

7.4 Exercise Period

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

7.5 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.

7.6 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**).

7.7 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 7.7(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.

For personal use only

7.8 Shares issued on exercise

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

7.9 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.

7.10 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.

7.11 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.

7.12 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.

For personal use only

8 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.

8.1 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, to complete the Definitive Feasibility Study (**DFS**) on the Razorback Project, and to continue exploration activities targeting REE, gold, silver, copper and other critical minerals. 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 a number of factors, many of which are outside the Company's control. In addition, in accordance with the terms of the Convertible Securities Agreements (**CSAs**) with associated entities of C/M Capital Partners, if the issue price of securities under any future capital raising is below the floor price of the exercise price of the Convertible Loan Notes under the CSAs, the Company must obtain the consent of C/M Capital Partners to pursue the capital raising. The terms on which C/M Capital Partners will agree to the capital raising, or whether such consent will be provided, is not guaranteed. 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

Magnetite Mines continues to engage in due diligence activities and commercial negotiations with 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. The Company is in discussion with parties that may be willing to provide future funding but no binding commitment from a strategic partner currently exists. The Company's ability to 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 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.

For personal use only

For personal use only

(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, as 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.

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 insurer's 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.

(m) Exploration Risk

The Company's exploration activities targeting rare earth elements (REE), gold, silver, copper and other critical minerals are inherently high risk. Mineral exploration is speculative in nature and there is no assurance that exploration programs will result in the discovery of mineral deposits that are economically recoverable. Even if mineralisation is identified, there

For personal use only

is no guarantee that it will be of sufficient grade, continuity, size or metallurgical characteristics to support the estimation of Mineral Resources or Ore Reserves in accordance with the JORC Code, or that any such resources could be economically developed.

Exploration success depends on a number of factors including geological conditions, technical expertise, funding availability, regulatory approvals, access to land and prevailing commodity prices. Substantial expenditure may be incurred on exploration activities without any assurance of positive outcomes. If exploration activities do not result in commercially viable discoveries, the Company may be required to write down capitalised exploration expenditure, and this could have a material adverse effect on its financial position.

The Company's strategy to explore for commodities beyond iron ore may expose it to additional geological, technical, metallurgical, market and development risks that differ from those associated with magnetite projects. There is no assurance that diversification into other commodities will result in a mineral development project or generate future revenues.

(n) Commodity Market Conditions

Project economics for Razorback and any future development are sensitive to assumptions regarding long term iron ore prices, demand for high grade concentrate, and global economic conditions. Commodity markets are cyclical and may experience periods of volatility or sustained downturns.

A deterioration in commodity prices or market demand, whether during the DFS phase or following any future development decision, may adversely impact the Project's economic viability, the Company's ability to secure project financing, and the timing or likelihood of a final investment decision.

This risk does not imply that current market conditions render the Project uneconomic, but reflects the inherent uncertainty associated with long term commodity price assumptions.

8.2 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.

For personal use only

For personal use only

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.

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 a 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.

For personal use only

For personal use only

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 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 requirements may impact Razorback Project timing and outcomes.

For personal use only

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 be 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.

8.3 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 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.

(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.

For personal use only

9 Additional Information

9.1 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 2025 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 2025; and

    (ii) 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 2025 (on 26 September 2025) and before the lodgement of this Prospectus with ASIC.

For personal use only

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 2025 (on 26 September 2025) and up to the date of lodgement of this Prospectus with ASIC are set out in the table below (in reverse order, with the latest announcements appearing first).

Date	Headline	Type
17/02/2026	Razorback Project Awarded Major Project Status	Progress Report
16/02/2026	Ironback Hill REE Project Drilling Approvals Secured	Progress Report
13/02/2026	Change of Share Registry Details	Corporate Notice
04/02/2026	Notification of cessation of securities	Appendix 3H
30/01/2026	Quarterly Activities Report and App 5B Cash Flow report	Second Quarter Activities Report
23/01/2026	Appendix 3Y - Change of Directors' Interest Notice x 2	Appendix 3Y
23/01/2026	Cleansing Statement – Section 708A(5)(e)	Cleansing Notice
23/01/2026	Application for quotation of securities	Appendix 2A
07/01/2026	New Tenement Granted Adjacent to Ironback Hill REE Project	Progress Report
05/01/2026	Notification of cessation of securities	Appendix 3H
19/12/2025	Razorback Strategic Partnering Update	Progress Report
05/12/2025	Appendix 3Y - Change of Directors' Interest Notice	Appendix 3Y
05/12/2025	Notification regarding unquoted securities – MGT	Appendix 3G
05/12/2025	Notification regarding unquoted securities – MGT	Appendix 3G
05/12/2025	Notification of cessation of securities	Appendix 3H
28/11/2025	Application for quotation of securities	Appendix 2A
28/11/2025	Application for quotation of securities	Appendix 2A
28/11/2025	Application for quotation of securities	Appendix 2A
26/11/2025	Results of 2024 AGM	Results of Meeting
26/11/2025	MD's AGM Presentation	Company Presentation

For personal use only

Date	Headline	Type
		MD's Address to Shareholders
26/11/2025	Chair's address to the AGM	Company Presentation Chair's Address to Shareholders
24/11/2025	Razorback Mining Lease Validity Assessment Finalised	Progress Report
18/11/2025	Additional Rare Earths Confirmed, Drilling Planned	Progress Report
13/11/2025	CSL Australia Joins Green Iron SA Consortium	Progress Report
30/10/2025	Notification of cessation of securities	Appendix 3H
30/10/2025	Quarterly Activities Report and App 5B Cash Flow report	First Quarter Activities Report
28/10/2025	Application for quotation of securities	Appendix 2A
28/10/2025	Notice of General Meeting/Proxy Form	Notice of Meeting
10/10/2025	Appendix 3Y - Change of Directors' Interest Notice	Appendix 3Y
10/10/2025	Appendix 3Y - Change of Directors' Interest Notice x 2	Appendix 3Y
10/10/2025	Cleansing Statement – Section 708A(5)(e)	Cleansing Notice
10/10/2025	Application for quotation of securities	Appendix 2A

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

9.2 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 2 March 2026 (being the latest practicable date prior to the lodgement of this Prospectus with ASIC) and the respective dates of those prices were:

	Price	Date
Highest	$0.067	27 January 2026
Lowest	$0.048	13 February 2026
Last close before announcement	$0.050	2 March 2026

For personal use only

The Rights Issue Price for the New Shares represents a discount of 20% to the last market price of Shares on 2 March 2026, being the last trading date before the announcement of the Capital Raising.

9.3 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 9.03% 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).

9.4 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.

9.5 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	Performance Rights
Paul White	2,643,193	1,159,554	-
Simon Wandke	574,359	109,619	-
Tim Dobson	2,197,902	10,429,043	4,261,364

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

9.6 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.

For personal use only

For personal use only

9.7 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 38-56 of the Company's latest annual financial report for the financial year ended 30 June 2025 (**Annual Report)**, for full details of the remuneration of the Company's directors in FY2025.

Related party transactions (if any) are disclosed on page 56 of the Company's Annual Report.

The Annual Report was lodged with ASX on 26 September 2025 and is available on the company's announcements platform at the ASX website – www.asx.com.au (ASX code: MGT).

9.8 Underwriting

The Underwriter has agreed to underwrite the issue of 20,000,000 New Shares, together with 20,000,000 Options (**Underwritten Securities**) totaling an underwritten amount of $800,000 (**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:

(a) 1 Lead Manager Option for every $1 raised (if necessary, subject to shareholder approval);

(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) under a placement to satisfy over-subscriptions (excluding any subscriber under a placement introduced by the Company).

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 the Company has insufficient capacity to issue the Lead Manager Options under ASX Listing Rule 7.1 and the Shareholders do not approve the issue of the Lead Manager Options, 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 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;

For personal use only

(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.

(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.

9.9 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; or

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

For personal use only

(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:

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

(b) the Offers.

9.10 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 consented to below; 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.

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

9.11 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately $350,000 (excluding GST), assuming full subscription under the Rights Issue and Shortfall Offer. If only the underwritten amount of $800,000 is raised, the total expenses of the Offers are estimated to be approximately $150,000 (excluding GST).

9.12 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.

9.13 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.

For personal use only

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, ASPL will send a CHESS statement.

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.

9.14 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.

9.15 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

For personal use only

10 Glossary

$ means the lawful currency of the Commonwealth of Australia.

Applicant means a person who submits payment under the Offers.

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 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.

Automic or **Registry** means the share registry for the Company, being Automic Pty Ltd ACN 152 260 814.

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 3.1 (unless extended or closed early).

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

Convertible Loan Notes means the convertible loan notes issued by the Company to funds associated with C/M Capital Partners under the Convertible Securities Agreements dated January 2025.

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 4.4.

Entitlement and Acceptance 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 via an on-line application process); 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.

For personal use only

Ineligible Shareholders means those Shareholders who are not Eligible Shareholders determined in accordance with Section 4.4.

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).

PFS has the meaning given to it in Section 8.2.

Prospectus means this 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 3.1.

REE means rare earth elements.

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 4.1.

Rights Issue Price means $0.04 per New Share.

Rights Trading Period means the period from 5 March 2026 to 18 March 2026 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 4.2.

Shortfall Shares has the meaning given to it in Section 4.2.

TSF means tailings storage facility.

Underwriter means Mahe Capital.

Underwriting Agreement has the meaning given to it in Section 9.8.

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

VWAP means volume weighted average price.

For personal use only

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 Automic Telephone: 1300 288 664 Website: https://magnetitemines.com/
Company Secretary Inthu Siva	**Registry** Automic Pty Ltd Level 5, 191 St Georges Terrace Perth WA 6000
Legal adviser Mills Oakley Level 7 151 Clarence Street Sydney NSW 2000	**Registry Information Line** Within Australia: 1300 288 664 Outside Australia: +61 2 9698 5414 Operating hours: 8.30am to 7.00pm (Sydney time) Monday – Friday (excluding public holidays).
ASX Code MGT	**Investor Application Portal** https://portal.automic.com.au/investor/home

For personal use only

Annexure – Pro Forma Statement of Financial Position

	Audited 30 June 2025 $	Unaudited 31 December 2025* $	Pro forma adjustments (assuming full subscription of Rights Issue) $	Pro forma 31 December 2025 after the Offers (assuming full subscription of Rights Issue) $
Assets				
Current assets				
Cash and cash equivalents	1,486,179	2,817,909	3,920,714	6,738,623
Other receivables	187,318	274,381		274,381
Total current assets	1,673,497	3,092,290	3,920,714	7,013,004
Non-current assets				
Other receivables	195,726	195,726		195,726
Exploration Expenditure	39,017,371	39,683,073		39,683,073
Property, plant and equipment	81,414	65,688		65,688
Right of use of assets	333,606	261,345		261,345
Total non-current assets	39,628,117	40,205,832		40,205,832
Total assets	41,301,614	43,298,122	3,920,714	47,218,836
Liabilities				
Current liabilities				
Trade and other payables	691,855	436,286		436,286
Provisions	424,843	450,744		450,744
Lease liabilities	190,143	165,631		165,631
Convertible loan	2,856,510	2,376,442		2,376,442
Total current liabilities	4,163,351	3,429,103		3,429,103
Non-current liabilities				
Lease liabilities	149,097	66,774		66,774
Total non-current liabilities	149,097	66,774		66,774
Total liabilities	4,312,448	3,495,877		3,495,877
Net assets	36,989,166	39,802,245	3,920,714	43,722,959
Equity				
Contributed Equity	98,481,394	102,578,289	3,920,714	106,499,003
Reserves	15,144,851	15,742,571		15,742,571
Accumulated losses	(76,637,079)	(78,518,615)		(78,518,615)
Total equity	36,989,166	39,802,245	3,920,714	43,722,959

"Note: Unaudited 31 December 2025 figures remain subject to final half-year review by the Company's auditors and may be subject to change. Those unaudited 31 December 2025 figures are included for illustrative purposes only and in order to provide shareholders with latest changes to the Company's financial position since the last audited financial information at 30 June 2025.

For personal use only