MAGNETITE MINES

2026 ANNUAL REPORT

For the Year Ended
30 June 2026

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Corporate Directory

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Executive Chair

Mr Paul White
Non-Executive Director

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Stock Exchange Listing

Australian Securities Exchange Ltd

ASX Code

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Statement from the Chair

Dear Shareholders,

It is my pleasure to present Magnetite Mines Limited's 2026 Annual Report, my first as Executive Chair of the Company.

I was appointed Chief Executive Officer, Managing Director and Chair-elect on 26 May 2026 as part of the Company's leadership transition and strategic reset, before assuming the role of Executive Chair on 1 July 2026. I am pleased to have the opportunity to lead Magnetite Mines as the Company enters its next phase.

FY2026 was an important year of transition for Magnetite Mines. During the year, the Company continued to advance the Razorback Iron Ore Project while responding to changing market and funding conditions and, during the June quarter, implemented a strategic reset to position the business for a more capital-efficient and flexible pathway to development.

The reset focused on capital discipline, reducing cash expenditure and preserving funding flexibility, while maintaining the long-term value and strategic potential of Razorback. As part of this approach, the Company commenced evaluating alternative development pathways aimed at reducing upfront capital requirements and development risk, including opportunities across project configuration, processing, water supply and infrastructure.

Importantly, this does not change our belief in Razorback or its long-term potential. Razorback remains the foundation of the Company's strategy and represents one of Australia's largest undeveloped magnetite resources. Its potential to produce premium Direct Reduction (DR) grade magnetite concentrate at scale provides a strong strategic rationale for its future development as the steel industry seeks pathways to lower emissions.

The Project achieved an important milestone during the year with the award of Major Project Status by the Australian Government in February 2026, recognising its national significance and providing enhanced coordination across Commonwealth agencies. We also continued engagement with government, industry and infrastructure participants and progressed work through Green Iron SA, including assessment of a potential concentrate export pathway through Port Pirie.

Our broader South Australian exploration portfolio also demonstrated its potential during the year. Maiden air-core drilling at Ironback Hill confirmed shallow clay-hosted rare earth element mineralisation, including assays of up to 4,937 ppm TREO. The Company also progressed assessment of the Manna Hill Gold Project and continued evaluating other opportunities across its substantial South Australian tenement position.

Maintaining financial flexibility was a key priority throughout the year. During FY2026, the Company completed capital raising initiatives totalling approximately $5.0 million before costs, providing additional working capital to support ongoing project, regulatory and exploration activities

Further cost reductions were also implemented during the June 2026 quarter as part of the strategic reset, with overhead costs materially reduced and expenditure limited to priority activities.

Also during the June quarter, the Company finalised a new scoping study for Razorback with a number of critical changes in configuration aimed at improving the investment case. This work is now the catalyst for seeking strategic partners to advance Razorback towards a final investment decision.

I thank our shareholders for their continued support through these raisings and during an important period of change for the Company.

I would particularly like to acknowledge Paul White, who served as Chair throughout FY2026 before transitioning to Non-Executive Director on 1 July 2026. On behalf of the Board, I thank Paul for his leadership, commitment and stewardship of Magnetite Mines during his tenure as Chair.

I also thank our employees, consultants and advisers, together with Traditional Owners, government representatives, industry participants and other stakeholders who have supported the Company during the year. Most importantly, I thank our shareholders for their continued support and confidence in Magnetite Mines.

Looking ahead to FY2027, we will remain focused on cost control and funding flexibility, while continuing to evaluate the revised development pathway for Razorback and pursue strategic funding and partnering opportunities. We will also remain open to evaluating other opportunities that are consistent with the Company's strategic objectives.

Razorback remains a significant long-life asset, and our responsibility is to position it for development in a way that is commercially realistic, appropriately funded and capable of delivering value for shareholders, while remaining open to other opportunities that are aligned with our strategy and have the potential to create long-term value.

I look forward to updating shareholders as we progress this next phase.

Yours sincerely,

Scott Lowe
Executive Chair

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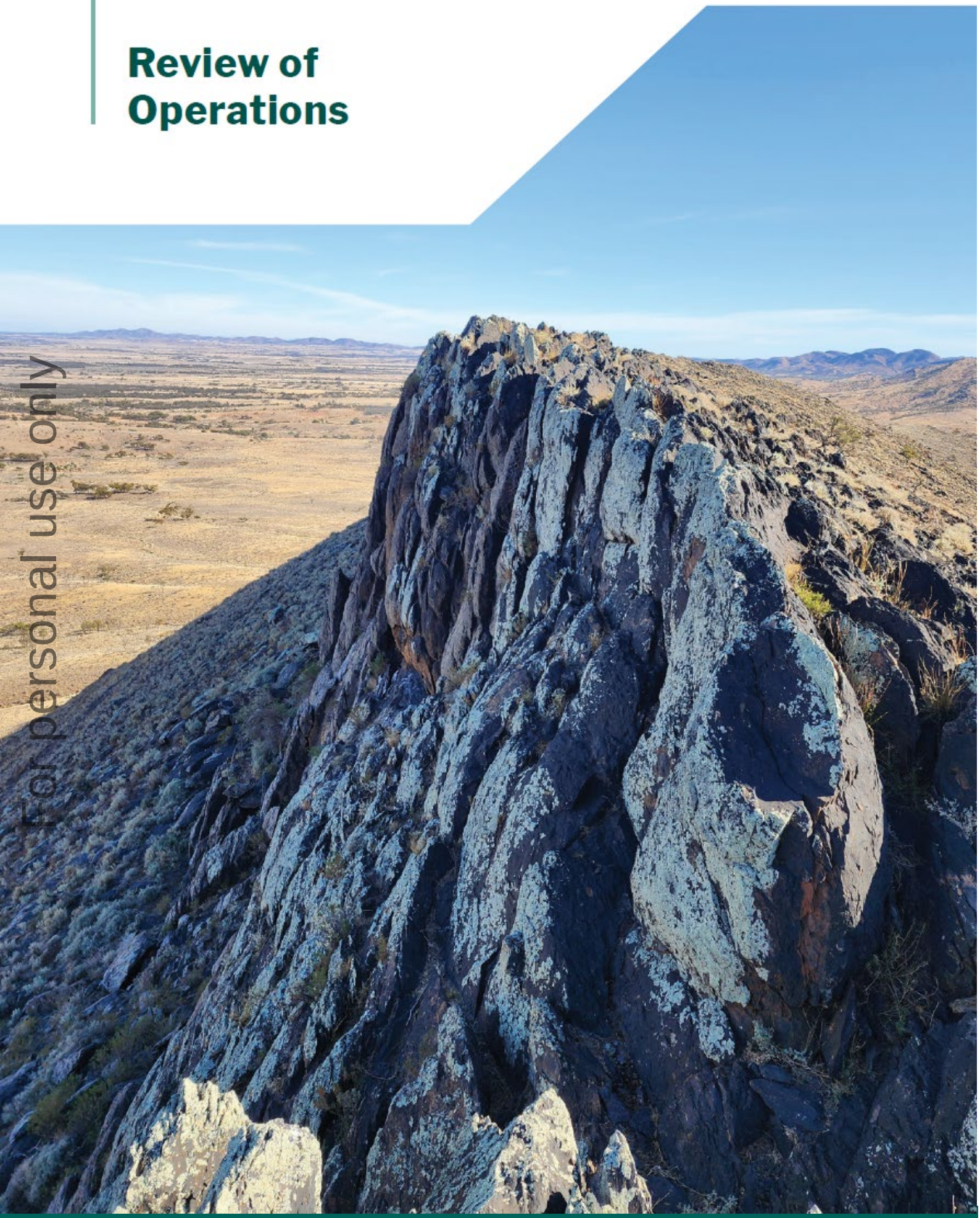
Review of Operations



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EXECUTIVE SUMMARY

FY2026 was a year of strategic transition for Magnetite Mines Limited ("Magnetite Mines" or "the Company"), as the Company continued to advance its 100%-owned Razorback Iron Ore Project while responding to changing market and funding conditions and positioning the business for a more capital-efficient pathway to development.

During the year, the Company progressed key regulatory activities for Razorback. The Australian Government awarded the Project Major Project Status in February 2026, recognising its national significance and providing a framework for coordinated Commonwealth engagement. The South Australian Mining Lease Proposal also advanced through the regulatory assessment process, with statutory public consultation completed during the June quarter. The Company continues to engage with the regulator regarding the recent changes to Razorback's configuration. In response to evolving market and funding conditions, the Company implemented a strategic reset during the June quarter to position Razorback for a more capital-efficient and flexible development pathway. The reset focused on capital discipline, reducing cash expenditure, preserving funding flexibility and identifying opportunities to minimise upfront capital requirements, while maintaining the long-term value and strategic potential of the Project.

As part of this approach, the Company commenced evaluating alternative development pathways for Razorback aimed at improving the business case and reducing development risk. Work during the period considered opportunities across project configuration, processing, water supply and infrastructure. This work provided the foundation for further project evaluation following year end.

The long-term strategic rationale for Razorback remains centered on its potential to produce premium Direct Reduction ("DR") grade magnetite concentrate at scale. The Company continued engagement with government, infrastructure participants, steel industry stakeholders and potential strategic and funding partners during FY2026, while also participating in initiatives supporting the development of South Australia's emerging green iron industry.

The Company also advanced its broader South Australian exploration portfolio during the year. At Ironback Hill, the Company's maiden air-core drilling program confirmed shallow clay-hosted rare earth element mineralisation, including high-grade zones warranting further evaluation. At Manna Hill, a comprehensive review of historical exploration data identified a number of prospective gold targets for further assessment, while re-assaying of historical drill core at Mutooroo Ridge confirmed copper-silver mineralisation.

Corporate activities during FY2026 were directed toward maintaining funding flexibility and aligning the Company's cost base and leadership structure with its revised strategy. Capital raisings completed during the year provided funding for project, regulatory and exploration activities, while further cost reductions were implemented as part of the strategic reset. In May 2026, Scott Lowe was appointed Chief Executive Officer, Managing Director and Chair-elect as part of the Company's leadership transition and, subsequent to year end, assumed the role of Executive Chair effective 1 July 2026.

Magnetite Mines entered FY2027 with a clear focus on capital discipline, cost control and funding flexibility, while continuing to progress regulatory approvals, evaluate lower capital intensity development pathways for Razorback and pursue strategic partnering and funding opportunities. The Company's objective remains to preserve and enhance the value of Razorback while establishing a development pathway appropriate to prevailing market and funding conditions.

KEY HIGHLIGHTS FY2026

- Strategic reset implemented, focused on capital discipline, reducing cash expenditure and positioning Razorback toward a more capital-efficient development pathway.[1]
- Major Project Status awarded to the Razorback Iron Ore Project by the Australian Government.[2]
- Razorback Mining Lease Proposal advanced through statutory public consultation and continued regulatory assessment.[3]
- Alternative development pathways evaluated for Razorback, focused on reducing upfront capital requirements and development risk, including opportunities across project configuration, processing, water supply and infrastructure, while preserving long-term project value.[4]
- Maiden air-core drilling completed at Ironback Hill, confirming shallow clay-hosted REE mineralisation with assays of up to 4,937 ppm TREO.[5]
- Broader exploration portfolio advanced, including identification of historical gold targets at Manna Hill and confirmation of copper-silver mineralisation at Mutooroo Ridge.[6]
- Capital raisings completed to support ongoing project, regulatory and exploration activities, alongside implementation of further cost reductions.[7,8,9]
- Leadership transition implemented, with Scott Lowe appointed CEO, Managing Director and Chair-elect in May 2026 and assuming the role of Executive Chair effective 1 July 2026.[1,11]

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RAZORBACK IRON ORE PROJECT

The Razorback Iron Ore Project ("Razorback" or the "Project") is Magnetite Mines' flagship development asset and the foundation of the Company's long-term strategy. Located approximately 240 kilometres north-east of Adelaide in South Australia's Braemar Iron Province, the Project comprises the Razorback and Iron Peak deposits and represents one of Australia's largest undeveloped magnetite resources.

During FY2026, the Project achieved Major Project Status from the Australian Government in February 2026[1], reflecting its strategic importance to Australia's future iron ore supply and the transition to lower-emissions steelmaking. This designation supports enhanced coordination across Commonwealth agencies in progressing future approvals.

During FY2026, the South Australian Mining Lease Proposal progressed through the validity assessment and statutory public consultation stages[10]. The public consultation period was completed during the June quarter, and the application remained under assessment by the South Australian Department for Energy and Mining at year end.

Technical and project development work during the year increasingly focused on identifying a more capital-efficient development pathway for Razorback. During the June quarter, the Company commenced evaluating alternative development configurations aimed at minimising upfront capital requirements and development risk, including opportunities across processing, water supply, mining sequence and infrastructure. This work formed the basis of the new Razorback Scoping Study announced subsequent to year end in September 2026[4].

The Company also continued commercial engagement with potential strategic partners, infrastructure providers and industry stakeholders to support future development and funding pathways aligned with emerging green iron and lower-emissions steel supply chains.

Project Development Strategy

During FY2026, the Company continued to assess the appropriate development pathway for Razorback against evolving market conditions, project funding requirements and the emerging demand outlook for premium magnetite products.

During the June quarter, the Company implemented a strategic reset focused on capital discipline, funding flexibility and identifying lower capital intensity development pathways for Razorback. This reflected the challenges associated with financing large-scale greenfield developments in prevailing market conditions and the Company's objective of preserving the long-term value of the Razorback resource while pursuing a more capital-efficient pathway to development.

As part of this work, the Company commenced evaluating alternative development pathways aimed at minimising upfront capital requirements and development risk. This included consideration of staged development options and alternative beneficiation technologies, together with opportunities to reduce water requirements and capital intensity, while maintaining the Project's objective of producing premium DR-grade magnetite concentrate.

Subsequent to year end, on 4 September 2026, the Company announced the results to date of a new Razorback Scoping Study, which incorporated a revised development configuration aimed at minimising upfront capital requirements and development risk while preserving the Project's long-term potential[4]. The revised configuration includes the use of saline water for processing, prioritisation of higher-grade mining areas including Iron Peak during the early years of potential operations, and a dedicated rail spur connecting the Project to the existing main rail line.

The Scoping Study provides an updated technical and development basis for the next phase of project activities, including further drilling, metallurgical testwork, infrastructure engineering and progression towards the next stage of study. It also provides a renewed platform for engagement with potential strategic, joint venture, funding and offtake partners.

Major Project Status

A significant milestone during FY2026 was the Australian Government's award of Major Project Status to the Razorback Iron Ore Project[2]. The designation recognises projects of national strategic significance and provides enhanced coordination across Commonwealth agencies to facilitate approvals and regulatory engagement.

The award of Major Project Status reflects Razorback's alignment with the increasing importance of premium magnetite concentrate in supporting Australia's emerging green iron industry and the global transition towards lower-emissions steelmaking. The designation also recognises the Project's potential contribution to regional economic development, employment and future investment in South Australia.

The award complements the South Australian Government's ongoing support for development of the Braemar Iron Province and further strengthens the Company's engagement with Commonwealth and State agencies as project development progresses.

Strategic Partnering and Funding

During FY2026, the Company continued to advance engagement with potential strategic investors, steelmakers, infrastructure providers and other industry participants as part of its long-term funding and development strategy for Razorback.

Discussions focused on potential pathways for project development and funding, strategic investment and future premium magnetite concentrate offtake. The Company continued to build relationships with organisations capable of

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contributing development capital, industry expertise and long-term market access to support the future development of the Project.

Strategic partnering and funding remain important components of the Company's development strategy for Razorback, alongside its focus on capital discipline.

SUSTAINABILITY

Magnetite Mines continued to integrate sustainability considerations into project development activities throughout FY2026, reflecting the Company's commitment to responsible resource development and the incorporation of environmental, social and governance principles across the Razorback Iron Ore Project and its broader exploration portfolio.

The Company's sustainability approach is underpinned by its "foresight" framework, which seeks to identify and manage environmental and social impacts early in the project lifecycle, maximise long-term benefits to stakeholders and support alignment with regulatory and community expectations. During the reporting period, sustainability considerations were integrated with regulatory approvals, stakeholder consultation and project planning activities for Razorback.

Mining Lease Proposal

The Razorback Mining Lease Proposal ("MLP"), submitted to the South Australian Government in March 2025, continued through the regulatory assessment process during FY2026[3,10].

The MLP represents the principal regulatory application for the proposed mining and processing operations at Razorback and also supports the assessment of relevant matters under the Environment Protection and Biodiversity Conservation Act 1999 through a coordinated State and Commonwealth assessment process. During the year, the Company continued engagement with DEM, other regulatory agencies, landholders and other stakeholders as part of the ongoing assessment process.

Throughout the year, the Company continued working closely with the Department for Energy and Mining and other regulatory agencies by responding to technical information requests, progressing environmental assessment activities and maintaining ongoing consultation with landholders, the Ngadjuri Nation and other stakeholders. These activities supported the ongoing assessment of the MLP and the broader approvals process.

Since the September 2026 announcement of proposed changes to the Razorback project configuration, the Company has continued to engage with the relevant regulators regarding the next steps in the MLP application process.

Land access and Native Title

During FY2026, the Company continued land access, cultural heritage and native title engagement across its South Australian exploration and development portfolio.

A cultural heritage survey was completed with the Ngadjuri Nation in support of the Ironback Hill REE drilling program[12], enabling the exploration program to proceed in accordance with applicable cultural heritage and regulatory requirements.

The Company also continued engagement with the Ngadjuri Nation, landholders and other stakeholders regarding land access, cultural heritage management and exploration activities across its tenement portfolio.

Community engagement

Magnetite Mines maintained ongoing engagement with local communities and regional stakeholders throughout FY2026 in relation to the Razorback Iron Ore Project and the Company's broader exploration activities across its South Australian tenement portfolio.

Community engagement during the reporting period was primarily focused on the Mining Lease Proposal process, including the statutory public consultation phase. The Company made the MLP documentation publicly available and continued engagement through consultation activities, direct stakeholder communications and regulatory disclosure processes.

The Company also maintained engagement with regional and local government representatives, industry bodies and infrastructure stakeholders in relation to broader regional development opportunities, including potential logistics and supply chain pathways associated with the future development of Razorback.

Government engagement

Magnetite Mines maintained engagement with the South Australian and Australian Governments throughout FY2026 in relation to the Razorback Iron Ore Project, including project approvals, infrastructure planning and broader initiatives supporting development of the Braemar Iron Province.

Following the award of Major Project Status in February 2026[2], the Company continued engagement with Commonwealth agencies through the Major Projects Facilitation framework. In parallel, engagement with the South Australian Government continued in relation to the Mining Lease Proposal and potential infrastructure requirements for the future development of Razorback and the broader Braemar region.

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Green Iron SA

Green Iron SA, established in October 2024 by Magnetite Mines together with Aurizon Holdings, Flinders Port Holdings and GHD, continued to advance initiatives supporting development of the Braemar Iron Province and South Australia's emerging green iron industry during FY2026.[13,14]

In November 2025, CSL Australia joined Green Iron SA, bringing specialist expertise in self-unloading transhipment vessels, bulk materials handling and marine logistics. CSL's addition complemented the consortium's existing capabilities across mining, rail, port infrastructure and engineering, strengthening its ability to evaluate integrated mine-to-market infrastructure and logistics solutions.[15]

During FY2026, Green Iron SA completed a high-level engineering assessment of a potential iron ore concentrate export pathway via Port Pirie. The assessment identified a practical, infrastructure-led concept leveraging existing rail corridors, industrial land and port infrastructure, together with concentrate storage, conveying and offshore transhipment.

South Australian Government's Yorke Peninsula and Mid North Regional Plan

In January 2026, the South Australian Government adopted the Yorke Peninsula and Mid North Regional Plan, establishing a long-term land use and infrastructure planning framework for the region through to 2051.[16] The Plan addresses future requirements for housing, employment land, transport and infrastructure to support regional population and economic growth.

Magnetite Mines had participated in the development of the Plan through its submission to the consultation process in May 2025, advocating for planning initiatives to support the future development of the Braemar Iron Province, including infrastructure and logistics opportunities associated with Peterborough and Port Pirie.

EXPLORATION

During FY2026, Magnetite Mines continued its disciplined, low-cost assessment of multi-commodity exploration opportunities across its substantial South Australian tenement portfolio. Activities focused on rare earth elements (REE), copper, silver and gold, with the objective of leveraging the Company's existing tenure, geological knowledge and historical datasets to identify additional exploration opportunities while maintaining its primary focus on the Razorback Iron Ore Project.

Exploration activities during the year included targeted drilling at Ironback Hill, re-assaying of historical drill material at Mutooroo Ridge, assessment of historical exploration data and the addition of prospective exploration tenure at Braemar Creek and Manna Hill.

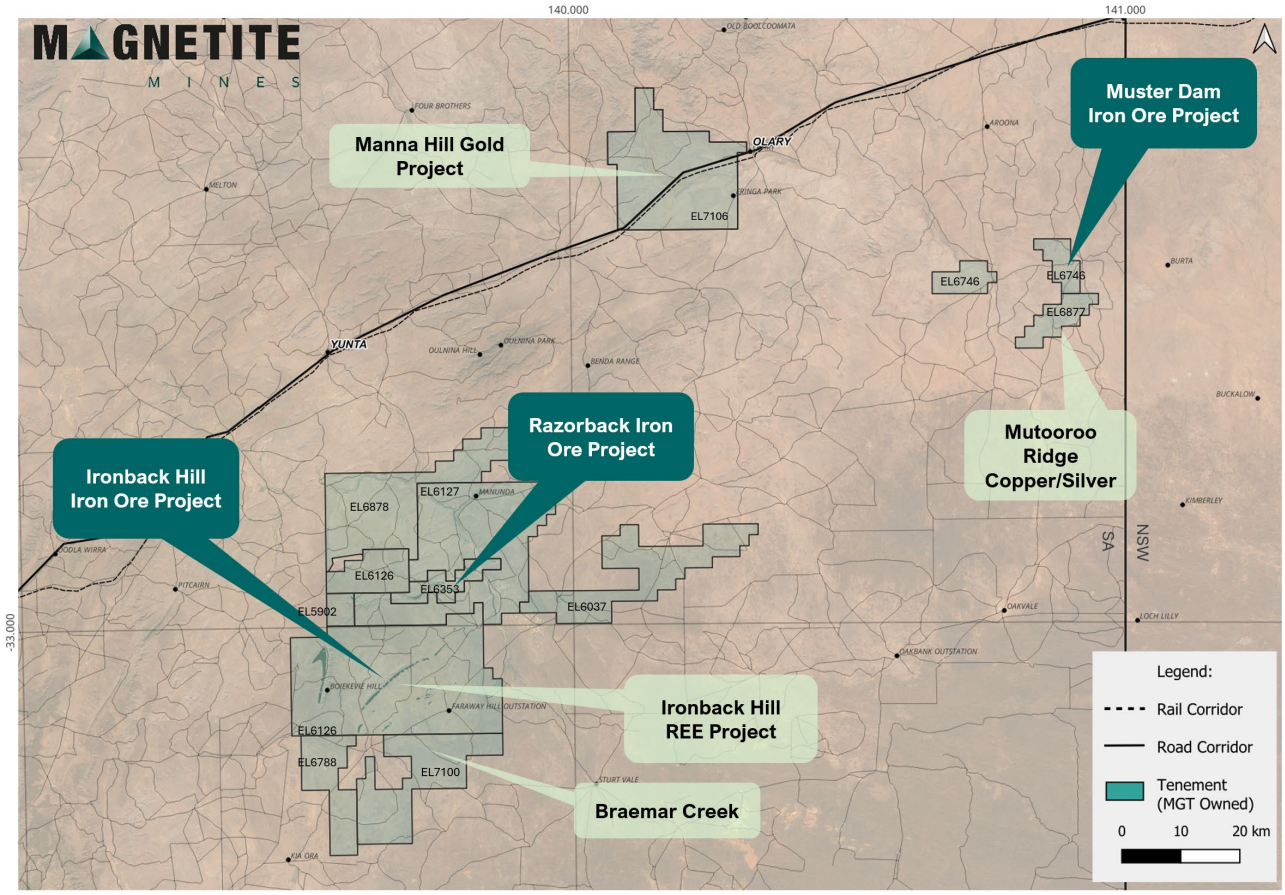

Figure 1. Magnetite Mines Limited tenement holdings and prospects NE South Australia

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Ironback Hill Rare Earth Element (REE) Project

Ironback Hill was a key focus of the Company's multi-commodity exploration activities during FY2026. Located adjacent to the Razorback Iron Ore Project, the prospect hosts shallow, clay-hosted REE mineralisation initially identified through the re-assay of archived samples from historical iron ore drilling.

During FY2026, further re-assaying of archived drill samples confirmed additional near-surface REE mineralisation.[17] The Company also initiated screening-level metallurgical work, including leachability and mineralogical analysis, to assist in characterising the mineralisation and assessing its potential extractability.

Following receipt of the necessary regulatory approvals and heritage clearances, the Company commenced its maiden air-core drilling program at Ironback Hill in April 2026. The program targeted shallow clay-rich and weathered horizons interpreted to be prospective for REE mineralisation.

Initial assay results from the program confirmed shallow REE mineralisation, including a peak assay of 4,937 ppm TREO[5]. Given the early-stage nature of the exploration program, further geological assessment, assay interpretation and metallurgical work will be required to assess the extent, continuity and characteristics of the mineralisation.

Key initial results included:

- 9m @ 1,569ppm TREO (302ppm Nd2O3) from 42m to 51m in PLAC0015, including 6m @ 1,982 ppm TREO (386ppm Nd2O3) from 45m and 1m @ 4,937 ppm TREO (969ppm Nd2O3) from 45m;
- 8m @ 540ppm TREO (101ppm Nd2O3) from 27m to 35m in PLAC0015;
- 10m @ 649ppm TREO (128ppm Nd2O3) from 17m to 27m in PLAC0002;
- 4m @ 442 ppm TREO (68ppm Nd2O3) from 8m to 12m in PLAC0002;
- 4m @ 402 ppm TREO (61ppm Nd2O3) from 3m to 7m in PLAC0002;
- 14m @ 510ppm TREO (87ppm Nd2O3) from 14m to 28m in PLAC0001; and
- 4m @ 380ppm TREO (66ppm Nd2O3) from 4m to 8m in PLAC0001.

A cut-off grade of 350ppm TREO was applied in reporting the results. No high-grade cut-offs were used. All intercepts are reported as downhole lengths; true widths are not known. A minimum reported intercept of one sample interval was applied.

The results provide further evidence that the shallow clay-hosted mineralisation identified at Ironback Hill extends beyond the originally recognised zones and supports continued evaluation of the project's rare earth potential. The presence of elevated neodymium values is particularly encouraging given the importance of magnet rare earth elements in electrification and renewable energy supply chains.

Figure 1. Air core drill rig, drilling at the Ironback Hill REE Prospect

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During the quarter, the Company also continued assessment of the broader regional REE opportunity within its Braemar tenure package. The recently granted Braemar Creek Exploration Licence (EL7100), located immediately adjacent to Ironback Hill, secures downstream drainage systems interpreted to be associated with the REE mineralisation identified to date and provides additional exploration upside.[18]

Further work will focus on geological interpretation, target refinement, assessment of mineralisation continuity and evaluation of future exploration and metallurgical programs required to determine the scale and economic significance of the REE system.

Manna Hill Gold Project

During FY2026, Magnetite Mines expanded its exploration portfolio through the grant of Exploration Licence EL7106, comprising the Manna Hill Gold Project in northeastern South Australia.[19]

Manna Hill contains a number of historical gold workings associated with quartz-sulphide vein systems and has been subject to intermittent exploration over several decades. During the reporting period, the Company completed a desktop review of historical geological, geochemical and drilling information to assess the prospectivity of the project and identify areas for further investigation.[20]

The review identified previously reported gold workings supported by geochemical anomalism and historical drilling results. As part of the Company's validation work, 171 retained historical reverse circulation samples from the Boomerang prospect were submitted for preparation and re-assay to provide an independent check on selected historical gold results and support further geological interpretation and target definition.

Historical results remain unverified by the Company and will be subject to further assessment prior to future exploration decisions. Follow-up work includes field validation, geological mapping, geochemical sampling and target ranking.

Broader Exploration Portfolio

Beyond Ironback Hill, Manna Hill and Mutooroo Ridge, Magnetite Mines continued evaluating exploration opportunities across its broader South Australian tenement portfolio during FY2026. Activities included desktop assessment of historical exploration data, geological interpretation and target generation across the Company's extensive landholding.

The Company's exploration strategy remains focused on systematically evaluating opportunities to unlock additional value from its existing tenure, leveraging historical datasets and geological knowledge through staged, capital-efficient exploration activities, while maintaining Razorback as the Company's principal development focus.

Tenement Management

During FY2026, the Company continued to actively manage its South Australian exploration tenure, including the addition of new prospective ground to support its broader multi-commodity exploration strategy.

Exploration Licence EL7100 (Braemar Creek) was granted during the year, adding approximately 227 km² immediately adjacent to the Ironback Hill REE Project and securing downstream drainage corridors interpreted to be prospective for extensions of the identified REE mineralisation.[18]

The Company was also granted Exploration Licence EL7106, comprising the Manna Hill Gold Project in northeastern South Australia, expanding the Company's exposure to prospective gold mineralisation.[19]

CORPORATE

Strategic Reset and Leadership Transition

During the June quarter, Magnetite Mines implemented a strategic reset to position the Company for a more capital-efficient and flexible development pathway for the Razorback Iron Ore Project[1,4]. The reset focused on capital discipline, reducing cash expenditure, preserving funding flexibility and aligning the Company's cost base and activities with near-term priorities, while maintaining the long-term value and strategic potential of Razorback.

As part of the strategic reset announced in May 2026[1], Tim Dobson stepped down as Managing Director, with the Board acknowledging his contribution to the advancement of Razorback through an important period of project development. Scott Lowe was appointed Chief Executive Officer, Managing Director, and Chair-elect, bringing extensive experience across mining operations, project development, capital markets and strategic transactions.

The strategic reset included a further cost reduction program, continued progression of key regulatory activities and increased focus on identifying lower capital intensity development pathways for Razorback, together with the pursuit of strategic funding and partnering opportunities. The Company also increased its focus on assessing opportunities across its broader South Australian exploration portfolio.

Subsequent to year end, Scott Lowe assumed the role of Executive Chair effective 1 July 2026, with Paul White transitioning from Chair to Non-Executive Director[11].

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Capital Management

Capital management remained a key focus during FY2026 as the Company sought to maintain funding flexibility while continuing to progress priority project, regulatory and exploration activities.

During the year, the Company completed capital raisings to support its working capital and ongoing activities. During FY2026, the Company successfully completed capital raising initiatives totalling approximately $5.0 million before costs, comprising a fully subscribed $2.65 million renounceable rights issue in September 2025, a $1.21 million follow-on placement, and a further $1.15 million renounceable rights issue in April 2026. The funds provided additional working capital to support the Company's ongoing project, regulatory and exploration activities.

During the June quarter, the Company implemented further cost reduction initiatives as part of its strategic reset, with a focus on reducing cash expenditure, preserving capital and aligning expenditure with priority activities. The Company also continued to assess a range of funding and strategic partnering opportunities to support its ongoing activities and the future development of Razorback.

Following year end, the Company continued to take steps to strengthen its funding flexibility. On 12 August 2026, the Company agreed with C/M Capital to extend the maturity dates of its outstanding convertible notes by 12 months.[26] The notes, with an aggregate face value of approximately $2.7 million, now mature between January and June 2028. The extensions defer the Company's near-term repayment obligations and provide additional funding flexibility as it progresses its strategic and funding initiatives.

Subsequent to year end, on 28 September 2026, the Company announced a partially underwritten Share Purchase Plan ("SPP")[9] targeting approximately $1.0 million (before costs). The SPP is partially underwritten to $0.5 million by GBA Capital Pty Ltd, which has also been appointed as Lead Manager to the capital raising.

Under the SPP, eligible shareholders may apply for up to $30,000 of new fully paid ordinary shares in the Company. The SPP is expected to open on 5 October 2026 and close at 5.00pm (Sydney time) on 16 October 2026, with the SPP Shares expected to be issued on 22 October 2026. Subject to shareholder approval, participants will also receive one free attaching listed option for every SPP Share issued, with an exercise price equal to a 25% premium to the SPP issue price and an expiry date of 31 December 2029.

The Company may also undertake a Top-up Placement to sophisticated and professional investors, with the SPP and potential Top-up Placement targeting aggregate proceeds of up to approximately $1.5 million (before costs). Proceeds from the capital raising are intended to support advancement of the Razorback Iron Ore Project, strategic initiatives and general working capital requirements.

OUTLOOK FOR FY2027

Magnetite Mines enters FY2027 following a year of strategic repositioning, with a clear focus on capital discipline, funding flexibility and progressing the Razorback Iron Ore Project.

The Company will continue to progress priority regulatory and project development activities for Razorback, while maintaining engagement with South Australian and Commonwealth agencies as required.

A key focus will be the continued evaluation of the revised configuration of Razorback outlined in the new scoping study announced in September 2026[4]. This work will seek to minimise upfront capital requirements and development risk while preserving the Project's long-term potential to produce premium Direct Reduction (DR) grade magnetite concentrate.

Across its broader South Australian exploration portfolio, the Company will continue to assess opportunities at Ironback Hill, Manna Hill and other prospective areas. Direct expenditure will be limited, and the Company will consider strategic opportunities to extract value from these assets.

Following the May 2026 strategic reset, the Company will maintain a strong focus on capital discipline, cost control and funding flexibility, while continuing to pursue strategic partnering and funding opportunities to support its ongoing activities and the future development of Razorback.

The Company will also remain open to other opportunities aligned with its strategy and have the potential to create long-term value.

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MINERAL RESOURCES AND ORE RESERVES

Razorback Iron Ore Project Mineral Resource Estimate Summary (8% eDTR Cut-Off)[21,22,23,24,25,*]

Deposit	Classification	Million Tonnes (Mt, dry)	Mass Recovery (eDTR%)	Fe %	SiO_2%	Al_2O_3%	P %	LOI%	Magnetite %
Iron Peak	INFERRED	263	17.70	16.74	49.26	8.50	0.15	6.03	14.33
	INDICATED	344	17.69	17.63	48.57	8.33	0.16	5.90	14.77
	TOTAL	**607**	**17.70**	**17.24**	**48.87**	**8.40**	**0.16**	**5.95**	**14.58**
Razorback	INFERRED	1,601	14.66	17.07	49.28	8.36	0.18	5.56	14.48
	INDICATED	1,629	14.45	17.78	48.59	8.16	0.18	5.48	13.88
	TOTAL	**3,230**	**14.56**	**17.43**	**48.93**	**8.26**	**0.18**	**5.52**	**14.17**
Razorback Iron Ore Project Combined	INFERRED	1,864	15.09	17.02	49.28	8.38	0.18	5.63	14.46
	INDICATED	1,973	15.01	17.75	48.59	8.19	0.18	5.55	14.04
	TOTAL	**3,837**	**15.05**	**17.40**	**48.92**	**8.28**	**0.18**	**5.59**	**14.23**

Magnetite Mines Limited Global Iron Ore Mineral Resources Estimate Summary[21,22,23,24,25,*]

Deposit	Classification	Million Tonnes (Mt, dry)	Mass Recovery (eDTR%)	Fe %	SiO_2%	Al_2O_3%	P %	LOI%	Magnetite %
Razorback Iron Ore Project Combined[1]	INFERRED	1,864	15.09	17.02	49.28	8.38	0.18	5.63	14.46
	INDICATED	1,973	15.01	17.75	48.59	8.19	0.18	5.55	14.04
	TOTAL	**3,837**	**15.05**	**17.40**	**48.92**	**8.28**	**0.18**	**5.59**	**14.23**
Ironback Hill[2]	INFERRED	1,187	-	23.20	44.40	7.20	0.21	5.40	12.90
Muster Dam Iron Project[3]	INFERRED	1,550	15.20	18.70	49.60	8.80	0.20	2.80	-
Total	INDICATED AND INFERRED	6,574							

*The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements on 9 June 2023, 30 June 2025 and 4 September 2026, and in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

A. Ore Reserves are a sub-set of Razorback Iron Ore Project Indicated Mineral Resource Estimate.

B. Probable Ore Reserve Estimate (announced 9 June 2023) tonnes may not reconcile with Indicated MRE tonnes (announced 30 June 2025) due to the inclusion of minor Inferred MRE or Unclassified Material in the Probable Ore Reserve Estimate to account for the mining dilution effects.

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

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DISCLAIMER

Forward-looking Statements

This report contains forward-looking statements which are based on the Company's current expectations and assumptions regarding the development of the Razorback Iron Ore Project, funding, project development activities and other matters. Although Magnetite Mines believes the expectations expressed in such statements are based on reasonable assumptions, forward-looking statements are not guarantees or predictions of future performance and actual results may differ materially. Investors are cautioned not to place undue reliance on forward-looking statements.

Mineral Resource Estimate and Material Changes

The information in this report relating to the Razorback Iron Ore Project Mineral Resource Estimate has been extracted from the Company's ASX announcement dated 30 June 2025, Razorback Iron Ore Project 2025 Mineral Resource Update. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Exploration Results

The information in this report relating to Exploration Results has been extracted from the Company's previously published ASX announcements relating to the relevant exploration programs. The Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and that the form and context in which the relevant Competent Person's findings are presented have not been materially modified from the original market announcements.

References

1. ASX Announcement - 26/05/26 – Leadership Transition and Strategic Reset
2. ASX:MGT – 17/02/2026 - Razorback Project Awarded Major Project Status
3. ASX Announcement - 26/03/25 - Razorback Project Mining Lease Proposal Lodged
4. ASX Announcement - 04/09/2026 - New Razorback Project Scoping Study and Funding Options
5. ASX Announcement - 22/06/26 - Ironback Hill Rare Earths Drilling Results
6. ASX Announcement - 17/03/26 - High-Grade Silver and Copper Identified at Mutooroo Ridge
7. ASX Announcement - 05/09/25 – Rights Issue Closes Fully Subscribed
8. ASX Announcement - 01/04/26 – Completion of Renounceable Rights Issue
9. ASX Announcement - 28/09/26 – Partially Underwritten Share Purchase Plan
10. ASX Announcement - 30/01/26 – Second Quarter Activities Report
11. ASX Announcement - 01/07/26 – Appointment of New Chair
12. ASX Announcement - 16/02/26 – Ironback Hill REE Project Drilling Approvals Secured
13. ASX Announcement - 22/10/24 - Green Iron SA alliance launched for Green Iron revolution
14. SA Gov Release South Australia's Green Iron Opportunity, Expression of Interest | Dept. for Energy and Mining
15. ASX Announcement - 13/11/25 – CSL Australia Joins Green Iron SA Consortium
16. SA Gov Release Yorke Peninsula and Mid North Regional Plan
17. ASX Announcement - 18/11/25 – Additional Rare Earths Mineralisation Confirmed at Ironback Hill
18. ASX Announcement - 07/01/26 - New Tenement Granted Adjacent to Ironback Hill REE Project
19. ASX Announcement - 19/03/26 - Manna Hill Gold Project Tenement Granted
20. ASX Announcement - 27/05/26 - Manna Hill Desktop Review Identifies Historic Gold Targets
21. ASX Announcement - 30/06/25 - Razorback Iron Ore Project 2025 Mineral Resource Update
22. ASX Announcement - 20/11/18 - Ironback Hill Deposit JORC 2012 Resource Update
23. ASX Announcement - 03/11/22 - Muster Dam Mineral Resource Estimate
24. ASX Announcement - 09/06/23 - Iron Peak Deposit Maiden Ore Reserve
25. ASX Announcement - 09/06/23 - Iron Peak Strengthens Razorback Project Economics
26. ASX Announcement – 12/08/2026 - Convertible Notes Maturity Extended by 12 Months

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The directors present their report on the Consolidated Entity consisting of Magnetite Mines Limited and the entities it controlled at the end of, or during, the year ended 30 June 2026.

INFORMATION ON DIRECTORS

The following persons were Directors of Magnetite Mines Limited ("Company") and were in office during the financial year and until the date of this report unless otherwise stated.

Mr Scott Lowe	Executive Chair	(Appointed CEO, Managing Director and Chairman-elect on 26 May 2026 and appointed Chair on 1 July 2026)
Mr Paul White	Non-Executive Director	(Resigned as Chair of the Board on 1 July 2026)
Mr Simon Wandke	Non-Executive Director	
Mr Tim Dobson	Managing Director	(Resigned as CEO & Managing Director on 26 May 2026)

PRINCIPAL ACTIVITY

The principal activity of the Consolidated Entity during the year was mineral exploration in Australia. Other than the foregoing, there were no significant changes in those activities during the year.

RESULT OF OPERATIONS

A review of operations of Magnetite Mines Limited during the financial year is set out on pages 3 - 12.

Financial results from FY26 are summarised below:

- Group operating loss attributable to equity holders of Magnetite Mines after tax was $3,910,492 (FY25: $4,187,648).
- Interest and other income recognised was $186,681 (FY25: $226,151)

Total assets increased by $1,964,053 to $43,265,667 during the period and cash balances increased by $527,897 to $2,014,076, primarily due to:

- Cash outflow from operating activities of $2,122,920;
- Cash outflow from investing activities of $1,432,591; and
- Cash inflow from financing activities of $4,083,408.

Total liabilities reduced by $477,387 to $3,835,061, primarily due to conversion of C/ M Capital Partners' Convertible Loan Notes to equity.

Total equity increased by $2,441,440, primarily due to the August 2025 & March 2026 Rights Issue, raising $5.02 million (before costs).

FUNDING AND CAPITAL MANAGEMENT

As at 30 June 2026, Magnetite Mines held cash and cash equivalents of $2,014,076.

The Group's cash flow forecasts indicate that additional funding will be required to support its planned activities over the next 12 months. Accordingly, capital management and funding flexibility remain key priorities for the Company.

In the near term, the Company is progressing a Share Purchase Plan and associated top-up placement to raise up to approximately $1.5 million, with completion and receipt of funds targeted during October 2026. The Company is also progressing a potential royalty funding transaction with ProspEx in relation to the Razorback Iron Ore Project. In addition, the Group's existing Convertible Note arrangements with C/M Capital provide a potential source of additional funding should it be required, subject to mutual agreement, available placement capacity and any necessary shareholder or regulatory approvals.

Over the remainder of the 12-month period, the Group intends to continue progressing a range of funding initiatives, including additional equity capital, royalty funding arrangements, strategic investment, joint venture and other project-level funding opportunities, research and development incentive refunds and a potential sell-down or other transaction in relation to an interest in the Razorback Iron Ore Project.

The Directors have also considered the Group's ability to manage the timing and level of discretionary expenditure and continue to actively manage the Company's funding requirements.

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MATERIAL BUSINESS RISKS

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.

ECONOMIC RISKS

Ability to access funding

Magnetite Mines operates in the iron ore industry, undertaking exploration and development activities. 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 progress the Razorback Project from the recently completed Scoping Study towards a Pre-Feasibility Study (PFS) and subsequent stages of project development, and to continue selected exploration and evaluation activities across its broader tenement portfolio. 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.

Strategic partner risk

During the year, Magnetite Mines engaged in due diligence activities and commercial negotiations with potential strategic partners, as well as discussions with a range of other potential strategic partners, investors, steelmakers and industry participants in relation to possible funding, development and partnering opportunities for the Razorback Project. The Company intends to re-engage with potential strategic partners and broaden its outreach to identify additional parties that may be willing to provide future funding or otherwise support the advancement of the Project. No binding commitment from a strategic partner currently exists.

The Company's ability to secure critical strategic partners to support the progression of the Razorback Project, including advancement of the new scoping study towards a revised PFS and ultimately Final Investment Decision (FID), within an acceptable timeframe 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, or funding may 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.

Financial risks

The Company currently has indebtedness to an investor in the form of convertible notes, which have various maturity dates in 2028. 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.

OPERATING AND PROJECT RISKS

Once the construction phase is ultimately reached following a final investment decision, unforeseen risks may arise in the development, construction and production phases of the Razorback Project. These risks include, but are not limited to 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.

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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 funding, 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.

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.

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.

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.

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 suitably qualified personnel could potentially disrupt business continuity through the loss of critical knowledge and capability. To manage this risk, the Company maintains employment arrangements designed to attract and retain key personnel and, where appropriate, supplements its internal capabilities through the use of suitably qualified external advisers, consultants and contractors.

PROJECT RISKS

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. As announced on 4 September 2026, the Company has subsequently undertaken new scoping study work incorporating substantial changes to the Project development configuration aimed at simplifying the Project development plan, improving economic potential and reducing development risk. The changes being evaluated include the use of saline water for conventional processing, prioritisation of higher-grade mining areas in the initial years and the inclusion of a rail spur to connect the Project to the main rail line.

The new scoping study work is preliminary and ongoing. Further evaluation work and appropriate studies are required as the Project progresses towards a new PFS and ultimately a DFS and FID.

The development of the Razorback Project is subject to a number of risks, including access to key project resources and infrastructure (such as land, water, transport and power), approvals, funding, project management and product handling. These risks and associated mitigation strategies will continue to be assessed and addressed as the Project development work progresses. The risks include:

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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.

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.

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 will be required as the Project progresses from the new scoping study towards a revised PFS. 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.

Processing

Process plant capital and operating costs, throughput rates, and metallurgical recoveries for the reserves were estimated from investigations completed to a PFS level of accuracy. Further investigations and refinement will be required to progress from the new Scoping Study to a new PFS 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.

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 now required to progress from the new Scoping Study to a new PFS 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.

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 progress from the new Scoping Study to a new PFS 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.

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 progress from the new Scoping Study to a new PFS 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.

Water

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

The Razorback Project will require a reliable water supply to support its proposed mining and ore processing operations. Subsequent to 30 June 2026, the Company announced new scoping study work evaluating the use of saline water for conventional processing, which has the potential to remove the requirement for the coastal desalination plant and associated water supply pipeline contemplated in previous studies.

Previous metallurgical test work has demonstrated the potential to produce high-grade concentrates using saline water. However, further testing of samples is required to enhance confidence in recovery performance using saline water, together with further technical, environmental and engineering studies as the Project advances.

The source, availability, quality and reliability of saline water supply, together with the infrastructure required to access, transport and manage that water, remain subject to further investigation. Relevant regulatory approvals, environmental requirements and stakeholder considerations will also need to be assessed as the water supply solution is further developed.

There is no certainty that the saline water supply solution currently being evaluated will ultimately be technically, environmentally or commercially feasible. Changes to the proposed water supply strategy, or requirements for additional infrastructure, could adversely affect the capital and operating costs, approvals, development schedule and overall economics of the Razorback Project.

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.

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.

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.

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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 have historically tightened when commodity prices rise. Inflationary impacts on mining inputs may result in increased capital and operating cost or delays to the Razorback Project.

Technology and performance risk

The scope for development of the Razorback Project relies on third party technology and design, some of it proprietary. While metallurgical 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.

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.

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.

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.

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 remain a key area of focus as the Project progresses through further study and development phases, including towards a revised PFS, but the final environmental footprint and impacts of the Razorback Project have yet to be defined.

HEALTH, SAFETY AND ENVIRONMENTAL RISKS

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

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

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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.

DIVIDENDS

No dividends have been paid during the financial year and no dividend is recommended for the current year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year not otherwise dealt with in this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Details of important developments in the operations of the Consolidated Entity are set out in the review of operations section of this report. The Consolidated Entity will continue to explore its Australian tenement areas of interest for minerals, and any significant information or data will be released in the market and to shareholders.

ENVIRONMENTAL ISSUES AND REGULATIONS

The Consolidated Entity has interests in mining tenements (including prospecting, exploration and mining leases). The leases and licence conditions contain environmental obligations. The Consolidated Entity has assessed whether there are any particular or significant environmental regulations that apply. It has determined that the risk of non-compliance is low and has not identified any compliance breaches during the year. The directors are not aware of any environmental matters that would have a significant adverse effect on the Consolidated Entity.

The Company is not currently subject to mandatory sustainability reporting requirements under AASB S2 *Climate-related Disclosures*. The Company continues to monitor the applicable sustainability reporting requirements and their future application to the Company.

During the year the Company has paid $5,850 as part of Environmental Rehabilitation for the Razorback tenement. The Company has also made a provision of $5,000 for remaining rehabilitation work required to finalise rehabilitation at Razorback and Iron Peak. The provision represents minor works following significant rehabilitation completed in the preceding reporting periods and includes remediation of access tracks, drill sites and ongoing environmental monitoring of previously disturbed areas in line with statutory requirements.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial period, other than the matters disclosed below, the directors are not aware of any other matter or circumstance that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity.

Appointment of Executive Chair

On 1 July 2026, Mr Scott Lowe was appointed Chair of the Board, succeeding Mr Paul White, who continues as a Non-Executive Director. Mr Lowe had previously been appointed Chief Executive Officer, Managing Director and Chairman Elect on 26 May 2026 as part of the Company's leadership transition.

Issue of director shares in lieu of director fees

On 2 July 2026, the Company issued 1,090,513 shares to directors in lieu of a portion of their director remuneration for the period 1 April 2026 to 30 June 2026.

Convertible Note Maturity Extension

On 12 August 2026, the Company entered into a variation deed with C/M Capital to extend by 12 months the maturity dates of all outstanding Convertible Notes, with an aggregate face value of approximately $2.714 million. The revised maturity dates range from 24 January 2028 to 30 June 2028.

In consideration for the extension, the Company agreed to provide consideration of $250,000, to be satisfied by the issue of 16,666,667 unquoted options, subject to shareholder approval at the Company's 2026 Annual General Meeting. The options will have an exercise price of $0.015 and expire three years from the date of issue. If shareholder approval is not obtained, the Company will instead pay $250,000 in cash. All other terms of the Convertible Securities Agreements remain unchanged.

Share Purchase Plan

On 28 September 2026, the Company announced a partially underwritten Share Purchase Plan ("SPP") to raise up to approximately $1.0 million (before costs). The SPP is partially underwritten to $0.5 million by GBA Capital Pty Ltd, which has also been appointed as Lead Manager to the capital raising. The SPP is expected to open on 5 October 2026 and close at 5.00pm (Sydney time) on 16 October 2026.

Under the SPP, eligible shareholders may apply for up to $30,000 of new fully paid ordinary shares in the Company. The issue price will be the lower of $0.015 per share and a 10% discount to the five-trading day volume weighted average price of the Company's shares up to, but not including, the SPP issue date, subject to the requirements of the ASX Listing Rules.

Subject to shareholder approval, participants will also receive one free attaching listed option for every new share issued under the SPP. The options will have an exercise price equal to a 25% premium to the SPP issue price and will expire on 31 December 2029.

In addition to the SPP, the Company may undertake a Top-up Placement to sophisticated and professional investors, with the SPP and potential Top-up Placement targeting aggregate proceeds of up to approximately $1.5 million (before costs). The proceeds are intended to support advancement of the Razorback Iron Ore Project, strategic initiatives and general working capital requirements.

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CORPORATE INFORMATION

Magnetite Mines Limited	Parent entity
Razorback Iron Pty Ltd	100% owned controlled entity
Razorback Operations Pty Ltd	100% owned controlled entity
Red Dragon Mining Pty Ltd	100% owned controlled entity
Ironback Pty Ltd	100% owned controlled entity

INFORMATION ON DIRECTORS

SCOTT LOWE	***Executive Chair***
Qualifications	MBA, Associate Diploma in Coal Mining, Mine Manager's Certificate of Competency (Coal), Diploma in Marine Terminal Operations, MAICD.
Skills and Experience	Mr Lowe is a senior mining executive with more than 35 years' experience across mining operations, project development, capital markets and strategic partnerships. His experience includes serving as CEO of ASX-listed resource companies and holding senior executive positions with major global mining groups, including BHP, South32, ArcelorMittal and Peabody. Mr Lowe brings extensive experience in capital raising, stakeholder engagement and advancing resource projects through development and operational phases across iron ore, coal and base metals. Mr Lowe was appointed CEO, Managing Director and Chairman Elect on 26 May 2026 and Executive Chair on 1 July 2026.
Other current Directorships	None
Former Directorships in the last three years	Firefinch Limited (from October 2022 to August 2023)
Special Responsibilities	Member of Nomination & Remuneration Committee
Interest in Shares and Options at the date of this report	Nil

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PAUL WHITE	***Non-Executive Director***
Qualifications	Master of Business Administration, Member of AICD
Skills and Experience	Mr White is a highly accomplished and experienced business leader with a track record of driving organisational performance and delivering superior outcomes in both corporate and board positions. He has substantial executive experience with global mining companies including FTSE-listed Anglo American and Xstrata, with expertise in people strategy, business transformation and community stakeholder relations. Until 28 February 2021, Mr. White was the CEO of ASX-listed Brisbane Broncos, a position he held for a decade. Prior to his role with the Broncos, Mr. White gained considerable experience within the mining sector over an 8-year period in a variety of senior leadership and executive roles, both within site-based operations and corporate roles. He also spent 17 years in the Queensland Police Service finishing his career as the Officer in Charge of Mount Isa. Paul is currently the Independent Chair of the Coal Network Capacity Company, established in 2019 by major Queensland coal industry participants as the Independent Expert overseeing the capacity of the Central Queensland Coal Network. Throughout his career, Mr White has been extensively involved in working with Aboriginal and Torres Strait Islander communities and in particular, Aboriginal and Torres Strait Islander youth programmes. In 2017, his work in this area was recognised in his nomination for Queensland's Australian of the Year Award. Mr White was appointed as a Director on 12 January 2022 and as Chair of the Board on 23 September 2024. He stepped down as Chair on 1 July 2026 and remains on the Board as a Non-Executive Director.
Other current Directorships	Independent Chairman - Coal Network Capacity Company Director - Country to Coast PHN, Queensland
Former Directorships in the last three years	None
Special Responsibilities	Chair of Nomination & Remuneration Committee Member of Audit & Risk Committee
Interest in Shares and Options at the date of this report	• 4,304,828 Ordinary shares • 648,894 Quoted options exercisable at $0.30 each expiring 2 October 2027 • 510,660 Quoted options exercisable at $0.12 each expiring 5 March 2028. • 375,000 Quoted options exercisable at $0.08 each expiring 1 October 2028.

SIMON WANDKE	***Non-Executive Director***
Qualifications	Bachelor of Arts (Psychology), Graduate of Australia Institute of Company Directors (GAICD), Diploma in Corporate Finance
Skills and Experience	Mr Wandke is a highly accomplished C-suite leader, with extensive global iron ore leadership, strategy, value chain and commercial experience in major resource organisations. Most recently, Mr Wandke was Executive Vice President and Chief Executive Officer of ArcelorMittal Mining, the world's leading steel company with the fifth largest iron ore business globally. During his tenure, Mr Wandke played a key role in helping to drive the mining division forward to the next stage of its development as one of the largest global producers of iron ore, coking coal and other minerals. Mr Wandke has over 40 years' experience in the mining and minerals industry, holding senior management, strategy and commercial positions internationally with a particular focus on the development of greenfield and brownfield projects, designing and implementing major change and effective commercial strategies, strategic marketing, risk management and ESG. Mr Wandke was appointed a Non-Executive Director on 6 June 2022.
Other current Directorships	None
Former Directorships in the last three years	Kalium Lakes Ltd (from October 2022 to August 2023)
Special Responsibilities	Chair of Audit & Risk Committee Member of Nomination & Remuneration Committee
Interest in Shares and Options at the date of this report	• 1,130,320 Ordinary shares • 32,757 Quoted options exercisable at $0.30 each expiring 2 October 2027 • 76,862 Quoted options exercisable at $0.12 each expiring 5 March 2028. • 75,000 Quoted options exercisable at $0.08 each expiring 1 October 2028.

TIM DOBSON	***Managing Director & CEO (Resigned 26 May 2026)***
Qualifications	B.AppSc in Extractive Metallurgy, GAICD, FAusIMM
Skills and Experience	Mr Dobson is a mining leader with over 37 years experience leading and developing world-class operations, Mr Dobson has a track record in transformational leadership through the application of sound strategy, technical capability and building high-performance teams. Prior to joining Magnetite Mines, he was CEO of Heron Resources, which he joined in early 2020 as Covid-19 impacts forced mine closures and established a strategic process leading to the refinancing and resumption of mining operations. Prior to that, he worked for six years with Sherritt International Corporation where he was President of its US$8bn Ambatovy nickel operations in Madagascar during its transition from early ramp-up to stable operations before assuming responsibility for the company's nickel and cobalt operations in Canada and Cuba. He has also held a series of executive leadership and CEO roles with Norilsk Nickel, Lihir Gold (PNG), Kimberley Rare Earths, Anova Metals and Polymetals, where Mr Dobson led the development of the successful White Dam gold project in South Australia. Mr Dobson resigned as Managing Director & CEO on 26 May 2026.
Other current Directorships	None
Former Directorships in the last three years	None
Special Responsibilities	Member of Audit & Risk Committee Member of Nomination & Remuneration Committee
Interest in Shares and Options at the date they ceased to be a director	• 2,697,902 Ordinary shares • 280,243 Quoted options exercisable at $0.30 each expiring 2 October 2027 • 384,615 Quoted options exercisable at $0.12 each expiring 5 March 2028 • 500,000 Quoted options exercisable at $0.08 each expiring 1 October 2028 • 382,883 unquoted options with an exercise price of $1.34 each expiring on 1 December 2028 • 1,064,736 unquoted options with an exercise price of $0.556 each expiring on 5 December 2029. • 2,256,318 unquoted options with an exercise price of $0.2290 each expiring on 6 December 2030. • 6,443,131 unquoted options with an exercise price of $0.0905 each expiring on 5 December 2031. • 4,261,364 unlisted performance rights expiring on 30 November 2026.

COMPANY SECRETARIES

Inthu Siva – Company Secretary

Ms. Siva was appointed as Company Secretary on 14 April 2023. She has been employed by the Company since 2010 and also holds the position of Financial Controller. Ms. Siva is an associate member of the Governance Institute of Australia (AGIA) and is a Certified Practising Accountant (CPA).

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SHARES UNDER OPTIONS AND PERFORMANCE RIGHTS

As at the date of this report, there were 229,014,221 unissued ordinary shares of the Company as follows:

Date options issued	Expiry date	Vesting date	Exercise price of options ($)	Number of securities
Unquoted options				
5 Dec 2023	5 Dec 2029	5 Dec 2026	0.556	1,978,713
6 Dec 2024	6 Dec 2030	6 Dec 2027	0.229	5,227,160
7 Mar 2025	7 Mar 2028	7 Mar 2025	0.1542	8,106,355
19 May 2025	19 May 2028	19 May 2025	0.1301	2,881,548
30 Jun 2025	30 Jun 2028	30 Jun 2025	0.1212	1,200,495
5 Dec 2025	5 Dec 2031	5 Dec 2028	0.091	13,380,648
Quoted options				
2 Oct 2024	2 Oct 2027	2 Oct 2024	0.30	16,639,408
5 Sep 2025	5 Mar 2028	5 Sep 2025	0.12	63,398,569
1 Apr 2026	1 Oct 2028	1 Apr 2026	0.08	31,474,626
Convertible Notes (face value $1 each)				
24 Jan 2025	24 Jan 2028	24 Jan 2025		186,000
7 Mar 2025	7 Mar 2028	7 Mar 2025		1,404,000
19 Mar 2025	19 Mar 2028	19 Mar 2025		810,000
30 Jun 2025	30 Jun 2028	30 Jun 2025		314,280

During the financial year:

(1) On 2 July 2025, 319,094 ordinary shares were issued to directors in lieu of directors' fees for the period April to June 2025.
(2) On 28 July 2025, 1,225,462 employee performance rights were converted into fully paid ordinary shares following the performance evaluation process.
(3) On 28 July 2025, 2,081,085 employee performance rights lapsed following the performance evaluation process.
(4) On 19 August 2025, 3,750,000 ordinary shares were issued on exercise of 300,000 Convertible Notes with a face value of $1 each.
(5) On 5 September 2025, 59,529,501 ordinary shares were issued pursuant to the Rights Issue and subsequent placement.
(6) On 5 September 2025, 47,222,834 quoted options, exercisable at $0.12 each and expiring on 5 March 2028, were issued pursuant to the Rights Issue.
(7) On 10 October 2025, 319,655 ordinary shares were issued to directors in lieu of directors' fees for the period September to October 2025.
(8) On 14 October 2025, 286,071 unquoted employee options with an exercise price of $2.03 each expired.
(9) On 28 October 2025, 350 quoted options with an exercise price of $0.12 each expiring on 5 March 2028 were exercised.
(10) On 28 November 2025, 16,176,085 quoted options, exercisable at $0.12 each and expiring on 5 March 2028, were issued pursuant to the Rights Issue following shareholder approval.
(11) On 28 November 2025, 13,380,648 unquoted options, exercisable at $0.091 each, expiring on 5 December 2031 and vesting on 5 December 2028, were issued to employees.
(12) On 1 December 2025, 1,049,654 unquoted employee options with an exercise price of $1.39 each expired.
(13) On 1 December 2025, 382,883 unquoted employee options, exercisable at $1.34 each and expiring on 1 December 2028, lapsed.
(14) On 2 December 2025, 9,330,629 ordinary shares were issued on exercise of 460,000 Convertible Notes with a face value of $1 each.
(15) On 5 December 2025, 10,208,523 performance rights, vesting on 30 September 2026, were issued to employees.
(16) On 15 December 2025, 600,000 unquoted director options with an exercise price of $0.915 each expired.
(17) On 23 January 2026, 547,805 ordinary shares were issued to directors in lieu of directors' fees for the period October to December 2025.
(18) On 1 February 2026, 167,940 unquoted employee options, exercisable at $0.78 each and expiring on 1 February 2029, lapsed.

(19) On 1 April 2026, 28,817,743 ordinary shares were issued pursuant to the Rights Issue.
(20) On 1 April 2026, 29,970,593 quoted options, exercisable at $0.08 each and expiring on 1 October 2028, were issued pursuant to the Rights Issue.
(21) On 2 April 2026, 677,083 ordinary shares were issued to directors in lieu of directors' fees for the period January to March 2026.
(22) On 1 May 2026, 1,504,033 quoted options, exercisable at $0.08 each and expiring on 1 October 2028, were issued pursuant to the Rights Issue shortfall.
(23) On 26 June 2026, 889,174 employee performance rights were converted into fully paid ordinary shares following the performance evaluation process.
(24) On 26 June 2026, 9,319,349 employee performance rights lapsed following the performance evaluation process.

Option and convertible notes holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any other entity.

Post 30 June 2026,
(1) On 2 July 2026, 1,090,513 ordinary shares were issued to directors in lieu of directors' fees for the period April to June 2026.
(2) On 12 August 2026, the Company entered into a variation deed with C/M Capital to extend by 12 months the maturity dates of all outstanding Convertible Notes, with an aggregate face value of approximately $2.714 million. The revised maturity dates range from 24 January 2028 to 30 June 2028.

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CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and has practices in place to ensure they meet the interests of shareholders.

Under ASX Listing Rule 4.10.3, ASX listed entities are required to benchmark their corporate governance practices against the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Recommendations). Magnetite Mines Limited is compliant with all relevant ASX Recommendations. Our Corporate Governance Statement is available at www.magnetitemines.com/corporate.

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Message from Paul White, Nomination & Remuneration Committee Chair

Dear Shareholders,

On behalf of the Board, I am pleased to present Magnetite Mines Limited's Remuneration Report for the year ended 30 June 2026.

Year in Review

FY2026 was an important year for Magnetite Mines, marked by continued progress across the Razorback Iron Ore Project, strategic funding initiatives and a transition in the Company's leadership and development strategy. Against an evolving market backdrop, the Company remained focused on advancing key regulatory, government and infrastructure workstreams while maintaining financial discipline and flexibility.

In February 2026, Razorback was also awarded Major Project Status by the Australian Government, recognising the Project's national significance and providing access to coordinated government facilitation of Federal approval processes. The Company also continued to progress the Razorback Mining Lease Proposal through the South Australian Government assessment process, including completion of the validity assessment and statutory public consultation during the year.

Strategic partnering remained an important focus throughout FY2026. The Company continued discussions with a range of potential strategic investors, funding partners and offtake counterparties across key international markets, while also considering alternative funding pathways to support the future development of Razorback.

During the final quarter of FY2026, the Board implemented a strategic reset to align the Company's cost base and development approach with prevailing market conditions. The revised strategy is focused on capital efficiency, funding flexibility and assessing staged development pathways that preserve the long-term value and optionality of Razorback.

Supporting capital discipline and alignment with shareholders

Capital management remained a key priority throughout FY2026.

In September 2025, the Company completed a fully subscribed renounceable Rights Issue and Shortfall Offer, together with a follow-on placement, raising approximately $3.87 million before costs. A further renounceable rights issue completed in April 2026 raised approximately $1.15 million before costs, providing additional working capital to support the Company's activities.

The Board also continued to demonstrate its alignment with shareholders and commitment to capital discipline. During FY2026, Non-Executive Directors continued to receive a portion of their fees in shares in lieu of cash under the Company's Employee Incentive Plan, following shareholder approval. I personally elected to forgo $90,000 of my annual $160,000 fee entitlement, in return for shares, and my fellow Non-Executive Director, Mr Simon Wandke, also elected to forgo $37,500 of his annual $107,500 fee entitlement, in return for shares. This arrangement reduced the Company's cash remuneration requirements while further aligning the interests of Directors with those of shareholders.

The strategic reset announced in May 2026 included further cost reduction initiatives and a more focused allocation of expenditure, positioning the Company to maintain financial flexibility while pursuing its key strategic priorities.

Remuneration Outcomes in FY2026

The FY2026 STI framework was designed to align executive remuneration with the Company's key priorities and objectives for the year.

Mr Tim Dobson stepped down as Managing Director with effect from 26 May 2026 following more than three years leading the Company. The Board acknowledges Tim's significant contribution during this period, including advancing the Razorback Project and strengthening government and industry engagement and support.

Following Mr Dobson's resignation, all of his FY2026 STI Performance Rights lapsed in accordance with the terms of the Company's Employee Incentive Plan. Accordingly, no FY2026 STI award vested to Mr Dobson.

Mr Scott Lowe was appointed Chief Executive Officer and Managing Director with effect from 26 May 2026. Mr Lowe brings more than 35 years' experience across mining operations, project development, capital markets and strategic partnerships, including senior executive roles with BHP, South32, ArcelorMittal and Peabody. Having commenced in the role during the final quarter of FY2026, Mr Lowe did not participate in the FY2026 STI program and no STI was awarded to him in respect of FY2026.

The Board considers the remuneration outcomes for FY2026 to be appropriately aligned with executive performance for the year, the leadership transition and the Company's broader performance, while remaining in line with market for the relevant roles and maintaining alignment with shareholder interests. The Board remains confident in the Magnetite Mines leadership team to guide the Company through FY2027 and beyond.

Highlights of FY2026

Key milestones and initiatives during FY2026 included:

- the Razorback Project being awarded Major Project Status by the Australian Government;
- the Razorback Mining Lease Proposal successfully passing the validity assessment and completing the statutory public consultation process;
- continued strategic partnering and funding engagement with a range of potential investors, strategic partners and offtake counterparties;
- advancement of infrastructure planning, including development of a potential Port Pirie iron ore export configuration through Green Iron SA;
- continuation of project development and technical assessment activities, including evaluation of more capital-efficient and staged development pathways for Razorback;
- completion of capital raisings during FY2026 to support the Company's working capital and strategic activities.
- implementation of a strategic reset focused on capital efficiency, funding flexibility and alignment of expenditure with the Company's near-term priorities; and
- completion of the leadership transition, with Mr Scott Lowe appointed Chief Executive Officer and Managing Director on 26 May 2026.

These outcomes reflect the Company's continued focus on progressing Razorback while adapting its strategy to evolving market and funding conditions.

Looking forward

The Board remains focused on preserving the long-term value of the Razorback Project and pursuing opportunities that may support a more capital-efficient development pathway as market and funding conditions evolve. In the near term, the Company will continue to maintain capital discipline and advance funding opportunities to support the future development of Razorback.

We remain committed to ongoing engagement with shareholders as our remuneration approach continues to evolve. Our intention is to maintain an adaptive and transparent framework that aligns leadership outcomes with Company performance and shareholder interests.

If you have any questions or feedback, please feel free to reach out to us. We value your input and remain committed to maintaining open lines of communication.

Sincerely,

Paul White

Chair of the Nomination & Remuneration Committee

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REMUNERATION REPORT (AUDITED)

1. Introduction

The Directors of Magnetite Mines Limited present the Remuneration Report (the Report) for the Company for the year ended 30 June 2026. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the Corporations Act 2001.

The Report details the remuneration arrangements for Magnetite Mines' key management personnel (KMP) and includes:

- the Company's Non-Executive Directors (NEDs); and
- the Company's Executive Group (Executives).

In this report, the KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and Group.

1.1 Details of Key Management Personnel (KMP)

The following persons were KMP of Magnetite Mines Limited for the full financial year unless otherwise indicated.

Name	Position	Term as KMP
Non-Executive Directors		
Paul White [1]	Non-Executive Chair	1 July 2025 - 30 June 2026
Simon Wandke	Non-Executive Director	1 July 2025 - 30 June 2026
Executives		
Scott Lowe [2]	Managing Director, CEO & Chairman-elect	26 May 2026 – 30 June 2026
Tim Dobson [3]	Managing Director & CEO	1 July 2025 - 26 May 2026

1 Mr Paul White resigned as Chair with effect from 1 July 2026 and continues to serve as a Non-Executive Director.
2 Mr Scott Lowe was appointed as Managing Director, CEO & Chairman-elect on 26 May 2026 and as Executive Chair on 1 July 2026.
3 Mr Tim Dobson resigned as Managing Director & CEO on 26 May 2026.

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REMUNERATION REPORT (AUDITED) (continued)

2. Executive Reward Framework for FY2026

Remuneration is a key element of the Company's Human Resources (HR) strategy. The Company has undergone significant change over the last three years with the development of a clear corporate strategy that addresses how the growth opportunities will be achieved. Magnetite Mines has a significant iron ore resource with a very long potential mine life offering significant returns to shareholders.

To realise this opportunity a growing number of skilled personnel across many disciplines will be required. There is strong competition for this talent and candidates will inevitably be sourced from across Australia and overseas. People are the key to the success of any project and the Company has established a HR strategy to build the environment that will attract these people.

The Company's HR strategy is designed to deliver several outcomes including attracting people, retaining them and most importantly ensuring they are highly engaged and deliver to the best of their ability. The Company recognises that there are several core drivers that will achieve these outcomes including market competitive fixed remuneration, the opportunity for reward through performance-based remuneration, the workplace environment, fair and equitable opportunities to advance, the Company's purpose and its organisational culture.

The Company has prioritised all of these drivers and our remuneration strategy was established with regard to the overall HR strategy, which in turn was developed to work in concert with the Company's corporate strategy. The HR strategy ensures compliance with competitive market practices, good corporate governance, and creation of long-term sustainable value, for both shareholders and other key stakeholders.

2.1 Reward Framework Objectives

The remuneration review included a benchmarking review for both Executives and Non-Executives, with data previously provided by an independent, external advisor.

The Reward Framework is designed to enable the Company:

- To support the execution of the Corporate strategy;
- To provide competitive rewards to attract, retain and motivate a skilled and engaged workforce;
- To ensure that reward outcomes are linked to individual and Company performance;
- To ensure that executives and management are focused on delivering value to shareholders;
- To provide a remuneration framework that maintains fair, equitable and affordable rates of pay for all employees and encourages, recognises and rewards strong performance; and
- To ensure the total cost of reward and benefits is well managed and will not expose the business to unnecessary risk or long-term commitments.

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REMUNERATION REPORT (AUDITED) (continued)

2.2 Reward Governance

The Nomination & Remuneration Committee (NRC) consists of a majority of Non-Executive Directors and operates under a Board-approved Charter. The roles and responsibilities of our Board, NRC, management and external advisors in relation to remuneration for KMP and employees at Magnetite Mines are outlined below.

Role	Description of Responsibilities
Board	The Board is responsible for: • approving Magnetite Mines' remuneration strategy, • overseeing the remuneration governance, • on recommendation from the NRC, approving the key elements of the Reward Framework, • determining the quantum of remuneration for Non-Executive Directors and the MD.
Nomination & Remuneration Committee	Established by the Board and operating under its own Charter, with its role defined by the Terms of Reference, the NRC makes recommendations on: • the reward framework and governance that applies to all employees, • remuneration arrangements for the Company's Directors and Executives, • setting of performance standards and assessing outcomes for the executive team, • assessment of cost, risk and effectiveness of the elements of reward, • monitoring and measuring culture, • inclusion and diversity principles and objectives.
Management	Management: • reviews, identifies and recommends to the NRC, improvements to remuneration effectiveness, • provides information and analysis to assist the NRC to make informed decisions, • executes the reward framework and remuneration processes of the Company.
External Advisors[1]	Remuneration consultants and HR software providers: • provide independent advice and information relevant to remuneration decisions, • provide a Human Resources software that assists in the setting of objectives, measuring progress toward these and measuring overall performance. Magnetite Mines follows a protocol to engage an adviser to make a remuneration recommendation. The protocol ensures the recommendation is free from undue influence by management. The Board or Committee Chair engages the adviser. The Board or Committee Chair deals with the adviser on all material matters and any advice provided by external advisors is used to assist the Board and is not a substitute for the Board and NRC procedures. Management involvement is only to the extent necessary to coordinate the work. The Board and Committee seek recommendations from the MD about executive remuneration. The MD does not make any recommendation about his own remuneration. The Board and Committee have regard to industry benchmarking information.

1. The Nomination & Remuneration Committee did not receive recommendations from external advisors, including remuneration consultants, in relation to KMP in FY26.

2.3 Guiding Principles for Remuneration:

Our Guiding Principles articulate the objectives of Executive Reward at Magnetite Mines and underpin our decision-making in all aspects of reward.

Strategy & Sustainability	Performance	Shareholders	Market
Short-term and long-term performance measures are aligned to our corporate strategy. Corporate sustainability is a core basis of our culture, business planning and operational delivery.	Reward outcomes are aligned to performance by providing a meaningful portion of pay 'at-risk' with challenging performance measures that include both financial and non-financial metrics.	Our reward framework ensures Executives are focussed on the creation of long-term value for shareholders by aligning performance measures to long-term shareholder value.	We ensure our reward is competitive compared to the markets in which we operate and allows us to attract and retain talented people.

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REMUNERATION REPORT (AUDITED) (continued)

2.4 Components of the Executive KMP Reward Framework for FY2026

a. Fixed Remuneration

	Description
Purpose	Provide fair, market-related fixed remuneration for the skills and experience an Executive brings to a role. Attract and retain capable leaders.
Description	Salary and other benefits, including statutory superannuation. Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be cost-neutral to the Company.
Fixed Remuneration Levels	Fixed remuneration is set according to the defined Role and Responsibility of each executive.
Market Positioning	Fixed remuneration is determined based on the median of our peer groups, considering the Executive KMP's responsibilities, location, skills, and experience. Our "peer group" includes companies in the ASX Metals and Mining Sector, with a market capitalisation of roughly half to double that of Magnetite Mines.

b. Short-Term Incentives

	Description
STI Purpose	The STI focuses on driving effort toward our key priorities for the current financial year and beyond. It serves as a strong motivator for Executive KMPs to achieve challenging performance objectives that are typically within their control.
STI Description	The overall STI outcome (expressed as a percentage of maximum opportunity) is determined by assessing three key inputs: • **business outcomes** which is the progress toward a basket of business plan objectives – a result that is shared by all people in the STI cohort; • **individual performance** based on an individual's objectives, personal growth, and performance as a manager; and • **business modifier** that can be applied by the board to cater for exceptional circumstances. **Business Outcome** (same results for STI cohort) **X** **Individual Performance** (individual results) **X** **Business Modifier** (board discretionary adjustment) **=** **Overall Individual STI Outcome**
STI Quantum	The target and maximum opportunity for STI, as a percentage of Fixed Remuneration, is aligned to the Magnetite Mines peer group. For our Executive KMP, these are set as follows: **STI** — **Opportunity** Managing Director & CEO — 40% - 60% The former Managing Director's STI opportunity was 50% - 75% of fixed remuneration. Following Mr Scott Lowe's appointment on 26 May 2026, this was revised to 40% - 60%.

REMUNERATION REPORT (AUDITED) (continued)

STI Delivery	The maximum opportunity in performance rights for Participating Executives are issued based on the volume-weighted average price of the Company's shares at the start of the performance period. For FY2026, the Company issued performance rights to participating executives following the 2025 AGM, based on the volume-weighted average price of the Company's shares on 1 July 2025. At the end of the performance period, and following the Board-approved assessment of each Participating Executives' performance (see below), the approved portion of performance rights vest for each participant, with the remainder lapsing. Each share right that vests entitles the holder to acquire one fully paid ordinary share in the Company. Performance rights have been selected as a cost-effective and efficient means of incentivising Participating Executives, as opposed to cash incentives, with the Company seeking to retain its cash reserves for other preferred uses.
Link to Performance	Annual STI outcomes are subject to the achievement of targets that are aligned with the achievement of Magnetite Mines corporate strategy. To ensure outcomes align with overall performance, the Board may exercise its discretion under the Employee Incentive Plan to adjust or waive vesting conditions for STI Performance Rights. In addition, awarding STI incentives in the form of performance rights boosts the Participating Executives' shareholding in the Company, further aligning their interests with those of other shareholders. Granting performance rights at the start of the performance period provides additional leverage during the period, meaning that whilst Participating Executives may enjoy the upside potential, they must also wear the downside risk associated with share price movements through the period. This has the benefit of focusing Executive effort on share price growth right from the outset, as intended.

c. Long-Term Incentives

	Description
LTI Purpose	The LTI is intended to drive ownership behaviours and a focus on long-term performance while aligning Key Management Personnel (KMP) with the Company's purpose, culture, values and strategic objectives. LTI outcomes are directly linked to the growth in value of the Company's share price over the longer term, rewarding KMP only for delivering exceptional growth.
LTI Description	Each year, KMP are issued premium-priced share options with a 3-year vesting period. This has the effect that KMP are only rewarded if the Company's share price achieves the higher share price, and only after 3 years following the issue of the options. The number of share options granted to each KMP is based on their LTI opportunity (calculated as a percentage of their Fixed Remuneration), divided by the value of the option as determined using an appropriate financial modelling technique, such as Monte Carlo simulation. The options are subject to the satisfaction of the following vesting conditions: • the volume weighted average price of the shares of the Company, over any 14-day period, exceeds the exercise price for the Options, and • the holder being an employee of the Company. Each share option that vests entitles the KMP holder to acquire one fully paid ordinary share in the Company at the option exercise price.
LTI Quantum	The quantum of the LTI opportunity for KMP is aligned to the Magnetite Mines peer group. For Magnetite Mines, these are set as follows: **LTI** — **LTI Opportunity (% of base salary)** Managing Director & CEO[1] — 40% 1. The former Managing Director & CEO's LTI opportunity was 50% of fixed remuneration. Following Mr Scott Lowe's appointment on 26 May 2026, this was revised to 40%.
Link to Performance	The share options only become available to the KMP if, once issued, the volume-weighted average price of the shares of the Company exceeds the exercise price for the Options over a minimum 14-day period.

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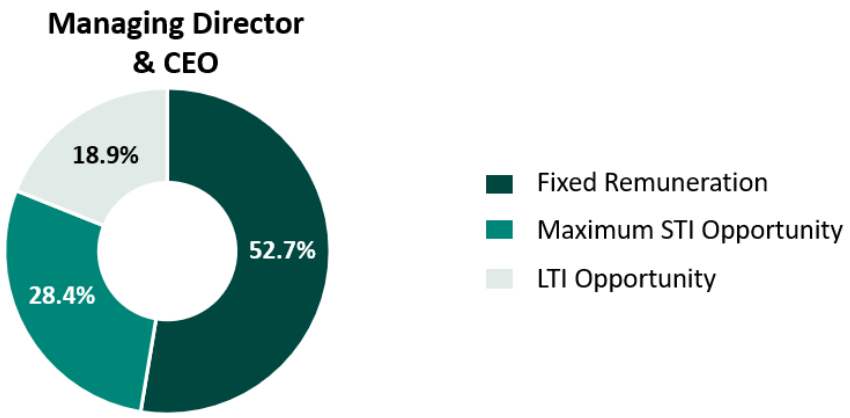
REMUNERATION REPORT (AUDITED) (continued)

2.5 Remuneration Mix

The following illustrates the remuneration mix for Magnetite Mine's KMP at maximum possible performance. The actual STI and Performance Rights awarded are subject to performance against the pre-determined targets.



2.6 Malus and Clawback

The Board can reduce or clawback all vested and unvested STI and LTI awards in certain circumstances including:

- an executive engaging in fraud or gross misconduct;
- breach of law;
- a material misstatement of our accounts results in vesting;
- behaviours of executives that bring Magnetite Mines into disrepute;
- other circumstances where there would be an inappropriate benefit; and
- any other factor the Board deems justifiable.

2.7 Hedging

KMP are not permitted to hedge STI or LTI equity awards in any way.

2.8 Employment Agreements for Key Management Personnel

The following table outlines the summary terms of employment for the Managing Director and other Executive KMP.

Role	Term of Agreement	Notice Period	Maximum Termination Benefits*
Mr Scott Lowe (Managing Director, CEO & Chairman-elect from 26 May 2026)[1]	No fixed term	3 months	12 months Fixed Remuneration
Mr Tim Dobson (Managing Director & CEO to 26 May 2026)[2]	No fixed term	6 months	12 months Fixed Remuneration

* As per the provisions related to the maximum termination benefit under the Corporations Act 2001.
1 Mr Scott Lowe was appointed as Managing Director, CEO & Chairman-elect on 26 May 2026 and appointed as Chair on 1 July 2026.
2 Mr Tim Dobson resigned as Managing Director & CEO on 26 May 2026.

Agreements are in place with KMP regarding the approach the Board will take with respect to KMP termination payments and the vesting of STI/LTI equity in the event of a 'Change of Control' of the organisation.

KMP may be subject to restraints that apply upon cessation of employment to protect the business interests of the Company.

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REMUNERATION REPORT (AUDITED) (continued)

As per the provisions related to the maximum termination benefit under the Corporations Act 2001, the maximum payment on termination (including notice) is capped at 12 months fixed remuneration for KMP.

3. Executive Remuneration Outcomes in FY2026

3.1 Fixed Remuneration

The full-year equivalent Base Salary for each Executive KMP are as follows:

Executive KMP	Position	FY2025 Base Salary ($)	FY2026 Base Salary ($)
Scott Lowe[1]	Managing Director, CEO & Chairman-elect	-	270,000
Tim Dobson[2]	Managing Director & CEO	500,000	500,000

1 Mr Scott Lowe was appointed as Managing Director, CEO & Chairman-elect on 26 May 2026 and appointed as Chair on 1 July 2026.
2 Mr Tim Dobson resigned as Managing Director & CEO on 26 May 2026.

3.2 Short-Term Incentives (STI)

a. STI Outcomes for FY2026

The STI is an at-risk opportunity for Executive KMP. It rewards senior executives for meeting or exceeding key performance indicators that reflect the Company's key priorities. The STI aims to motivate senior executives to focus on the objectives for the financial year that support the long-term success of the Company and is a key element in attracting and retaining appropriately skilled executives to deliver on the Company's strategy.

Key Performance Indicators (KPIs) used as the basis for calculating STI are reviewed against agreed targets, with the Board assessing the extent to which those KPIs have been met following completion of the relevant performance period.

The key outcomes during FY2026 against these areas are outlined below.

Environment, Health & Safety (EHS)

- Zero lost-time injuries, significant safety or environmental incidents, or material stakeholder complaints were recorded in FY2026, with the Company maintaining a continuous focus on proactive EHS culture across all its operational activities.

Capital management and funding

- In September 2025, the Company completed a fully subscribed renounceable Rights Issue and Shortfall Offer, raising approximately A$2.65 million before costs. Strong excess demand resulted in a Follow-on Placement of approximately A$1.21 million, bringing the total capital raised to approximately A$3.87 million before costs.
- A further renounceable rights issue completed in April 2026 raised approximately A$1.15 million before costs, providing additional working capital to support the Company's activities.
- In response to prevailing market and funding conditions, the Company implemented a strategic reset and cost reduction initiatives during the June 2026 quarter, focused on preserving capital, reducing cash burn and pursuing a more capital-efficient development pathway for Razorback.

Strategic partnering and funding initiatives

- The Company continued engagement with a range of potential strategic partners during FY2026, with discussions focused on potential project funding, strategic investment and future product offtake.

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REMUNERATION REPORT (AUDITED) (continued)

- Strategic partner engagement continued across a number of international markets, including China, Japan and the Middle East, while maintaining engagement with existing and prospective partners. The December quarter reporting identified these markets among the Company's areas of engagement.
- The Company continued to assess alternative funding pathways for Razorback, including strategic investment and alternative capital sources aligned with the Company's revised strategy.

Razorback Project regulatory approvals and government engagement

- The Razorback Mining Lease Proposal continued through the South Australian Government regulatory assessment process during FY2026.
- Following completion of the Mining Lease Proposal validity assessment in November 2025, the Project progressed to cross-agency assessment, with statutory public consultation commencing in February 2026 and concluding in April 2026.
- In February 2026, the Razorback Project was awarded Major Project Status by the Australian Government, recognising the Project's national significance and enabling coordinated assessment and facilitation of Project approvals.
- The Company continued engagement with Federal and South Australian Government agencies in relation to the Project and its regulatory assessment.

Razorback development pathway and infrastructure

- Green Iron SA consortium partner GHD completed an engineering assessment of existing infrastructure and logistics options at Port Pirie, identifying a potential iron ore export configuration for Razorback concentrate.
- During the June 2026 quarter, the Company commenced evaluating staged and lower-capital-intensity development pathways for Razorback, including alternative development configurations, beneficiation technologies and water supply options, with the objective of preserving the Project's long-term value while adapting its development pathway to prevailing market and funding conditions.

Stakeholder engagement and sustainability

- The Company continued engagement with key stakeholders during FY2026, including government, local communities, landholders and other stakeholders associated with the Razorback Project and its regulatory assessment.
- Consultation and collaboration with the Ngadjuri Nation continued during the year in relation to the Razorback Project and the Company's broader tenement activities.
- The Company continued to position Razorback as a potential long-life supplier of premium, high-grade magnetite concentrate suitable for Direct Reduction and lower-emissions steelmaking.

Leadership and organisational transition

- During the June 2026 quarter, the Company implemented an organisational reset as part of its broader cost reduction and capital preservation initiatives, aligning its organisational structure with the Company's revised strategy.
- Managing Director Mr Tim Dobson resigned with effect from 26 May 2026, and Mr Scott Lowe was appointed Chief Executive Officer and Managing Director on the same date. The leadership transition formed part of the Company's strategic reset and provided continuity as the Company repositioned for its next phase of corporate and project development.

REMUNERATION REPORT (AUDITED) (continued)

Managing Director Mr Tim Dobson's FY2026 STI Performance Rights were approved by the shareholders under ASX Listing Rule 10.14, at the Company's AGM on 26 November 2025.

Mr Dobson resigned as Managing Director with effect from 26 May 2026. As a consequence of his resignation and in accordance with the terms of the Employee Incentive Plan, all of Mr Dobson's FY2026 STI Performance Rights lapsed.

Mr Scott Lowe was appointed Chief Executive Officer and Managing Director with effect from 26 May 2026. As his appointment occurred late in the FY2026 performance period, Mr Lowe did not participate in the FY2026 STI program and no STI was awarded to him in respect of FY2026.

Executive KMP	Business Outcome (Target=100 %)	Individual Performance (Target=100 %)	Business Modifier (Target=100 %)	Overall STI Outcome % (Target=100 %)	% of Maximum STI awarded	% of Maximum STI forfeited	Value of Equity Vested[1]	Award as a % of Base Salary
Tim Dobson	0%	0%	0%	0%	0%	100%	-	-

1 Mr Tim Dobson's STI performance rights lapsed following his resignation as Managing Director & CEO on 26 May 2026.

3.3 Long-Term Incentives

a. LTI granted in FY2026

FY2026 LTI Share Options

In line with the reward framework, LTI Share Options awards were issued to the Managing Director & CEO, Mr Tim Dobson for FY2026. Mr Dobson's LTI Share Options were approved by shareholders at the Company's AGM on 26 November 2025, under ASX Listing Rule 10.14. Mr Smith's LTI Share Options were issued under the Employee Incentive Plan approved by shareholders on 26 November 2025. These options were issued to KMP in December 2025 and have an exercise price of $0.091, being a 60% premium to the volume weighted average price for the 14 days immediately following the AGM. The options have a 3-year vesting period and are subject to the following performance conditions:

- the volume weighted average price of the shares of the Company exceeds $0.091 for any 14-day period prior to the vesting date; and
- the KMP remains an employee of the Company on the vesting date.

These performance conditions measure the return to shareholders over a specific period by considering the change in share price during that time, as well as service retention. This performance condition was selected by the Company to align executive remuneration with the growth of shareholder value and to retain high-performing senior executives, thus motivating them to meet the Company's expectations and achieve success. The Board assesses the extent to which the conditions were met for the period after the close of the relevant financial year.

A summary of the KMP's FY2026 LTI Share Options awards are as follows:

KMP	Type of Instrument	Value of Grant	Value as % of Fixed Remuneration	Number of Instruments	Anticipated vesting Date
Tim Dobson	Premium-priced share options	$250,000	50%	6,443,131	5 December 2028

1 Mr Dobson resigned as Managing Director & CEO on 26 May 2026 and, in accordance with the shareholder-approved Employee Incentive Plan, was classified as a "good leaver." As such, the Board waived the employment condition that would otherwise have required him to remain employed through to the vesting date. His LTI Share Options therefore remain on foot and will continue to be subject to the original three-year vesting period and the performance hurdle that the Company's share price VWAP must, over any 14-day period, exceed the exercise price of the options. In accordance with AASB 2 Share-based Payment, the removal of the service condition resulted in the immediate recognition of the remaining unrecognised share-based payment expense at the cessation date, as there is no further service period over which to recognise the cost.

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REMUNERATION REPORT (AUDITED) (continued)

b. LTI vested in FY2026

The LTI program operates over a service period of 3 years and no LTI awards vested in FY2026 due to the performance conditions not yet being met. The FY2024, FY2025 and FY 2026 LTI Share Options held by Mr Tim Dobson remained unvested at year end and continue to be subject to their original vesting periods and applicable share price performance hurdles. Following Mr Dobson's resignation, the Board waived the continuous employment condition in accordance with his classification as a "good leaver".

c. LTI lapsed in FY2026

The FY2023 LTI Share Options issued to Mr Tim Dobson, with an exercise price of $1.34 per option and an expiry date of 1 December 2028, lapsed on 1 December 2025 as the applicable share price performance hurdle had not been met by the vesting date.

4. Non-Executive Director Remuneration

4.1 Approach to Non-Executive Director Remuneration

The Board seeks to set Director fees at a level that provides the Company with the ability to attract and retain high-calibre directors. Having a strong Board of Directors with a balanced set of skills and experience serves the Company well as the business has a lean executive team.

In FY2026, the Board continued to provide additional support and expertise as needed, stepping in to address any gaps and maintain the Company's momentum during periods of transition.

4.2 FY2026 Non-Executive Director fees and fee pool

The Board continued to assess Director fees, with considerations of the time, commitment, and responsibilities expected of Non-Executive Directors, especially given the Company's lean leadership team. This ongoing review ensures that fees remain competitive and reflective of industry standards.

To ensure that the Company is able to attract overseas-based Directors where necessary, an Overseas Allowance of $10,000 per annum is also provided.

There was no increase to the Non-Executive Director Fees in FY2026. The figures in the table below are exclusive of superannuation.

Compensation component	Position	FY2026 Annual Fees [1]
Base Fees		
Board	Chair	$150,000
	NED	$90,000
Committee fees [2]		
Audit & Risk Committee	Committee Chair	$10,000
	Member	$5,000
Nomination & Remuneration Committee	Committee Chair	$10,000
	Member	$5,000
Capital Management Committee	Committee Chair	$10,000
	Member	$5,000
Overseas allowance	Overseas director	$10,000

(1) Fees shown are exclusive of superannuation.

(2) Committee fees are capped at $10,000 per director.

The maximum aggregate amount the Company can pay Non-Executive Directors is $800,000 per annum (fee pool) as approved by shareholders at the Company's 2022 AGM.

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REMUNERATION REPORT (AUDITED) (continued)

4.3 Non-Executive Director Fees Paid in Shares

From time to time, Magnetite Mines may offer share-based remuneration to its Non-Executive Directors, partly as a cash-effective mechanism and partly to encourage share ownership.

Effective 1 February 2025, the Non-Executive Chair, Mr Paul White, and Non-Executive Director, Mr Simon Wandke, elected to receive a portion of their Director fees in shares under the Company's Employee Incentive Plan (EIP) in order to support the Company's cash conservation strategy.

- Mr White (Chair): During FY2026, Mr White received total annual fees of $160,000 while serving as Chair, including Chair and sub-committee allowances, and elected to forego $90,000 per annum of cash fees in exchange for shares. Mr White resigned as Chair effective 1 July 2026 and continues to serve as a Non-Executive Director. From 1 July 2026, his annual Non-Executive Director fees are $100,000, including sub-committee allowances, of which he has elected to forego $30,000 per annum in cash in exchange for shares.

- Mr Wandke (NED): Mr Wandke received total annual fees of $110,000, including overseas and sub-committee allowances, up to 31 March 2026 and elected to forego $40,000 per annum of cash fees in exchange for shares. From 1 April 2026, following cessation of the overseas allowance, his annual Non-Executive Director fees were reduced to $100,000, including sub-committee allowances, of which he has elected to forego $30,000 per annum in cash in exchange for shares.

Shares are issued quarterly, based on the cash amount foregone divided by the Company's average daily VWAP for the preceding quarter, subject to a minimum VWAP. The minimum VWAP was initially $0.08, reduced to $0.048 following shareholder approval at the Annual General Meeting held on 26 November 2025, and subsequently reduced to $0.02 following shareholder approval at the Extraordinary General Meeting held on 29 May 2026.

Where the applicable VWAP falls below the relevant minimum VWAP, the Board may either defer the share issue, issue the shares at the applicable minimum VWAP and top up the balance in cash, or pay the relevant fees in cash.

Shareholder approval for the issue of shares to Directors in lieu of cash payment was obtained at the Extraordinary General Meeting held on 5 March 2025 for the period 1 July 2025 to 30 September 2025.

Further shareholder approvals were obtained at the Annual General Meeting held on 26 November 2025 for the period 1 October 2025 to 31 March 2026, and at the Extraordinary General Meeting held on 29 May 2026 for the period 1 April 2026 to 31 March 2027, reflecting updates to the minimum VWAP. The Company may seek further shareholder approval to extend this arrangement beyond that date.

4.4 Minimum shareholding requirement

Aligning Board and shareholder interest is a key consideration for the Company and Non-Executive Directors are encouraged to hold shares in the Company.

4.5. Company performance

A summary of Magnetite Mines' business performance as measured by a range of financial and other indicators, including disclosure required by the *Corporations Act 2001*, is outlined in the table below.

Measure	FY22	FY23	FY24	FY25	FY2026
Net loss ($'000)	(3,662)	(5,331)	**(4,848)**	**(4,188)**	**(3,910)**
ASX share price at the end of the year ($)	1.05	0.39	**0.27**	**0.083**	**0.016**
Dividends per share ($)	-	-	**-**	**-**	**-**
Basic loss per share ($)	(0.057)	(0.070)	**(0.054)**	**(0.037)**	**(0.021)**

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REMUNERATION REPORT (AUDITED) (continued)

5. Statutory Disclosures

5.1 Remuneration of Key Management Personnel

Details of the remuneration of each director of Magnetite Mines Limited and other key management personnel, including their personally related entities are set out below:

		Short-Term		Termination Benefits	Post-Employment	Other Long-Term	Share Based Payments (1)				
	Year	Salaries & director fees	Annual leave	Termination Benefits (10)	Superannuation	Long service leave	Shares in lieu of cash	STI	LTI	Total $	% of remuneration consisting of performance related payments
Directors											
Paul White (2)	**FY26**	**70,000**	**-**	**-**	**19,200**	**-**	**82,980**	**-**	**-**	**172,180**	**-**
	FY25	87,500	-	-	14,375	-	56,459	-	-	158,334	-
Simon Wandke(3)	**FY26**	**70,000**	**-**	**-**	**12,900**	**-**	**41,242**	**-**	**-**	**124,142**	**-**
	FY25	93,333	-	-	12,650	-	25,093	-	-	131,076	-
Carmen Letton (4)	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	38,852	-	-	4,468	-	-	-	-	43,320	-
Jim McKerlie (6)	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	54,513	-	-	6,269	-	-	-	-	60,782	-
Peter Schubert (6)	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	40,218	-	-	4,625	-	-	-	-	44,843	-
Executives											
Scott Lowe (7)	**FY26**	**27,692**	**2,356**	**-**	**3,323**	**-**	**-**	**-**	**-**	**33,371**	**-**
	FY25	-	-	-	-	-	-	-	-	-	-
Tim Dobson (8)	**FY26**	**452,564**	**(6,629)**	**250,000**	**30,000**	**-**	**-**	**-**	**652,478**	**1,378,413**	**53%**
	FY25	500,000	42,885	-	29,932	-	-	71,595	195,195	839,607	32%
Simon Smith (9)	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	227,909	20,168	27,690	23,184	-	-	-	165,002	463,953	36%
Total	**FY26**	**620,256**	**(4,273)**	**250,000**	**65,423**	**-**	**124,222**	**-**	**652,478**	**1,708,106**	**41%**
	FY25	1,042,325	63,053	27,690	95,503	-	81,552	71,595	360,197	1,741,915	29%

(1) Relates to non-cash expenses in relation to directors and employee options and performance rights granted.
(2) Mr Paul White's shares in lieu of cash include a portion relating to the period from 1 July 2025 to 30 June 2026, which was approved by shareholders at the EGM held on 29 May 2026 and recognised at 30 June 2026 in accordance with AASB 2. Mr White resigned as Chair effective 1 July 2026 and continues to serve as a Non-Executive Director.
(3) Mr Simon Wandke' s shares in lieu of cash include a portion relating to the period from 1 July 2025 to 30 June 2026, which was approved by shareholders at the EGM held on 29 May 2026 and recognised at 30 June 2026 in accordance with AASB 2
(4) Dr Letton resigned as Non-Executive Director on 27 November 2024.
(5) Mr Jim McKerlie resigned as Chair of the Board on 23 September 2024 and resigned as Non-Executive Director on 27 November 2024.
(6) Mr Schubert resigned as Non-Executive Director on 27 November 2024.
(7) Mr Scott Lowe was appointed as Managing Director, CEO & Chairman-elect on 26 May 2026 and as Executive Chair on 1 July 2026.
(8) Mr Tim Dobson resigned as Managing Director & CEO on 26 May 2026 and, in accordance with the shareholder-approved Employee Incentive Plan, was classified as a "good leaver." As such, the Board waived the employment condition that would otherwise have required him to remain employed through to the vesting date. His LTI Share Options therefore remain on foot and will continue to be subject to the original three-year vesting period and the performance hurdle that the Company's share price VWAP must, over any 14-day period, exceed the exercise price of the options. In accordance with AASB 2 Share-based Payment, the removal of the service condition resulted in the immediate recognition of the remaining unrecognised share-based payment expense at the cessation date, as there is no further service period over which to recognise the cost. Mr Dobson's termination benefits include $250,000 relating to the period from 26 May 2026 to 26 November 2026, of which $125,000 is to be satisfied by the issue of shares, subject to shareholder approval at the Company's upcoming Annual General Meeting.
(9) Mr Smith resigned as CFO and Joint Company Secretary on 7 March 2025 and, in accordance with the shareholder-approved Employee Incentive Plan, was classified as a "good leaver." As such, the Board waived the employment condition that would otherwise have required him to remain employed through to the vesting date. His LTI Share Options therefore remain on foot and will continue to be subject to the original three-year vesting period and the performance hurdle that the Company's share price VWAP must, over any 14-day period, exceed the exercise price of the options. In accordance with AASB 2 Share-based Payment, the removal of the service condition resulted in the immediate recognition of the remaining unrecognised share-based payment expense at the cessation date, as there is no further service period over which to recognise the cost.
(10) Termination benefits relate to payment in relation to notice period.

REMUNERATION REPORT (AUDITED) (continued)

5.2 Shareholdings of Key Management Personnel

The number of shares held in Magnetite Mines Limited during the financial year:

	Year	Balance – beginning of financial year	Granted as remuneration	On exercise of options	Net change due to ceasing to be a KMP	Net change – equity raisings	Balance – end of financial year
Directors							
Paul White [1]	**FY26**	**1,311,072**	**1,290,211**	**-**	**-**	**885,660**	**3,486,943**
	FY25	513,370	148,810	-	-	648,892	1,311,072
Simon Wandke	**FY26**	**132,404**	**573,426**	**-**	**-**	**151,862**	**857,692**
	FY25	33,509	66,138	-	-	32,757	132,404
Carmen Letton [2]	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	89,090	-	-	(154,908)	65,818	-
Jim McKerlie [3]	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	96,727	-	-	(99,952)	3,225	-
Peter Schubert [4]	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	2,408,460	-	-	(2,731,040)	322,580	-
Executives							
Scott Lowe [5]	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	-	-	-	-	-	-
Tim Dobson [6]	**FY26**	**1,301,895**	**511,392**	**-**	**(2,697,902)**	**884,615**	**-**
	FY25	678,111	343,541	-	-	280,243	1,301,895
Simon Smith [7]	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	25,000	-	-	(100,000)	75,000	-
Total	**FY26**	**2,745,371**	**2,375,029**	**-**	**(2,697,902)**	**1,922,137**	**4,344,635**
	FY25	3,844,267	558,489	-	(3,085,900)	1,428,515	2,745,371

Note

(1) Mr Paul White resigned as Chair with effect from 1 July 2026 and continues to serve as a Non-Executive Director.
(2) Dr Letton resigned as Non-Executive Director on 27 November 2024.
(3) Mr Jim McKerlie resigned as Chair of the Board on 23 September 2024 and resigned as Non-Executive Director on 27 November 2024.
(4) Mr Schubert resigned as Non-Executive Director on 27 November 2024.
(5) Mr Scott Lowe was appointed as Managing Director, CEO & Chairman-elect on 26 May 2026 and as Executive Chair on 1 July 2026.
(6) Mr Tim Dobson resigned as Managing Director & CEO on 26 May 2026.
(7) Mr Simon Smith resigned as Chief Financial Officer and Joint Company Secretary on 7 March 2025.

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REMUNERATION REPORT (AUDITED) (continued)

5.3 Quoted Option holding of Key Management Personnel

5.3.1 Quoted Options Exercisable at $0.08 each Expiring 1 October 2028

The number of quoted options exercisable at $0.08 each with an expiry date of 1 October 2028 held in Magnetite Mines Limited during the financial year by key management personnel are detailed below. These options were issued on 1 April 2026 under the 2026 Rights Issue.

	Year	Balance – beginning of financial year	Issued during the year	Exercised during the year	Expired during the year	Net change due to ceasing to be a KMP	Balance – end of financial year
Directors							
Paul White (1)	**FY26**	**-**	**375,000**	**-**	**-**	**-**	**375,000**
	FY25	-	-	-	-	-	-
Simon Wandke	**FY26**	**-**	**75,000**	**-**	**-**	**-**	**75,000**
	FY25	-	-	-	-	-	-
Executives							
Tim Dobson (2)	**FY26**	**-**	**500,000**	**-**	**-**	**(500,000)**	**-**
	FY25	-	-	-	-	-	-
Total	**FY26**	**-**	**950,000**	**-**	**-**	**(500,000)**	**450,000**
	FY25	-	-	-	-	-	-

Note
(1) Mr Paul White resigned as Chair with effect from 1 July 2026 and continues to serve as a Non-Executive Director.
(2) Mr Tim Dobson resigned as Managing Director & CEO on 26 May 2026.
(3) The quoted options issued during FY2026 were issued to the relevant KMP as a result of their participation in the Company's March 2026 Rights Issue on the same arm's length terms as other eligible shareholders and were not issued as remuneration.

5.3.2 Quoted Options Exercisable at $0.12 each Expiring 5 March 2028

The number of quoted options exercisable at $0.12 each with an expiry date of 5 March 2028 held in Magnetite Mines Limited during the financial year by key management personnel are detailed below. These options were issued on 5 September 2025 under the 2025 Rights Issue.

	Year	Balance – beginning of financial year	Issued during the year	Exercised during the year	Expired during the year	Net change due to ceasing to be a KMP	Balance – end of financial year
Directors							
Paul White (1)	**FY26**	**-**	**510,660**	**-**	**-**	**-**	**510,660**
	FY25	-	-	-	-	-	-
Simon Wandke	**FY26**	**-**	**76,862**	**-**	**-**	**-**	**76,862**
	FY25	-	-	-	-	-	-
Executives							
Tim Dobson (2)	**FY26**	**-**	**384,615**	**-**	**-**	**(384,615)**	**-**
	FY25	-	-	-	-	-	-
Total	**FY26**	**-**	**972,137**	**-**	**-**	**(384,615)**	**587,522**
	FY25	-	-	-	-	-	-

Note
(1) Mr Paul White resigned as Chair with effect from 1 July 2026 and continues to serve as a Non-Executive Director.
(2) Mr Tim Dobson resigned as Managing Director & CEO on 26 May 2026.
(3) The quoted options issued during FY2026 were issued to the relevant KMP as a result of their participation in the Company's August 2025 Rights Issue on the same arm's length terms as other eligible shareholders and were not issued as remuneration.

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REMUNERATION REPORT (AUDITED) (continued)

5.3.3 Quoted Options Exercisable at $0.30 each Expiring 2 October 2027

The number of quoted options exercisable at $0.30 each with an expiry date of 2 October 2027 held in Magnetite Mines Limited during the financial year by key management personnel are detailed below. These options were issued on 2 December 2024 under the 2024 Rights Issue & Loyalty Offer, following shareholder approval at the 2024 AGM.

	Year	Balance – beginning of financial year	Issued during the year	Exercised during the year	Expired during the year	Net change due to ceasing to be a KMP	Balance – end of financial year
Directors							
Paul White [1]	**FY26**	**648,894**	**-**	**-**	**-**	**-**	**648,894**
	FY25	-	648,894	-	-	-	648,894
Simon Wandke	**FY26**	**32,757**	**-**	**-**	**-**	**-**	**32,757**
	FY25	-	32,757	-	-	-	32,757
Carmen Letton [2]	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	-	65,818	-	-	(65,818)	-
Jim McKerlie [3]	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	-	3,225	-	-	(3,225)	-
Peter Schubert [4]	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	-	322,580	-	-	(322,580)	-
Executives							
Tim Dobson [5]	**FY26**	**280,243**	**-**	**-**	**-**	**(280,243)**	**-**
	FY25	-	280,243	-	-	-	280,243
Simon Smith [6]	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	**-**	**75,000**	**-**	**-**	**(75,000)**	**-**
Total	**FY26**	**961,894**	**-**	**-**	**-**	**(280,243)**	**681,651**
	FY25	-	1,428,517	-	-	(466,623)	961,894

Note

(1) Mr Paul White resigned as Chair with effect from 1 July 2026 and continues to serve as a Non-Executive Director.
(2) Dr Letton resigned as Non-Executive Director on 27 November 2024.
(3) Mr Jim McKerlie resigned as Chair of the Board on 23 September 2024 and resigned as Non-Executive Director on 27 November 2024.
(4) Mr Schubert resigned as Non-Executive Director on 27 November 2024.
(5) Mr Tim Dobson resigned as Managing Director & CEO on 26 May 2026.
(6) Mr Simon Smith resigned as Chief Financial Officer and Joint Company Secretary on 7 March 2025.

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REMUNERATION REPORT (AUDITED) (continued)

5.3.4 Quoted Options Exercisable at $0.45 each Expired on 23 May 2025

The number of quoted options exercisable at $0.45 each with an expiry date of 23 May 2025 held in Magnetite Mines Limited during the financial year by key management personnel are detailed below. These options were issued on 23 November 2023 as part of the 2023 Rights Issue.

	Year	Balance – beginning of financial year	Issued during the year	Exercised during the year	Expired during the year	Net change due to ceasing to be a KMP	Balance – end of financial year
Directors							
Paul White (1)	**FY26**	-	-	-	-	-	-
	FY25	183,708	-	-	(183,708)	-	-
Simon Wandke	**FY26**	-	-	-	-	-	-
	FY25	5,000	-	-	(5,000)	-	-
Carmen Letton (2)	**FY26**	-	-	-	-	-	-
	FY25	9,545	-	-	-	(9,545)	-
Jim McKerlie (3)	**FY26**	-	-	-	-	-	-
	FY25	10,363	-	-	-	(10,363)	-
Peter Schubert (4)	**FY26**	-	-	-	-	-	-
	FY25	66,666	-	-	-	(66,666)	-
Executives							
Tim Dobson (6)	**FY26**	-	-	-	-	-	-
	FY25	41,590	-	-	(41,590)	-	-
Simon Smith (7)	**FY26**	-	-	-	-	-	-
	FY25	10,000	-	-	-	(10,000)	-
Total	**FY26**	-	-	-	-	-	-
	FY25	326,872	-	-	(230,298)	(96,574)	-

Note

(1) Mr Paul White resigned as Chair with effect from 1 July 2026 and continues to serve as a Non-Executive Director.
(2) Dr Letton resigned as Non-Executive Director on 27 November 2024.
(3) Mr Jim McKerlie resigned as Chair of the Board on 23 September 2024 and resigned as Non-Executive Director on 27 November 2024.
(4) Mr Schubert resigned as Non-Executive Director on 27 November 2024.
(5) M Eames resigned as Non-Executive director on 23 November 2023.
(6) Mr Tim Dobson resigned as Managing Director & CEO on 26 May 2026.
(7) Mr Simon Smith resigned as Chief Financial Officer and Joint Company Secretary on 7 March 2025.

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

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REMUNERATION REPORT (AUDITED) (continued)

5.4 Details of Performance Rights held by Key Management Personnel

The following table sets out the information about the performance rights over Magnetite Mines Limited's shares held by Key Management Personnel, including the movements in rights held during the financial year. For further details relating to options, refer to Note 20.

Key Management Personnel	Balance at the beginning of period 1 July 2025	No. of rights granted	Grant date	Fair value per right at grant date (Note 21)	Vesting date	No. vested during the year	% vested during the year	No. lapsed during the year	% lapsed during the year	Balance at 30 June 2026	Value of rights granted during the year	Value of rights vested during the year
Tim Dobson (1)												
FY26 STI-Target Performance Rights	-	4,261,364	26/11/2025	$0.059	30/06/2026	-	-	(4,261,364)	100%	-	$251,420	-
Total FY26	**-**	**4,261,364**				**-**		**(4,261,364)**		**-**	**$251,420**	**-**

Note

(1) Mr Tim Dobson resigned as Managing Director & CEO on 26 May 2026. His Performance Rights for FY26 were approved by Shareholders under ASX Listing Rule 10.14, at the AGM on 26 November 2025.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date other than the adjustment to the number of options and exercise price of the unquoted options due to share consolidation as mentioned above.

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REMUNERATION REPORT (AUDITED) (continued)

5.5 Details of Unquoted Options issued to Key Management Personnel

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 June 2026. For further details relating to options, refer to note 21.

Key Management Personnel	Year	No. of options granted as remuneration	Grant date	FV per option at grant date (Note 21)	Vesting date	Exercise price per option (Note 21)	Expiry date	No. vested during the year	No. lapsed/ cancelled during the year	Value of options granted during the year	Value of options exercised during the year
Directors											
Paul White (1)	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	-	-	-	-	-	-	-	-	-	-
Simon Wandke	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	-	-	-	-	-	-	-	-	-	-
Executives											
Scott Lowe (2)	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	-	-	-	-	-	-	-	-	-	-
Tim Dobson (3)	**FY26**	**6,443,131**	**26/11/2025**	**$0.0388**	**05/12/2028**	**$0.091**	**05/12/2031**	**-**	**-**	**$250,000**	**-**
	FY25	2,256,318	27/11/2024	$0.1108	06/12/2027	$0.229	06/12/2030	-	-	$250,000	-
Simon Smith (4)	**FY26**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	FY25	899,672	27/11/2024	$0.1108	06/12/2027	$0.229	06/12/2030	-	-	$99,684	-
Total	**FY26**	**6,443,131**						**-**	**-**	**$250,000**	**-**
	FY25	3,155,990						-	-	$349,684	-

Note

(1) Mr Paul White resigned as Chair with effect from 1 July 2026 and continues to serve as a Non-Executive Director.

(2) Mr Scott Lowe was appointed as Managing Director, CEO & Chairman-elect on 26 May 2026 and as Executive Chair on 1 July 2026.

(3) Mr Tim Dobson resigned as Managing Director and CEO on 26 May 2026. The FY26 unquoted options granted to Mr Dobson were approved by Shareholders at the AGM held on 26 November 2025 under ASX Listing Rule 10.14, with a stated value of $250,000. The number of options issued was determined using a VWAP-based value of $0.039 per option. For accounting purposes, the grant-date fair value determined in accordance with AASB 2 was $0.047 per option, resulting in a total fair value of $302,827. In accordance with the shareholder-approved Employee Incentive Plan, Mr Dobson was classified as a "good leaver" and the Board waived the employment condition that would otherwise have required him to remain employed through to the vesting date. Accordingly, the options remain on foot and continue to be subject to the original three-year vesting period and the performance hurdle requiring the Company's share price VWAP, over any 14-day period, to exceed the exercise price of the options.

(4) Mr Smith resigned as CFO and Joint Company Secretary on 7 March 2025 and, in accordance with the shareholder-approved Employee Incentive Plan, was classified as a "good leaver." As such, the Board waived the employment condition that would otherwise have required him to remain employed through to the vesting date. His LTI Share Options therefore remain on foot and will continue to be subject to the original three-year vesting period and the performance hurdle that the Company's share price VWAP must, over any 14-day period, exceed the exercise price of the options.

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REMUNERATION REPORT (AUDITED) (continued)

There were no alterations to the terms and conditions of options and performance rights granted as remuneration since their grant date. The value of options exercised during the year is calculated as the market price of the Company's shares on the Australian Securities Exchange at the close of trading on the exercise date, less the price paid to exercise the options.

Options issued to employees generally vest on the basis that continued employment with the Company is achieved, with unvested options typically forfeited on resignation. However, where an employee is classified as a "good leaver" under the shareholder-approved Employee Incentive Plan, the Board may waive the employment condition, allowing the options to remain on foot and subject to their original vesting period and performance hurdles. For details on the valuation of the options, including the models and assumptions used, please refer to Note 20.

5.6 Unquoted option holdings of Key Management Personnel (Consolidated and Parent Entity)

The number of options over ordinary shares held in Magnetite Mines Limited during the financial year.

	Balance at beginning of period 1 July 2025	Grant date	Expiry Date	Exercise price	Granted during the year	Options Exercised	Options Expired /lapsed/ cancelled	Net Change Other	Balance at end of period 30 June 2026	Vested at 30 June 2026	
										Exercisable	Not Exercisable
Directors											
Paul White (1)	-	-	-	-	-	-	-	-	-	-	-
Simon Wandke	-	-	-	-	-	-	-	-	-	-	-
Executives											
Scott Lowe (2)	-	-	-	-	-	-	-	-	-	-	-
Tim Dobson (2)	382,883	23-Nov-22	1-Dec-28	$1.340	-	-	(382,883)	-	-	-	-
	1,064,736	23-Nov-23	5-Dec-29	$0.556	-	-	-	(1,064,736)	-	-	-
	2,256,318	27-Nov-24	6-Dec-30	$0.229	-	-	-	(2,256,318)	-	-	-
	-	26-Nov-25	5-Dec-31	$0.091	6,443,131	-	-	(6,443,131)	-	-	-
Total	**3,703,937**				**6,443,131**	**-**	**(382,883)**	**(9,764,185)**	-	**-**	-

Note:

(1) Mr Paul White was appointed as Chair of the Board on 23 September 2024.
(2) Mr Scott Lowe was appointed as Managing Director, CEO & Chairman-elect on 26 May 2026 and as Executive Chair on 1 July 2026.
(3) Mr Tim Dobson resigned as Managing Director & CEO on 26 May 2026. The unquoted options issued to Mr Dobson for FY26 were approved by Shareholders under ASX Listing Rule 10.14, at the AGM on 26 November 2025. In accordance with the shareholder-approved Employee Incentive Plan, Mr Dobson was classified as a "good leaver." As such, the Board waived the employment condition that would otherwise have required him to remain employed through to the vesting date. His LTI Share Options issued to date therefore remain on foot and will continue to be subject to the original three-year vesting period and the performance hurdle that the Company's share price VWAP must, over any 14-day period, exceed the exercise price of the options.

REMUNERATION REPORT (AUDITED) (continued)

5.7 Loans to key management personnel

No loans were made to key management personnel during the year ended 30 June 2026.

5.8 Other transactions with key management personnel and their related parties

Other than the transaction disclosed in Note 23, no other related party transactions occurred during the year ending on 30 June 2026, and no loans were granted to the Company's Directors, KMP, or their related entities during the year.

END OF REMUNERATION REPORT

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Directors' Meetings

The following table sets out the number of meetings of directors held during the year and the number of meetings attended by each director:

	Board of Directors		Audit & Risk Committee		Nomination & Remuneration Committee	
Name	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend
Paul White (1)	11	11	2	2	1	1
Simon Wandke	11	11	2	2	1	1
Scott Lowe (2)	1	1	0	0	0	0
Tim Dobson (3)	10	10	2	2	1	1

Note
(1) Mr Paul White was appointed as Chair of the Board on 23 September 2024.
(2) Mr Scott Lowe was appointed as Managing Director, CEO & Chairman-elect on 26 May 2026 and as Executive Chair on 1 July 2026.
(3) Mr Tim Dobson resigned as Managing Director & CEO on 26 May 2026.

Committee Memberships

As at the date of this report, the Company had an Audit & Risk Committee and Nomination & Remuneration Committee.

Audit & Risk	Nomination & Remuneration
Simon Wandke (C)	Paul White (C)
Paul White	Simon Wandke
Scott Lowe	Scott Lowe

Note: (C) Designates the Chair of the Committee.

Proceedings on behalf of the Company

During the year, no person applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Consolidated Entity is a party for the purposes of taking responsibility on behalf of the Company for all or any part of the proceedings.

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Deeds of access, indemnity and insurance

The Company has entered into Deeds of Access, Indemnity and Insurance (Deed) with each director and executive, including the Company Secretary.

The Deed indemnifies each of its directors and executives (Officeholders) for the period that they hold and for seven years after they cease to be a director and officer of the Company (Access Period) to the maximum extent permitted by law for any loss, cost, expense or liability incurred by the Officeholder in connection with the Officeholder's position, including in respect to negligence, and all legal costs reasonably incurred in defending legal proceedings relating to the Officeholder's conduct. Any payment in respect of the indemnity is subject to shareholder approval.

The Company must insure the Officeholders for the Access Period against all liability, including legal costs, to which they are exposed in performing their role. The Company is not required to insure the Officeholders in respect of conduct involving a wilful breach of duty or a contravention of section 182 or 183 of the Corporations Act 2001, other than in respect of all legal costs associated with defending such claims (including in relation to criminal matters). The Directors of the Company are not aware of any such proceedings or claims brought against the Company as at the date of this report.

Insurance of directors and officers

During the financial year, the Company paid premiums to insure the directors and officers of the Company against liabilities for costs and expenses that may be incurred by the directors in defending civil or criminal proceedings that may be brought against the directors and officers in their capacity as officers of the Company, not other than conduct involving a wilful breach of duty in relation to the Company. During the financial year $38,754 was paid to insure the directors and officers of the Company for the period 31 July 2025 to 31 July 2026.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

Non-audit services

During the year ended 30 June 2026, $8,000 was paid to Ernst & Young for non-audit services related to various Federal and State Government incentive programs. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Auditor independence

The auditor's independence declaration for the year ended 30 June 2026 has been received and can be found on page 50.

It is signed in accordance with a resolution of the directors.

SCOTT LOWE
Executive Chair

Dated 30 September 2026

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Shape the future with confidence

Auditor's independence declaration to the directors of Magnetite Mines Limited

As lead auditor for the audit of the financial report of Magnetite Mines Limited for the financial year ended 30 June 2026, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Magnetite Mines Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

L A Carr
Partner
30 September 2026

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Consolidated Statement of Profit or Loss & Other Comprehensive Income

FOR THE YEAR ENDING 30 JUNE 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
INCOME			
Interest income		101,458	55,020
Other income	4(a)	85,223	171,131
Total income		186,681	226,151
EXPENDITURE			
Amortisation and depreciation	4(b)	(206,611)	(282,388)
Administration expenses		(246,693)	(458,623)
Employee benefits expense		(1,333,159)	(1,956,619)
Exploration expenditure	12	(31,824)	(3,265)
Finance costs		(3,585)	(3,732)
Interest expense	4(c)	(26,925)	(28,533)
Fair value gain/ (loss) on convertible loan note		(309,041)	(106,584)
Profit/(loss) on sale of plant and office equipment		14,806	(53)
Other expenses		(200,282)	(388,393)
Professional fees		(397,383)	(465,164)
Share based payment expense	17(d)	(1,356,476)	(720,445)
Loss before income tax expense		(3,910,492)	(4,187,648)
Income tax (expense)/benefit	5(a)	-	-
Net loss for the year		(3,910,492)	(4,187,648)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(3,910,492)	(4,187,648)
Net Loss attributable to members of the parent entity		(3,910,492)	(4,187,648)
Comprehensive loss attributable to members of the parent entity		(3,910,492)	(4,187,648)

		2026 $	2025 $
Loss per share attributable to ordinary equity holders:			
Basic loss (per share)	7(a)	(0.021)	(0.037)
Diluted loss (per share)	7(b)	(0.021)	(0.037)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position

AS AT 30 JUNE 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8(a)	2,014,076	1,486,179
Other receivables	9(a)	110,856	187,318
TOTAL CURRENT ASSETS		2,124,932	1,673,497
NON-CURRENT ASSETS			
Other receivables	9(b)	195,726	195,726
Exploration expenditure	12	40,575,977	39,017,371
Property, plant and equipment	13	43,347	81,414
Right of use of assets	6	325,685	333,606
TOTAL NON-CURRENT ASSETS		41,140,735	39,628,117
TOTAL ASSETS		43,265,667	41,301,614
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	629,676	691,855
Provisions	15	413,966	424,843
Lease liabilities	6	155,536	190,143
Convertible Loan Notes	16	2,486,821	2,856,510
TOTAL CURRENT LIABILITIES		3,685,999	4,163,351
NON-CURRENT LIABILITIES			
Lease liabilities	6	149,062	149,097
TOTAL NON-CURRENT LIABILITIES		149,062	149,097
TOTAL LIABILITIES		3,835,061	4,312,448
NET ASSETS		39,430,606	36,989,166
EQUITY			
Contributed equity	17(a)	103,617,380	98,481,394
Reserves	17(d)	16,360,797	15,144,851
Accumulated losses	18	(80,547,571)	(76,637,079)
TOTAL EQUITY		39,430,606	36,989,166

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity

FOR THE YEAR ENDING 30 JUNE 2026

CONSOLIDATED	Note	Contributed Equity $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2025		98,481,394	15,144,851	(76,637,079)	36,989,166
Total comprehensive income for the year					
Profit/(Loss) for the year		-	-	(3,910,492)	(3,910,492)
Total comprehensive income/(loss) for the year		-	-	(3,910,492)	(3,910,492)
Transactions with owners recorded directly in equity:					
Shares issued during the year	17(b)	5,886,430	-	-	5,886,430
Transaction costs	17(b)	(750,444)	-	-	(750,444)
Reserves in relation to convertible note	17(b)	-	-	-	-
Share based payments	17(d)	-	1,215,946	-	1,215,946
		5,135,986	1,215,946	-	6,351,932
Balance at 30 June 2026		103,617,380	16,360,797	(80,547,571)	39,430,606

CONSOLIDATED	Note	Contributed Equity $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2024		95,346,228	13,947,078	(72,449,431)	36,843,875
Total comprehensive income for the year					
Profit/(Loss) for the year		-	-	(4,187,648)	(4,187,648)
Total comprehensive income/(loss) for the year		-	-	(4,187,648)	(4,187,648)
Transactions with owners recorded directly in equity:					
Shares issued during the year	17(b)	4,020,000	-	-	4,020,000
Transaction costs	17(b)	(884,834)	-	-	(884,834)
Reserves in relation to convertible note	17(b)	-	477,328	-	477,328
Share based payments	17(d)	-	720,445	-	720,445
		3,135,166	1,197,773	-	4,332,939
Balance at 30 June 2025		98,481,394	15,144,851	(76,637,079)	36,989,166

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows

FOR THE YEAR ENDING 30 JUNE 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment to suppliers and employees		(2,299,349)	(3,042,544)
Interest received		94,791	56,304
Interest paid		(3,585)	-
Other income		85,223	176,922
Net cash outflow from operating activities	8(b)	(2,122,920)	(2,809,318)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of plant and office equipment		(4,928)	(14,547)
Proceeds from sale of plant and office equipment		28,778	500
Redemption/(Placement) of security deposits		-	102,445
Exploration and evaluation expenditure		(1,456,441)	(2,994,063)
Net cash outflow from investing activities		(1,432,591)	(2,905,665)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	17(b)	5,022,172	3,576,391
Share issue costs	17(b)	(707,530)	(884,834)
Repayment of lease liabilities		(231,234)	(244,350)
Placement/(Redemption) of convertible loan note		-	3,541,000
Net cash inflow/(outflow) from financing activities		4,083,408	5,988,207
Net increase/(decrease) in cash and cash equivalents held		527,897	273,224
Cash and cash equivalents at the beginning of the financial year		1,486,179	1,212,955
Cash and cash equivalents at the end of the financial year	8(a)	2,014,076	1,486,179

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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1. CORPORATE INFORMATION

The consolidated financial statements of Magnetite Mines Limited ("Company") comprise the Company and its subsidiaries (together referred to as the "Group") for the year ended 30 June 2026 was authorised for issue in accordance with a resolution of the directors on 30 September 2026. Magnetite Mines Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange Ltd. The principal activity of the Group during the year was mineral exploration in Australia.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards (including Australian Accounting Standards and Interpretations).

The financial report has also been prepared on a historical basis and the accruals basis, except for certain financial instruments that have been measurement at fair value.

Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2026, the Group recorded a loss after tax of $3,910,492 (2025: loss after tax $4,187,648) and has operating and investing cash outflows of $3,555,511 (2025: $5,714,983). At 30 June 2026 the Group has cash assets of $2,014,076 (2025: $1,486,179) and a net working capital[1] surplus of $925,754 (2025: Net working capital surplus $366,656). As at the date of signing these financial statements, the Group's cash balance was approximately $796,000. The Group has minimum exploration commitments due within one year of $92,977.

The Group has continued to undertake prudent cost management measures to preserve cash, including optimising its operating structure and reducing overhead expenditure. Effective 1 February 2025, the then Non-Executive Chair, Mr Paul White, and Non-Executive Director, Mr Simon Wandke, also elected to receive a portion of their director fees in shares under the Company's Employee Incentive Plan as part of the Company's cash preservation strategy.

The Directors, in considering the appropriateness of the going concern basis for the preparation of the financial statements, have prepared cash flow forecasts through to September 2027. These forecasts indicate that the Group's existing cash resources are insufficient to meet its ongoing planned expenditure for at least 12 months from the date of this report without additional funding.

Accordingly, the Group's funding strategy has been considered over two periods: its near-term funding requirements over the next three months and its funding requirements over the remainder of the 12-month going concern assessment period.

Funding requirements within the next three months

The Directors' immediate priority is to secure additional funding to provide sufficient liquidity to meet the Group's near-term obligations and ongoing operating expenditure.

On 28 September 2026, the Company announced a partially underwritten Share Purchase Plan ("SPP") to raise up to approximately $1.5 million (before costs) with GBA Capital Pty Ltd ("GBA") underwriting the SPP up to $0.5 million. GBA has also been appointed as lead manager to the capital raising. In addition to the SPP, the Company has the ability to raise additional equity capital utilising its available placement capacity, subject to prevailing market conditions and applicable ASX Listing Rules. The Company is targeting completion of the capital raising and receipt of funds in October 2026.

The Company is also progressing a potential royalty funding transaction with ProspEx in relation to the Razorback Iron Ore Project as an additional source of near-term funding. The timing and quantum of funding from the SPP, any associated placement and the ProspEx royalty transaction remain subject to completion of the relevant processes and agreements.

The Group's existing Convertible Note arrangements with C/M Capital also provide a potential source of additional funding should it be required. Any further funding under these arrangements would be subject to mutual agreement with C/M Capital, available placement capacity and any necessary shareholder or regulatory approvals[2].

Going Concern (continued)

Funding requirements within the next twelve months

Over the remainder of the going concern assessment period, the Group intends to continue progressing a range of funding initiatives to support its planned expenditure and advancement of the Razorback Iron Ore Project.

These initiatives include: (i) raising additional equity capital; (ii) progressing royalty funding arrangements in relation to the Razorback Iron Ore Project; (iii) pursuing strategic investment, joint venture and other project-level funding opportunities following the recent work undertaken by the Group to rebase and further define the development pathway for the Razorback Iron Ore Project; (iv) potential additional funding from C/M Capital under the existing Convertible Note arrangements, subject to mutual agreement and obtaining any necessary approvals;[2] (v) receipt of refunds from research and development incentives; and/or (vi) undertaking a potential sell-down or other transaction in relation to an interest in the Razorback Iron Ore Project.

The timing and quantum of funding from these initiatives remain subject, where applicable, to prevailing market conditions, negotiation and agreement with counterparties and any necessary regulatory or shareholder approvals.

The Directors have considered the Group's recent work to rebase the development pathway for the Razorback Iron Ore Project, together with the Group's ongoing funding initiatives and its ability to manage the timing and level of discretionary expenditure. On this basis, the Directors consider that there are reasonable grounds to believe that the Group will be able to obtain sufficient funding to meet its obligations as and when they fall due and, accordingly, that the going concern basis of preparation remains appropriate.

Notwithstanding the funding requirements identified in the cash flow forecast and the material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern for the next 12 months, the Directors, at the date of signing this report, believe it is reasonable to expect that the Group will be successful in progressing one or more of the funding initiatives outlined above and continue as a going concern. Should the Group be unsuccessful in achieving sufficient funding from one or more of the activities set out above, a material uncertainty would exist that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business. This includes the Group's exploration and evaluation assets, which have a carrying value of $40,575,977 at 30 June 2026 (refer Note 12). The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or the amounts and classification of liabilities, that might be necessary should the Group not continue as a going concern.

Note 1: Net working capital reflects a net current position excluding convertible loan notes.

Note 2: Necessary approvals may include shareholder approval under the ASX Listing Rules, sufficient available placement capacity pursuant to ASX Listing Rule 7.1 (or other applicable rules), and subject to mutual agreement with C/M Capital, as well as compliance with any other regulatory or contractual requirements associated with the Convertible Note facility.

Statement of compliance

The consolidated financial statements comply with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Magnetite Mines Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 10.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group.

The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(b) Adoption of New and Revised Accounting Standards

The Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

The adoption of these new and revised Standards and Interpretation did not have any impact on the consolidated financial statements of the Group during the period.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

Early adoption has not been applied to any of these, and the applicable new and amended standards and interpretations are provided in the list below.

- **AASB 18 Presentation and Disclosure in Financial Statements**
  Effective for reporting periods beginning on or after 1 January 2027, AASB 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It also requires the disclosure of management-defined performance measures and includes new requirements for the aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

  The Group is currently assessing the impact of AASB 18 on presentation and disclosures in the Group's Financial Statements.

(d) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share based payment transactions

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility, dividend yield and estimated vesting period and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses Black-Scholes option pricing model and a Monte-Carlo simulation model for valuing the share option plan. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 20.

Mineral Exploration and Evaluation

The carrying amounts of the Group's exploration and evaluation assets are reviewed at each reporting date, to determine whether any of the following indicators of impairment exist:

- tenure over the AOI has expired during the period or will expire in the near future, and is not expected to be renewed; or
- substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific AOI is not budgeted or planned; or
- exploration for, and evaluation of, resources in the specific AOI have not led to the discovery of commercially viable quantities of resources, and the Group has decided to discontinue activities in the specific AOI; or
- sufficient data exists to indicate that, although a development is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or from sale.

As at 30 June 2026, no indicators of impairment were identified in relation to the Group's exploration and evaluation assets. The key judgements used in assessing whether indicators of impairment exist are disclosed and explained further in Note 12.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

(e) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flow, cash and cash equivalents consist of cash and cash equivalents as detailed above, net of outstanding bank overdrafts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes using the full liability balance sheet approach. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; or
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

(f) Income tax (continued)

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

(g) Other taxes

Revenues, expenses and assets are recognised net of amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.
The Group is consolidated for income tax purposes. The consolidated taxable profit or loss for the group is recognised at the parent level, Magnetite Mines Limited, therefore the assessment of whether to record deferred tax assets for unused tax losses or timing differences is undertaken by the parent only. The losses of the subsidiary remain with the parent, whether the subsidiary is wound up or sold. Provided the company maintains its current business operations, revenue and capital losses will not expire.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Exploration, evaluation and development expenditure

Exploration, evaluation and development costs are accumulated in respect of each separate area of interest. Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision was made.

Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they may not be recoverable in the future. Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

Exploration and evaluation expenditure, including the costs of acquiring licences and permits, are capitalised as exploration and evaluation assets on an area of interest basis. Subsequent to the recognition of an area of interest, all further exploration and evaluation drill costs and other costs relating to that area of interest are capitalised. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Where an indicator of impairment exists, the asset's recoverable amount is estimated. If it is concluded that the carrying value of an exploration and evaluation asset is unlikely to be recovered by future exploitation or sale, an impairment is recognised in profit or loss for the difference.

(i) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Trade payables and other payables are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

(j) Provisions

Rehabilitation
A provision has been made for the present value of anticipated costs for future site restoration. The Group's extraction and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

(k) Earnings per share

(i) Basic earnings per share ("EPS") is calculated by dividing the net profit/loss attributable to members for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

(ii) Diluted EPS is calculated by dividing the loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

(l) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Borrowing costs

Borrowing costs are capitalised when they relate to qualifying assets, otherwise recognised as an expense when incurred.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Leases

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The right-of-use assets are measured at their present value of lease payments at the commencement date and discounted using the Group's incremental borrowing rate. Subsequently the right-of-use assets are amortised based on the asset's useful life.

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

(o) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less cost of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(p) Share-based payment transactions

Equity settled transactions
The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or performance rights and or options over shares (equity-settled transactions).

There is currently one plan in place the Employee Option Share Plan, which provides benefits to all employees, excluding directors.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer or internally using a Black-Scholes option pricing model, further details of which are given in note 20.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Share-based payment transactions (continued)

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired; and
(ii) the Company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 7).

(q) Foreign Currency Translation

Functional and present currency
The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Australian dollars which is the Company's functional and presentation currency. The functional currency of all subsidiaries is Australian dollars.

Transaction and balance
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continued to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

(r) Other Income

Royalty Income
Royalty income includes a variable amount of consideration, the Group estimates the amount of consideration to which it will be entitled. The variable consideration is estimated at contract inception and constrained until it's highly probably that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts though the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(s) Employee Benefits

Short-term employee benefits
Liabilities recognised for salaries and wages, annual leave and any other short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled in respect of services provided by employees up to the reporting date..

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Employee Benefits 9continued)

Long-term employee benefits
Liabilities recognised in respect of long service leave and any other long term employee benefits that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

(t) Convertible Loan Note

Convertible notes are separated into liability and equity components based on the terms of the contract.

Where the convertible note contains multiple components, including a host liability and embedded derivative features, the Group applies the accounting policy to designate the components together at fair value through profit or loss in accordance with AASB 9.4.5.6, where possible. These components are measured at fair value on initial recognition and subsequently remeasured through profit or loss.

Any residual amount is allocated to the equity component, which is not remeasured after initial recognition. Transaction costs are apportioned between the liability and equity components based on their relative fair values at initial recognition.

(u) Financial Assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are measured initially at fair value adjusted by transaction costs, except for those carried at 'fair value through profit or loss', in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Classification and measurement

Financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:
- amortised cost;
- fair value through other comprehensive income (FVOCI); and

fair value through profit or loss (FVPL).

Classifications are determined by both:
- the contractual cash flow characteristics of the financial assets; and
- the Group's business model for managing the financial asset.

Financial assets at amortisation cost

Financial assets are measured at amortised cost if the assets meet with the following conditions (and are not designated as FVPL);

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, and other receivables fall into this category of financial instruments.

Financial assets at fair value through profit and loss (FVPL)
Financial assets at fair value through profit or loss include financial assets held for trading, derivative financial instruments, assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Financial Assets (continued)

Impairment

The Group assesses on a forward-looking basis the expected credit loss (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

(v) Fair value measurement (continued)

The Group measures financial instruments such as financial liabilities relating to convertible notes, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contract and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in note 16.

3. SEGMENT INFORMATION

The Group operates in the mineral exploration industry in Australia. For management purposes, the Group is organized into one main operating segment which involves the exploration of minerals in Australia. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

	Consolidated	
	2026	2025
	$	$
4. OTHER INCOME AND EXPENSES		
(a) Other income		
Fuel tax credit received	-	1,223
R&D grant	85,223	169,908
	85,223	171,131
(b) Depreciation		
Depreciation on property, plant & equipment and amortisation expenses	(29,023)	(45,183)
ROU depreciation/amortisation	(177,588)	(237,205)
	(206,611)	(282,388)
(c) Interest expense		
Interest expense from unwinding of interest of lease liabilities	(26,925)	(28,533)
	(26,925)	(28,533)

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	Consolidated	
	2026 $	2025 $
5. INCOME TAX		
(a) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from ordinary activities before income tax expense	(3,910,492)	(4,187,648)
Prima facie tax benefit on loss from ordinary activities at 25% (2025 – 25%)	(977,623)	(1,046,912)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Fines & penalties	-	100
Share based payments	282,798	112,993
Other	(23,269)	(42,559)
	(718,094)	(976,378)
Tax effect of current year tax losses & non-recognition of deferred tax assets	718,094	976,378
Income tax expense/(benefit)	-	-
(b) Deferred Tax Assets (25%) (2025– 25%)		
Prepayments	14,513	30,942
Capital raising costs	360,698	225,332
Provisions for expenses	116,450	137,610
Lease Liabilities	76,150	84,810
Carry forward revenue losses	23,153,562	21,837,433
Carry forward capital losses	2,475,645	2,475,645
Total	26,197,018	24,791,772
(c) Deferred Tax Liabilities (25%) (2025 – 25%)		
Right of Use of Assets	81,421	83,402
Unearned revenue	1,879	218
Mineral exploration	10,143,994	9,754,343
Total	10,227,294	9,837,963
Net deferred tax asset not brought to account	15,969,724	14,953,809

Potential future income tax benefits attributable to total tax losses are only brought to account to the extent they will offset against temporary differences anticipated to arise and utlilised over the same period. Total tax losses amount to approximately $25,629,207 of which $15,969,724 remains unrecognised at 30 June 2026 because the directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable. The unrecognised amounts comprise of carry forward revenue losses of $13,494,079 and carry forward capital losses of $2,475,645.

The potential future income tax benefit will be obtainable by the Group only if:

(a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deductions for the loss to be realised;
(b) the Group continues to comply with the conditions for deductibility imposed by income tax law; and
(c) no changes in income tax legislation adversely affects the Group in realising the benefit of the deduction for the loss.

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	Consolidated 2026 $	Consolidated 2025 $
6. LEASES		
(a) Right-of-use assets		
Opening balance	333,606	133,088
Additions	169,667	437,723
Depreciation	(177,588)	(237,205)
Closing balance	325,685	333,606
(b) Lease liabilities		
Current	155,536	190,143
Non-current	149,062	149,097
	304,598	339,240
(c) Interest expense on lease liabilities		
Interest expense from the unwinding of interest	26,925	28,533
	26,925	28,533
Total annual expenses for leases	204,513	265,738

The right-of-use assets include lease agreements entered into by the Group for storage units in Wingfield, South Australia, and an office space in Adelaide on 14 November 2024 and 1 June 2026. In the current period the Group extended its lease for the office space in Adelaide, South Australia. The incremental borrowing rates for these leases were 4.47% and 6.59%, respectively.

The Group did not have any short-term or low value leases in the current and previous period.

	Consolidated 2026 $	Consolidated 2025 $
7. EARNINGS PER SHARE		
(a) Basic loss per share	(0.021)	(0.037)
(b) Diluted loss per share	(0.021)	(0.037)

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. The calculation of diluted weighted average number of shares on issue excludes the effect of outstanding rights and options, as their inclusion would be anti-dilutive given the Group's loss-making position for the year ended 30 June 2026.

(c) Net profit/(loss) attributable to ordinary shareholders ($)	(3,910,492)	(4,187,648)
(d) Weighted average number of ordinary shares outstanding during the year used in the calculation:		
- basic earnings per share	227,923,708	113,461,892
- diluted earnings per share	227,923,708	113,461,892

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	Consolidated 2026 $	Consolidated 2025 $
8. CASH FLOW INFORMATION		
(a) Cash and cash equivalents represents:		
Cash in bank and on hand	1,514,076	1,486,179
Short term deposits	500,000	-
	2,014,076	1,486,179
(b) Reconciliation of net cash used in operating activities to operating loss after income tax		
Operating loss after income tax	**(3,910,492)**	**(4,187,648)**
Non cash flows in operating loss		
Exploration costs written-off	31,824	3,265
Amortisation and depreciation	206,611	282,388
Share based payments – note 17(d)	1,356,476	720,445
Fair value loss on convertible loan note	309,041	106,584
Non-cash convertible note facility fee	-	60,684
(Profit)/loss on sale of plant and equipment	(14,806)	53
Change in assets and liabilities		
Increase/(decrease) in trade, other payables and provisions	(25,112)	235,532
(Increase)/decrease in receivables	(76,462)	(30,621)
Net cash outflow used in operating activities	(2,122,920)	(2,809,318)

Non cash flows investing and financing activities
In the current year there are no non cash financing and investing activities.

9. OTHER RECEIVABLES (CURRENT)		
(a) GST receivable	(100)	105,267
Prepayments	8,964	7,868
Prepayments – Convertible notes	69,180	69,180
Sundry debtors [1]	32,812	5,003
	110,856	187,318

The were no amounts receivable from directors and director related entities in 2026 and 2025.

Note1: Other receivables are non-interest bearing and generally on 30-90 day terms. The Group recognises an allowance for the expected credit loss for all receivables not held at fair value through profit or loss. FY2026 $Nil (FY 2025: $Nil)

OTHER RECEIVABLES (NON-CURRENT)

(b) Security deposits/bonds	195,726	195,726

At 30 June 2026 the Group has security bonds outstanding totalling $195,726 (2025: $195,726) provided by the Company's bank for its office and storage unit leases and held by Department for Energy & Mining for mineral tenements in Australia.

10. SUBSIDIARIES

Name	Country of Incorporation	Percentage Interest Held 2026 %	Percentage Interest Held 2025 %
Razorback Iron Pty Ltd	Australia	100	100
Razorback Operations Pty Ltd	Australia	100	100
Red Dragon Mining Pty Ltd	Australia	100	100
Ironback Pty Ltd	Australia	100	100

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	2026 $	2025 $

11. PARENT ENTITY DISCLOSURES

STATEMENT OF FINANCIAL POSITION

ASSETS		
Current Assets	2,124,912	1,673,477
Non-Current Assets	1,354,787	2,585,716
Total Assets	3,479,699	4,259,193
LIABILITIES		
Current Liabilities	(3,685,999)	(4,163,352)
Non-Current Liabilities	(149,062)	(149,097)
Total Liabilities	(3,835,061)	(4,312,449)
Net Assets	(355,362)	(53,256)
EQUITY		
Contributed equity	103,617,380	98,481,394
Reserves	16,360,798	15,144,851
Accumulated losses	(120,333,540)	(113,679,500)
Total Equity	(355,362)	(53,256)
Profit or loss and other comprehensive income		
Net profit/ (loss) from continuing operations for the year	(6,654,040)	(5,995,974)
Total Comprehensive income/(loss) for the year	(6,654,040)	(5,995,974)
Mineral tenement expenditure commitments		
Within one year	92,977	82,407
Later than one year but not later than five years	1,660,000	1,700,000
Later than five years	-	-
	1,752,977	1,782,407

The commitments relate to the Company and its subsidiaries as the Company funds its subsidiaries' activities. There are no guarantee/contingencies and subsequent events other than those mentioned above in this report.

12. EXPLORATION EXPENDITURE (NON-CURRENT)

Exploration and evaluation		
At 1 July	39,017,371	36,311,546
Expenditure incurred during the year	1,590,430	2,709,090
Expenditure written off during the year	(31,824)	(3,265)
At 30 June	40,575,977	39,017,371

Exploration and evaluation expenditure incurred is accumulated with respect to each identifiable area of interest. These costs are only carried forward to the extent that the right of tenure is current, and those costs are expected to be recouped through the successful development of the area of interest (or by its sale). These costs are also carried forward where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, and evaluation of the area and associated projects to enable the technically and commercially feasible recovery of resources are continuing. When a Final Investment Decision (FID) on a project or area of interest is made, the amounts will be transferred to assets under development.

The Group has performed an assessment for indicators of impairment of the E&E assets in accordance with the requirements of AASB 6 and notes that:

- The Group continues to maintain its tenure over the areas of interest (AOI); in this case, the Group continues to maintain the Explorations Licences disclosed under Schedule of Tenements on page 92.
- The Group's global Mineral Resource Estimate across its areas of interest (AOIs) is approximately 6.6 billion tonnes (Indicated & Inferred, JORC 2012), as most recently disclosed to the ASX on 30 June 2026.
- Notwithstanding the cash shortfall in the Group's forecast and the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern (refer Note 2(a) Going concern), the

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12. EXPLORATION EXPENDITURE (NON-CURRENT) (CONTINUED)

Group continues to progress a revised development pathway for the Razorback Iron Ore Project and is actively pursuing funding and strategic partnering opportunities to support the advancement of the Project. Subject to funding, further technical and evaluation work is planned to advance the revised project configuration and maintain development optionality. The Group also continues to assess opportunities across its broader tenement portfolio.

- Given the ongoing work programs and development pathways still under consideration, the Group considers it appropriate to continue carrying forward the carrying value of the Razorback Iron Ore Project pending further evaluation and assessment at 30 June 2026.
- In summary, and with specific reference to the AASB 6 impairment indicators:
  - All licences relating to the AOI remain current.
  - Further exploration and evaluation activities are planned for the next 12 months, noting the forecast cash shortfall (refer Note 2(a) Going concern).
  - There is insufficient information available at present to conclude that the carrying value of the E&E assets is not recoverable.

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Group's exploration properties may be subject to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

13. PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2026 $	Consolidated 2025 $
Plant and equipment, at cost	293,263	356,930
Less: accumulated depreciation	(268,486)	(317,522)
	24,777	39,408
Office equipment, at cost	106,772	188,059
Less: accumulated depreciation	(88,202)	(146,053)
	18,570	42,006
Total property, plant and equipment	43,347	81,414

Reconciliations

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

Plant and equipment		
Carrying amount at the beginning of the year	39,408	63,309
Additions	1,996	981
Disposal / write-offs	(2,389)	(2,673)
Depreciation	(14,238)	(22,209)
Carrying amount at the end of the year	24,777	39,408
Office equipment		
Carrying amount at the beginning of the year	42,006	44,034
Additions	2,932	21,499
Disposal / write-offs	(11,583)	(553)
Depreciation	(14,785)	(22,974)
Carrying amount at the end of the year	18,570	42,006
Total carrying amount at the end of the year	43,347	81,414

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	Consolidated 2026 $	Consolidated 2025 $
14. TRADE AND OTHER PAYABLES (CURRENT)		
Trade payables [1]	349,534	244,638
Accruals	280,142	447,217
	629,676	691,855

Note 1 - Trade payables are non-interest bearing and are normally settled on 30-60 day terms

15. PROVISIONS (CURRENT)		
Employee benefits – Annual Leave	286,972	292,272
Employee benefits – Long Service Leave	121,994	112,071
Provision for rehabilitation	5,000	20,500
Total	413,966	424,843

16. CONVERTIBLE NOTES (CURRENT)		
Convertible Notes	2,486,821	2,856,510
	2,486,821	2,856,510
Reconciliation of movement in convertible notes:		
Opening balance	2,856,510	-
Convertible notes issued during the year	-	3,034,192
Movement attributable to fair value	309,041	106,583
Conversion of convertible notes into shares during the year [1]	(678,730)	(284,265)
Closing balance	2,486,821	2,856,510

Note 1: Relates to the conversion of 300,000 convertible loan notes (face value $1.00 each) on 19 August 2025 and 460,000 convertible loan notes (face value $1.00 each) on 2 December 2025.

Key Commercial Terms of the C/M Capital Partners Convertible Loan Note:

- **Interest rate %**: Nil
- **Security**: Unsecured
- **Maturity**: The Convertible Notes are to be converted on or before the date which is 24 months from the Issue Date. Notes are issued at a face value equal to 108% of the relevant investment amount. Subsequent to 30 June 2026, the Company entered into a variation with C/M Capital to extend the maturity dates of the outstanding Convertible Notes by 12 months, as announced on 12 August 2026. The revised maturity dates range from 24 January 2028 to 30 June 2028.
- **Redemption**: Any remaining Convertible Notes under the facility may be fully redeemed by the Company at any time prior to the Maturity Date and the facility terminated, subject to the payment on redemption being 105% of the outstanding face value of the Convertible Notes being redeemed (C/M Capital may elect to convert up to 30% of the Convertible Notes proposed to be redeemed).
- **Conversion**: The Convertible Notes may be converted into Ordinary Shares in the Company at C/M Capital's election. C/M Capital will be entitled to convert the Notes into shares at either 100% of the 10 day Volume Weighted Average Price (VWAP) up to the facility execution date within the first two months of initial funding or from day 61 to the Maturity Date at 90% of the average of the two lowest 15 day VWAP immediately prior to a Conversion Notice being received by the Company, subject to a minimum conversion price of $0.02 per share. The conversion price is subject to adjustment in the event of certain customary events (such as a consolidation or subdivision of the Company's issued capital).
- **Repayment**: Any Convertible Notes which have not been previously converted (or are the subject of a conversion notice) must be repaid on the earlier to occur of:
  - Within 20 business days after the Maturity Date;
  - if an event of default continues for 10 business days following written notice from C/M Capital, within a further 10 business days; or
  - where there is a change of control event, delisting event, or qualifying capital raising event (being where $10m or more is raised) and if C/M Capital elects for repayment to occur, on or before the date on which the relevant event occurs.

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- **Ownership cap**: At no point can C/M Capital hold shares in the Company that exceed 9.99% of the Company's issued share capital.
- **Options**: C/M Capital will receive options equivalent to 50% of the funded amount with an exercise price of 120% of the 15 day VWAP immediately prior to, in the case of the first tranche funding and second tranche funding, the execution date of the facility, and in the case of any subsequent funding, the date of the issue of the options. The options will have a 36 month term from the date of issue.
- **Commencement Shares**: On closing of the first tranche funding, in accordance with the Company's ASX LR7.1 placement capacity, C/M Capital were issued 1,081,917 Ordinary Shares in the Company equivalent to 2% of the total facility amount ($140,000).
- **Other terms**: Customary investor protections have been agreed, such as negative covenants, events of default, and representations and warranties.

During the prior year, the Company drew approximately $3.54 million across four tranches under the facility, with Convertible Notes issued with an aggregate face value of approximately $3.82 million.

No further funding was drawn under the facility during the year ended 30 June 2026.

During the year, 300,000 Convertible Notes with a face value of $300,000 were converted into 3,750,000 fully paid ordinary shares on 19 August 2025 and 460,000 Convertible Notes with a face value of $460,000 were converted into 9,330,629 fully paid ordinary shares on 2 December 2025.

At 30 June 2026, Convertible Notes with an aggregate face value of $2.714 million remained outstanding under the facility.

Subsequent to 30 June 2026, as consideration for the 12-month extension of the maturity dates, the Company agreed to provide consideration of $250,000, to be satisfied by the issue of 16,666,667 unquoted options, subject to shareholder approval at the Company's 2026 Annual General Meeting. The options will vest immediately upon issue, have an exercise price of $0.015 per option and expire three years from the date of issue. If shareholder approval is not obtained, the Company will instead pay $250,000 in cash to C/M Capital and WVP in accordance with the variation deed. Other than the extension of the maturity dates and the consideration described above, all other terms and conditions of the Convertible Securities Agreement remain unchanged.

Fair value

The convertible note fair value is measured based on level 3 fair value hierarchy inputs and its fair value is equal to its carrying value at 30 June 2026 as it is measured at fair value through the profit or loss in line with the Group's accounting policies. Management assessed that the fair values of cash and cash equivalents, other receivables, trade payables, and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The significant unobservable inputs used in the fair value measurements categorised within level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 30 June 2026 relating to the convertible note are included below:

Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
DCF	Discount rate	10-15%	2% increase (decrease) in the discount rate would result in decrease (increase) in fair value by $90,000
	Conversion date assumption	1 year earlier conversion	1 year earlier (later) in conversion date would result in an increase in fair value of $340,000

17. CONTRIBUTED EQUITY AND RESERVES

	Number of Shares		Consolidated	
	2026	2025	2026 $	2025 $
(a) Issued and paid up capital				
Ordinary shares	227,923,708	121,013,179	103,617,380	98,481,394
Total			103,617,380	98,481,394

(b) Movement in ordinary shares on issue	Number of Shares	Issue Price $	Total $
Balance at 30 June 2024	98,434,688		95,346,228
Rights Issue	3,769,666	0.31	1,168,599
Rights Issue	12,000,000	0.20	2,400,000
Exercise of quoted options expiring 23 May 2025	17,315	0.45	7,791
Commencement shares for Convertible Loan Notes facility	1,081,917	-	140,000
Conversion of Convertible Loan Notes [1]	4,347,826	0.08	284,265
Conversion of performance rights [2]	1,146,819	-	-
Issue of director shares in lieu of director fees	214,948	0.09	19,345
Share issue costs	-		(884,834)
Balance at 30 June 2025	121,013,179		98,481,394
Rights Issue & Placement	59,529,501	0.065	3,869,420
Rights Issue	28,817,743	0.04	1,152,709
Exercise of quoted options expiring 5 Mar 2028	350	0.12	42
Conversion of Convertible Loan Notes [1]	3,750,000	0.08	258,963
Conversion of Convertible Loan Notes [2]	9,330,629	0.049	419,767
Conversion of performance rights [3]	1,225,462	-	-
Conversion of performance rights [4]	889,174	-	-
Transfer from share-based payment reserve on issue of director shares	1,863,637		140,529
Issue of shares to consultant	1,504,033	0.03	45,000
Share issue costs	-		(750,444)
Balance at 30 June 2026	227,923,708		103,617,380

Note:

1 Relates to the fair value recognised on the conversion of 300,000 convertible loan notes (face value $1.00 each) at a conversion price of $0.08 on 19 August 2025, where its associated carrying value of the financial liability was transferred to equity.

2 Relates to the fair value recognised on the conversion of 460,000 convertible loan notes (face value $1.00 each) at a conversion price of $0.0493 on 2 December 2025, where its associated carrying value of the financial liability was transferred to equity.

3 Relates to shares issued on 28 July 2025 upon the conversion of performance rights granted in respect of FY25.

4 Relates to shares issued on 26 June 2026 upon the conversion of performance rights granted in respect of FY26.

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17. CONTRIBUTED EQUITY AND RESERVES (continued)

(c) Movement in performance rights, options and convertible notes on issue

The following table summarises the movement in options, convertible notes and performance rights on issue for the year ended 30 June 2026.

30 June 2026	Balance at the Beginning of the Year	Issued During the Year	Exercised/ vested During the Year	Expired/Forfeited /Lapsed During the Year	Balance at the End of the Year
Options					
Unquoted options exercisable at $2.03 on or before 14 October 2025	286,071	-	-	(286,071)	-
Unquoted options exercisable at $1.39 on or before 1 December 2025	1,049,654	-	-	(1,049,654)	-
Unquoted options exercisable at $0.915 each on or before 15 December 2025	600,000	-	-	(600,000)	-
Unquoted options exercisable at $1.34 on or before 1 December 2028	382,883	-	-	(382,883)	-
Unquoted options exercisable at $0.78 on or before 1 February 2029	167,940	-	-	(167,940)	-
Unquoted options exercisable at $0.556 on or before 5 December 2029	1,978,713	-	-	-	1,978,713
Unquoted options exercisable at $0.1542 on or before 7 March 2028	8,106,355	-	-	-	8,106,355
Unquoted options exercisable at $0.1301 on or before 19 May 2028	2,881,548	-	-	-	2,881,548
Unquoted options exercisable at $0.1212 on or before 30 June 2028	1,200,495	-	-	-	1,200,495
Unquoted options exercisable at $0.229 on or before 6 December 2030	5,227,160	-	-	-	5,227,160
Unquoted options exercisable at $0.229 on or before 6 December 2030	-	13,380,648	-	-	13,380,648
Quoted options exercisable at $0.30 each on or before 2 October 2027	16,639,408	-	-	-	16,639,408
Quoted options exercisable at $0.12 each on or before 5 March 2028	-	63,398,569	-	-	63,398,569
Quoted options exercisable at $0.08 each on or before 1 October 2028	-	31,474,626	-	-	31,474,626
Performance Rights					
STI performance rights vesting on 30 June 2026	-	10,208,523	(889,174)	(9,319,349)	-
Convertible notes					
Convertible notes (face value $1 each), maturing on 24 January 2027	946,000	-	(760,000)	-	186,000
Convertible notes (face value $1 each), maturing on 7 March 2027	1,404,000	-	-	-	1,404,000
Convertible notes (face value $1 each), maturing on 19 May 2027	810,000	-	-	-	810,000
Convertible notes (face value $1 each), maturing on 30 June 2027	314,280	-	-	-	314,280
Total	**41,994,507**	**118,462,366**	**(1,649,174)**	**(11,805,897)**	**147,001,802**

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17. CONTRIBUTED EQUITY AND RESERVES (continued)

	Consolidated 2026 $	Consolidated 2025 $
(d) Reserves	16,360,797	15,144,851
Listed option reserve		
Balance at beginning of year	1,086,935	1,086,935
Balance at end of year	1,086,935	1,086,935
Share based payments reserve		
Balance at beginning of year	13,561,243	12,860,143
Share based payments expensed to P&L[1]	1,356,476	720,445
Share based payment in relation to shares issued in lieu of director fees reclassified to contributed equity	(140,530)	(19,345)
Balance at end of year	14,777,189	13,561,243

Note 1: Relates to non-cash expenses in relation to directors shares issued in lieu of director fees, director and employee options and performance rights granted.

Reserves in relation to convertible note		
Balance at beginning of year	496,673	-
Options issued on draw down of convertible notes	-	496,673
Balance at end of year	496,673	496,673

Nature and purpose of reserves

Listed option reserve
This reserve is used to record the proceeds from the issue of listed options, net of expenses of the issue.

Share based payments reserve
This reserve is used to record the value of equity benefits provided to directors, employees and consultants as part of their remuneration. Refer to note 20 for further details.

18. ACCUMULATED LOSSES

Balance at the beginning of the year	(76,637,079)	(72,449,431)
Net loss attributable to members of Magnetite Mines Limited	(3,910,492)	(4,187,648)
Balance at the end of the financial year	(80,547,571)	(76,637,079)

19. COMMITMENTS

(i) **Exploration commitments**		
Within one year	92,977	82,407
Later than one year but not later than five years	1,660,000	1,700,000
Later than five years	-	-
	1,752,977	1,782,407

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report.

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19. COMMITMENTS (continued)

If the Group decides to relinquish certain tenements and / or does not meet these obligations, assets recognised in the Consolidated Statement of Financial Position may require review to determine the appropriateness of the carrying values. The sole transfer or farm out of exploration rights to third parties will reduce or extinguish these obligations.

(ii) **Bonds**

At 30 June 2026 the Group has security bonds outstanding totalling $100,000 (2025: $100,000) provided by the Company's bank and held by Department for Energy & Mining for mineral tenements in Australia.

(iii) **Bank Guarantee**

As at 30 June 2026, the Group has outstanding $95,728 secured (30 June 2025: $95,728) as bank guarantee provided by the Group's bankers. The Company has an available bank guarantee limit of $192,765 and currently this facility has not been utilised by the Company.

(iv) **Directors & Employee Commitments**

The Group has entered into contracts with its directors and employees whereby minimum notice periods have been provided by the Group. This totals $105,783 (2025: $397,799).

20. SHARE BASED PAYMENTS

(a) Type of share based payment plan

The Company adopted an Employee Incentive Plan (EIP) during the year which was approved by the shareholders on 26 November 2025, pursuant to which the Company can issue a variety of Equity Securities to employees, contractors, board members and their associates ('Eligible Employees'). The purpose of the Plan is to motivate and attract Eligible Employees and enable them to share in the rewards of the future success of the Company. The Board is of the view that the EIP will better enable the Company to motivate and reward Eligible Employees in the long run.

Subject to the Rules set out in EIP and the Listing Rules, the Company (acting through the Board) may offer performance rights and options to any Eligible Person at such time and on such terms as the Board considers appropriate.

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options and performance rights have been exercised. The expense recognised in the income statement in relation to share based payments is disclosed in consolidated statement of profit or loss and other comprehensive income.

(b) Summary of directors and employees options and performance rights granted

The following table illustrates the number and weighted average prices (WAEP) of and the movements in directors and employees share options and performance rights issued during the year:

	Number 2026	WAEP 2026 $	Number 2025	WAEP 2025 $
Outstanding at the beginning of the year	9,692,421	0.57	6,617,621	1.17
Granted during the year	23,589,171	0.09	9,202,950	0.26
Expired/Lapsed/Forfeited during the year	(11,805,897)	0.34	(4,777,688)	0.86
Exercised during the year	(889,174)	0.09	(1,350,462)	0.34
Outstanding at the end of the year	20,586,521	0.17	9,692,421	0.57
Exercisable at the end of the year	-		1,935,725	

(i) the weighted average remaining contractual life for the directors and employees options and performance rights outstanding as at 30 June 2026 is 4.99 years (2025: 4.12 years);

(ii) the weighted average exercise price for options outstanding at the end of the year was $0.17 (2025: $0.57);

(iii) the weighted average exercise price of options and performance rights granted during the year was $0.09 (2025: $0.26); and

(iv) the fair value of the equity-settled share options granted under the plan is estimated as at the date of grant using a Monte Carlo option pricing model taking into account the terms and conditions upon which the options were granted.

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20. SHARE BASED PAYMENTS (continued)

The following table lists the inputs to the model used for options issued during the year ended 30 June 2026.

Managing Director & CEO options

Number of Options	6,443,131
Option exercise price	$0.0905
Expiry date	05/12/2031
Expected life of the option (years)	6 years
Dividend yield (%)	-
Expected volatility (%)	100%
Risk-free interest rate (%)	3.977%
Closing share price at grant date	$0.059
Fair value of options	$0.0388
Grant date	26/11/2025

Employee options

Number of Options	6,937,517
Option exercise price	$0.0905
Expiry date	05/12/2031
Expected life of the option (years)	6 years
Dividend yield (%)	-
Expected volatility (%)	100%
Risk-free interest rate (%)	3.977%
Closing share price at grant date	$0.059
Fair value of options	$0.0388
Grant date	5/12/2025

The following table lists the inputs to the model used for performance rights issued during the year ended 30 June 2026.

Managing Director & CEO performance rights

Number of Performance Rights	4,261,364
Vesting date	30/06/2026
Vesting period (months)	12 months
Share Price at grant date	$0.059
Fair value of performance rights	$0.059
Grant date	26/11/2025
Dividend yield (%)	-

Employee performance rights

Number of Performance Rights	5,947,159
Vesting date	30/06/2026
Vesting period (months)	12 months
Share Price at grant date	$0.059
Fair value of performance rights	$0.059
Grant date	5/12/2025
Dividend yield (%)	-

The following table lists the inputs to the model used for options issued during the year ended 30 June 2025.

Number of Options	5,227,160
Option exercise price	$0.229
Expiry date	6/12/2030
Expected life of the option (years)	6 years
Dividend yield (%)	-
Expected volatility (%)	100%
Risk-free interest rate (%)	3.903%
Closing share price at grant date	$0.14
Fair value of options	$0.1108
Grant date	14/10/2022

The following table lists the inputs to the model used for performance rights issued during the year ended 30 June 2025.

Number of Performance Rights	3,975,790
Vesting date	30/09/2025
Vesting period (months)	10
Share Price at grant date	$0.14
Fair value of performance rights	$0.14
Grant date	27/11/2024
Dividend yield (%)	-

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21. REMUNERATION OF AUDITORS

	Consolidated	
	2026 $	2025 $
Fees paid to Ernst & Young (Australia) for auditing the statutory financial report of the Group	102,440	115,000
Fees paid to Ernst & Young (Australia) for other services	8,000	38,000
Total	109,660	153,000

22. DIRECTORS AND EXECUTIVE DISCLOSURES

a) Details of directors and key management personnel

Directors

Mr Scott Lowe	Executive Chair	(Appointed CEO, Managing Director and Chairman-elect on 26 May 2026 and appointed Chair on 1 July 2026)
Mr Paul White	Non-Executive Director	(Resigned as Chair of the Board on 1 July 2026)
Mr Simon Wandke	Non-Executive Director	
Mr Tim Dobson	Managing Director	(Resigned as Managing Director on 26 May 2026)

(b) Compensation for directors and key management personnel

	Consolidated	
	2026 $	2025 $
Short term employee benefits	615,983	1,105,378
Termination benefits	250,000	27,690
Post-employment benefits	65,423	95,503
Share based payments	776,700	513,344
Total compensation	1,708,106	1,741,915

(c) Details of directors and key management personnel

There were no loans to key management personnel during the year other than as disclosed in Note 23.

(d) Other transactions and balances with key management personnel and their related parties

Disclosures relating to other transactions and balances with key management personnel are included and set out in note 23.

23. RELATED PARTY DISCLOSURES

(a) Directors

During the year, no payments or other benefits were made to related parties other than Directors' remuneration, including cash remuneration and share-based payments, as disclosed in the Remuneration Report.

(b) Loans with key management personnel and their related entities

There were no loans to key management personnel and their related entities during the year and the prior year.

(c) Loans from key management personnel and their related entities

There were no loans from key management personnel and their related entities during the year and the prior year.

(d) Subsidiaries

The Group consists of the Parent and its wholly owned controlled entities set out in Note 10.

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24. FINANCIAL INSTRUMENTS

(a) The Group's principal financial instruments comprise of cash, short term deposits and other financial assets. The Group has various other financial assets and liabilities such as other receivables, trade payables and convertible loan notes. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk and credit risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the Financial Statements.

Consolidated	Floating Interest Rate		Fixed Interest Rate – less than 1 year		Fixed Interest Rate – more than 1 year		Non-interest bearing		Total	
	2026 $	2025 $	2026 $	2025 $	2026 $	2025 $	2026 $	2025 $	2026 $	2025 $
Financial Assets										
Cash and cash equivalents	1,486,049	1,202,657	500,000	-	-	-	28,027	283,522	2,014,076	1,486,179
Other receivables[1]	-	-	95,727	95,727	-	-	132,811	105,002	228,538	200,729
Total Financial Assets	1,486,049	1,202,657	595,727	95,727	-	-	160,838	388,524	2,242,614	1,686,908
Weighted Average Interest Rate	4.35%	3.6%	4.47%	4.06%	-	-				
Financial Liabilities										
Other payables[2]	-	-	-	-	-	-	(629,676)	(252,533)	(629,676)	(252,533)
Lease liabilities	-	-	(155,536)	(190,143)	(149,062)	(149,097)	-	-	(304,598)	(339,240)
Convertible loan note liability	-	-	-	-	-	-	(2,486,821)	(2,856,510)	(2,486,821)	(2,856,510)
Total Financial Liabilities	-	-	(155,536)	(190,143)	(149,062)	(149,097)	(3,116,497)	(3,109,043)	(3,421,095)	(3,448,283)
Net Financial Assets/(Liabilities)	1,486,049	1,202,657	440,191	(94,416)	(149,062)	(149,097)	(2,955,659)	(2,720,519)	(1,178,481)	(1,761,375)
Weighted Average Interest Rate			5.24%	4.98%	6.01%	4.47%				

Note 1: Other receivables excludes prepayments and GST

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24. FINANCIAL INSTRUMENTS (continued)

The net fair value of all financial assets and liabilities at balance date approximate to their carrying value. The main risk the Group is exposed is through financial instruments credit risk, commodity risk and market risk consisting of interest rate risk.

(a) ***Interest Rate Risk***

The Group's exposure to interest rate risk, is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities.

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 90 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

(b) ***Liquidity Risk***

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance requirements to finance the Group's current and future operations.

The Group believes that all outstanding payables can be paid when due and there are no past due payables as at the balance date.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Consolidated 30 June 2026	On demand	Less than 12 months	1 to 5 years	More than 5 years	Total
Lease liabilities	-	170,095	162,199	-	332,294
Trade and other payables	629,676	-	-	-	629,676
Convertible Loan Note	-	2,714,280	-	-	2,714,280
Total	629,676	2,884,375	162,199	-	3,676,250

Consolidated 30 June 2025	On demand	Less than 12 months	1 to 5 years	More than 5 years	Total
Lease liabilities	-	191,088	159,829	-	350,917
Trade and other payables	627,524	64,331	-	-	691,855
Convertible Loan Note	-	-	3,474,280	-	3,474,280
Total	627,524	255,419	3,634,109	-	4,517,052

(c) ***Credit Risk***

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. Risk is also minimised by investing surplus funds with financial institutions that maintain a high credit rating.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

The Group believes that all outstanding receivables are recoverable and there are no past due receivables as at balance date.

(d) ***Commodity Price Risk***

At the 30 June 2026, the Group does not have any financial instruments subject to commodity price risk.

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25. SENSITIVITY ANALYSIS

(a) *Interest Rate Risk*

The following table represents a summary of the interest rate sensitivity of the Group's financial assets at the balance sheet date on the deficit for the year and equity for a 100bps change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

Consolidated 30 June 2026	Carrying Amount $	Interest Rate Risk -1% (100bps)		Interest Rate Risk + 1% (100bps)	
		Net loss $	Equity $	Net gain $	Equity $
Financial Assets					
Cash and cash equivalents	2,014,076	(20,141)	(20,141)	20,141	20,141
Other receivables (interest bearing)	95,727	(957)	(957)	957	957
Total	2,109,803	(21,098)	(21,098)	21,098	21,098

Consolidated 30 June 2025	Carrying Amount $	Interest Rate Risk -1% (100bps)		Interest Rate Risk + 1% (100bps)	
		Net loss $	Equity $	Net gain $	Equity $
Financial Assets					
Cash and cash equivalents	1,202,657	(12,027)	(12,027)	12,027	12,027
Other receivables (interest bearing)	95,727	(957)	(957)	957	957
Total	1,298,384	(12,984)	(12,984)	12,984	12,984

Except for the lease liability accruing interest between 4.47% and 6.59% per annum (see note 6), none of the Group's financial liabilities are interest-bearing. These interest bearing loans are at a fixed interest rate agreed with the lenders.

(b) *Foreign currency risk*

The Group is not exposed to foreign exchange currency risk at balance date.

26. CONTINGENCIES

(a) Contingent Assets

As at 30 June 2026, the Group does not have any contingent asset.

(b) Contingent Liabilities

As at 30 June 2026, the Group has the following contingent liabilities:

Agreement with Mintech Resources Pty Ltd

Pursuant to a Variation Deed dated 11 August 2015, the Company finalised the acquisition of a 100% interest in EL 6353 (formally EL 5432) covering the Razorback Ridge area. On 4 September 2019, the Company entered into an agreement with the liquidators of Mintech Resources Pty Ltd (Mintech). The terms of the agreement which are contingent at 30 June 2026 are as follows:

1) Resource payments to Mintech which become payable if and when Mineral Resources are classified as Measured Mineral Resources, calculated at $0.01 per DTR tonne of measured resources (resource payment = tonne of measured resource x $0.01 x [(Average DTR% of Resource tonnes)/100]). DTR means potentially recoverable tonnes of magnetite as determined by the Davis Tube Recovery technique;
2) A Production Payment of $3,000,000 to Mintech within 20 Business Days of the Company receiving payment of at least 95% of the purchase price for the first commercial shipment of Product from the tenement; and
3) A 1% Royalty on the Value of the Product produced from the tenement measured at the "mine gate".

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26. CONTINGENCIES (continued)

No amounts have been recognised in the statement of financial position in respect of this as the possible obligations existence will be confirmed by the occurrence of uncertain future events not wholly within the control of the Company.

Mintech was placed in voluntary administration on 9 October 2017 and subsequently placed in the hands of liquidators on 19 April 2019.

Agreement with Goldus Pty Ltd

Pursuant to a Variation Deed dated 11 August 2015, the Company finalised the acquisition of a 100% interest in EL6126 and EL6127 (formerly EL 5180 and EL 5240) which surround the Razorback Ridge area. The Company has the following obligations:

1) Resource payments to Goldus which become payable if and when Mineral Resources are classified as Measured Mineral Resources, calculated at $0.01 per DTR tonne of measured resources;
2) A Production Payment of $3,000,000 to Goldus within 20 Business Days of the Company receiving payment of at least 95% of the purchase price for the first commercial shipment of Product from the tenements; and
3) A 1% Royalty on the Value of the Product produced from the tenement measured at the “mine gate”.

No amounts have been recognised in the statement of financial position in respect of this as the possible obligations existence will be confirmed by the occurrence of uncertain future events not wholly within the control of the Company.

27. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial period, other than the matters disclosed below, the directors are not aware of any other matter or circumstance that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity.

Appointment of Executive Chair

On 1 July 2026, Mr Scott Lowe was appointed Chair of the Board, succeeding Mr Paul White, who continues as a Non-Executive Director. Mr Lowe had previously been appointed Chief Executive Officer, Managing Director and Chairman Elect on 26 May 2026 as part of the Company's leadership transition.

Issue of director shares in lieu of director fees

On 2 July 2026, the Company issued 1,090,513 shares to directors in lieu of a portion of their director remuneration for the period 1 April 2026 to 30 June 2026.

Convertible Note Maturity Extension

On 12 August 2026, the Company entered into a variation deed with C/M Capital to extend by 12 months the maturity dates of all outstanding Convertible Notes, with an aggregate face value of approximately $2.714 million. The revised maturity dates range from 24 January 2028 to 30 June 2028.

In consideration for the extension, the Company agreed to provide consideration of $250,000, to be satisfied by the issue of 16,666,667 unquoted options, subject to shareholder approval at the Company’s 2026 Annual General Meeting. The options will have an exercise price of $0.015 and expire three years from the date of issue. If shareholder approval is not obtained, the Company will instead pay $250,000 in cash. All other terms of the Convertible Securities Agreements remain unchanged.

Share Purchase Plan

On 28 September 2026, the Company announced a partially underwritten Share Purchase Plan (“SPP”) to raise up to approximately $1.0 million (before costs). The SPP is partially underwritten to $0.5 million by GBA Capital Pty Ltd, which has also been appointed as Lead Manager to the capital raising. The SPP is expected to open on 5 October 2026 and close at 5.00pm (Sydney time) on 16 October 2026.

Under the SPP, eligible shareholders may apply for up to $30,000 of new fully paid ordinary shares in the Company. The issue price will be the lower of $0.015 per share and a 10% discount to the five-trading day volume weighted average price of the Company’s shares up to, but not including, the SPP issue date, subject to the requirements of the ASX Listing Rules.

Subject to shareholder approval, participants will also receive one free attaching listed option for every new share issued under the SPP. The options will have an exercise price equal to a 25% premium to the SPP issue price and will expire on 31 December 2029.

In addition to the SPP, the Company may undertake a Top-up Placement to sophisticated and professional investors, with the SPP and potential Top-up Placement targeting aggregate proceeds of up to approximately $1.5 million (before costs). The proceeds are intended to support advancement of the Razorback Iron Ore Project, strategic initiatives and general working capital requirements.

Consolidated Entity Disclosure Statement

FOR THE YEAR ENDING 30 JUNE 2026

The following table provides a list of all entities included in the Group's consolidated financial statements, prepared in accordance with the requirements of Section 295(3A) of the Corporations Act. The ownership interest is only disclosed for those entities which are a body corporate, representing the direct and indirect percentage share capital owned by the Company.

Company Name	Type of entity	% of share capital as at 30 June 2026	Country of Incorporation	Country of tax residency[1]
Magnetite Mines Limited (Holding company)	Body Corporate	-	Australia	Australia
Razorback Iron Pty Ltd	Body Corporate	100	Australia	Australia
Razorback Operations Pty Ltd	Body Corporate	100	Australia	Australia
Red Dragon Mining Pty Ltd	Body Corporate	100	Australia	Australia
Ironback Pty Ltd	Body Corporate	100	Australia	Australia

[1] Tax residency is determined with reference to the Income Tax Assessment Act 1997.

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Directors' Declaration

FOR THE YEAR ENDING 30 JUNE 2026

In accordance with a resolution of the directors of Magnetite Mines Limited I state that:

In the opinion of the directors:

(a) the financial statements and notes and the additional disclosures included in the Directors' report designated as audited, of the Consolidated Entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) the financial report complies with International Financial Reporting Standards as described in note 2(a).

(c) the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act 2001 is true and correct;

(d) Subject to the matters discussed in Note 2(a), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2026.

On behalf of the Board

SCOTT LOWE
Executive Chair

30 September 2026

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Independent auditor's report to the members of Magnetite Mines Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Magnetite Mines Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2026 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of exploration & evaluation assets

Why significant	How our audit addressed the key audit matter
At 30 June 2026 the Group had exploration and evaluation assets of $40.6 million as disclosed in Note 12. The Group is required to assess whether any indicators of impairment are present in accordance with the requirements of *AASB 6 Exploration for and Evaluation of Mineral Resources* (AASB 6). At 30 June 2026, the Group undertook an impairment indicators assessment in respect of its exploration and evaluation assets. No impairment charge was recorded during the year. The assessment of whether any indicators of impairment are present is subjective based on the Group's ability and intention to continue to explore, evaluate and commercialise its assets, including those associated with the Razorback Project. The carrying value of assets may also be impacted by the results of ongoing exploration and evaluation activity indicating that the resources may not be technically or commercially viable for extraction and commercialisation in the manner intended. As a result of the judgment involved, we considered the carrying value and the judgement involved in the indicator assessment of exploration and evaluation assets and related disclosures in the financial report to be a key audit matter.	In completing our audit procedures, we: ▪ Assessed whether any impairment indicators, as set out in AASB 6, were present, and assessed the conclusions with respect to impairment reached by management. ▪ Evaluated the Group's right to explore in the relevant exploration areas, including by inspecting supporting documentation such as license agreements and correspondence with relevant government agencies to assess whether the right to explore was current. ▪ Assessed the results of exploration and evaluation activities carried out in the relevant license areas to date. ▪ Assessed the Group's intention to carry out significant exploration and evaluation activities on the Razorback project and other exploration areas. This included the assessment of the Group's cash flow forecasts and assessing the Group's plan to continue to progress the Razorback Project. ▪ Assessed the accounting treatment related to costs incurred, payments made, associated calculations to third party supporting documentation, and evaluated the nature of the costs to ensure they are valid for capitalisation as exploration and evaluation costs. ▪ Evaluated whether any other data or information exists which indicates that the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full, from successful development or by sale. ▪ Assessed the adequacy of the disclosures included in Note 12 to the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2026 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 28 to 47 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Magnetite Mines Limited for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001*.

Shape the future
with confidence

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

L A Carr
Partner
Adelaide
30 September 2026

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ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDING 30 JUNE 2026

The following information dated 28 September 2026 is required by the Listing Rules of the ASX Limited.

1. **DISTRIBUTION AND NUMBER OF HOLDERS OF EQUITY SECURITIES**

The number of holders, by size of holding, in each class of security are:

Distribution	Number of Shareholders	Number of Shares
1 – 1,000	742	514,456
1,001 – 5,000	2,383	5,767,734
5,001 – 10,000	709	5,255,324
10,001 – 25,000	679	11,346,827
25,001 – 50,000	378	13,913,767
50,001 – 100,000	253	18,982,679
100,001 and over	371	173,233,434
Total	5,515	229,014,221

2. TWENTY LARGEST HOLDERS OF QUOTED SECURITIES

(a) Ordinary Shares

	Holder	Number of Shares Held	
		Number	%
1	Citicorp Nominees Pty Limited	19,526,897	8.53
2	BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client>	5,495,526	2.40
3	Mr Corey Alan Amos <Knock Off A/C>	2,500,000	1.09
4	HSBC Custody Nominees (Australia) Limited	2,471,029	1.08
5	Mr Kun Liu	2,359,322	1.03
6	Finclear Services Pty Ltd <Superhero Securities A/C>	2,336,995	1.02
7	Mr Steven Goodarzi + Mrs Satoko Kamada <Roseville Superfund A/C>	2,046,160	0.89
8	Mr Christopher Lindsay Bollam	2,000,723	0.87
9	Dr Leon Eugene Pretorius	2,000,000	0.87
10	Mr Jing Wang	1,987,695	0.87
11	Mr Mark Richard Eames	1,757,511	0.77
12	Bond Street Custodians Limited <Passfp – D90483 A/C>	1,728,066	0.75
13	Tyntynder Baling Pty Ltd < Tyntynder Baling P/L S/F A/C>	1,678,167	0.73
14	Mr Paul Anthony Sharp & Mr Valentine Durnin <Sharp Superfund A/C>	1,675,166	0.73
15	Dr Kristen Lee Perks	1,598,764	0.70
16	Mr David Andrew Perrins	1,593,346	0.70
17	Mr Dale Raymond Johnson	1,500,000	0.66
17	WIP Funds Management Pty Ltd <Porter Family S/F A/C>	1,500,000	0.66
18	Mr Luke James Hart	1,400,000	0.61
19	C/M Capital Master Fund LP	1,370,000	0.60
20	Mr Constandine Koundouris	1,356,937	0.59
	Total	**59,882,304**	**26.15**
	Total remaining shareholders	**169,131,917**	**73.85**

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(b) Quoted Options expiring on 2 October 2027 exercisable at $0.30 each (MGTOA)

	Holder	Number of Options Held	
		Number	%
1	Citicorp Nominees Pty Limited	2,351,996	14.14
2	Time Valuations Pty Ltd	1,331,220	8.00
3	Mr Paul Anthony Sharp	1,217,000	7.31
4	Mr Michael Damian	885,000	5.32
5	Damianopoulos Superannuation Pty Ltd	800,000	4.81
6	Mr Periclis Damianopoulos	729,411	4.38
7	Mr Paul Anthony Sharp & Mr Valentine Durnin <Sharp Superfund A/C>	540,000	3.25
8	Mr Mark Richard Eames	502,145	3.02
9	Growth Supa Pty Ltd	500,400	3.01
10	Rookharp Capital Pty Limited	500,000	3.00
10	The Fence Consultant Pty Ltd	500,000	3.00
11	Mr Sean Michael Duggan	490,196	2.95
12	Neave Trading Pty Ltd	409,534	2.46
13	Mr Pericles Damianopoulos	400,000	2.40
14	Mr Steve Damianopoulos	395,000	2.37
15	Mr Peter Schubert (The Schubert Family AC>	322,580	1.94
16	HSBC Custody Nominees (Australia) Limited	292,628	1.76
17	3M Holdings Pty Limited <3M Investment Spec A/C>	250,000	1.50
18	Magentacity Pty Ltd <Emery Super Fund A/C>	225,000	1.35
19	Mr Michael Maynard <M & T Maynard Super Fund A/C>	193,548	1.16
20	Bond Street Custodians Limited <Passfp – D90483 A/C>	155,271	0.93
	Total	**12,990,929**	**78.06**
	Total remaining holders	**3,648,479**	**21.94**

(c) Quoted Options expiring on 5 March 2028 exercisable at $0.12 each (MGTOF)

	Holder	Number of Options Held	
		Number	%
1	Wistrength Capital Pty Ltd	6,776,760	10.69
2	Citicorp Nominees Pty Limited	3,778,966	5.96
3	Mr Michael Damian	3,300,000	5.21
4	Mr Paul Anthony Sharp	2,105,583	3.32
5	Mr Daniel Giovinazzo	2,000,000	3.15
6	Zywiec Investments Pty Ltd	1,943,000	3.06
7	Mr Paul Anthony Sharp & Mr Valentine Durnin <Sharp Superfund A/C>	1,439,112	2.27
8	Yucaja Pty Ltd <The Yogiar Family A/C>	1,182,202	1.86
9	BNP Paribas Nominees Pty Ltd	1,143,250	1.80
10	Neave Trading Pty Ltd	1,083,320	1.71
11	Mr William Jeffrey McDonald	1,000,000	1.58
11	Mrs Dimitra Hronis	1,000,000	1.58
11	Mr Matthew Ian Bradley	1,000,000	1.58
11	Mr Brice Kenneth Mutton & Mrs Gai Mutton	1,000,000	1.58
12	Ms Megan Louise Carter	907,692	1.43
13	Mr Jing Wang	794,888	1.25
14	Scintilla Strategic Investments Limited	769,230	1.21

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(c) Quoted Options expiring on 5 March 2028 exercisable at $0.12 each (MGTOF) (continued)

	Holder	Number of Options Held	
		Number	%
15	Mr Pericles Damianopoulos	753,846	1.19
16	Mr Brenton Roy Ward	750,000	1.18
17	Goffacan Pty Ltd	740,617	1.17
18	Rookharp Capital Pty Limited	692,308	1.09
18	Mrs Zi Juan Qi <Chen Family A/C>	692,308	1.09
19	Mr Emile Wassef & Mrs Jenny Wassef & Miss Daniella Wassef	660,976	1.04
20	HSBC Custody Nominees (Australia) Limited	587,764	0.93
	Total	**36,101,822**	**56.94**
	Total remaining holders	**27,296,747**	**43.06**

(d) Quoted Options expiring on 1 October 2028 exercisable at $0.08 each (MGTOG)

	Holder	Number of Options Held	
		Number	%
1	Goffacan Pty Ltd <KMM Family A/C>	3,825,815	12.16
2	BNP Paribas Nominees Pty Ltd	1,825,151	5.80
3	Goffacan Pty Ltd	1,672,912	5.32
4	Wistrength Capital Pty Ltd	1,522,160	4.84
5	Mr James Egan	1,504,033	4.78
6	Dr Leon Eugene Pretorius	1,500,000	4.77
7	Mr Christopher Lindsay Bollam	1,383,574	4.40
8	Citicorp Nominees Pty Limited	1,308,719	4.16
9	Dragon Pty Ltd <RDL Super Fund A/C>	1,041,666	3.31
10	Time Valuations Pty Ltd	840,000	2.67
11	Mr Paul Anthony Sharp	516,072	1.64
12	Bond Street Custodians Limited <Passfp – D90483 A/C>	500,000	1.59
12	Mr Alexander Lewit	500,000	1.59
12	North of the River Investments Pty Ltd	500,000	1.59
12	Riya Investments Pty Ltd	500,000	1.59
13	Ms Rebecca Margaretha Kosterman & Mr Marc Raymond Schubach	425,888	1.35
14	Mr Arthur Harris	400,000	1.27
15	Mr Matthew John Wicks	397,010	1.26
16	ABN Amro Clearing Australia Nominees Pty Ltd	375,000	1.19
17	Mr Paul Anthony Sharp & Mr Valentine Durnin <Sharp Superfund A/C>	374,839	1.19
18	Mr Eugene James Uguccioni	365,385	1.16
19	Mr David Mifsud & Mrs Helen Mifsud	347,594	1.10
20	Mr Mark John Eoncheff	325,000	1.03
	Total	**21,950,818**	**69.74**
	Total remaining holders	**9,523,808**	**30.26**

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3. SUBSTANTIAL SHAREHOLDERS

An extract from the Company's register of substantial shareholders is set out below:

Name	Number of Shares Held	%
Citicorp Nominees Pty Limited	19,526,897	8.53

4. VOTING RIGHTS

The Company's share capital is of one class with the following voting rights:

(a) Ordinary Shares

On a show of hands every shareholder presents in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options and Performance Rights

The Company's options and performance rights have no voting rights.

5. STOCK EXCHANGE LISTING

Magnetite Mines Limited ordinary shares are listed on all member exchanges of the ASX Limited.

The home exchange is the ASX Limited.

6. RESTRICTED SECURITIES

There are no ordinary shares on issue that have been classified by the ASX Limited as restricted securities.

7. SCHEDULE OF TENEMENTS

Tenement Name	Location	Tenement Number and Type	Holder/ Application	Share Held	Status
Pualco	SA	EL 6126	MGT	100	Granted 17/09/17
Red Dragon	SA	EL 6127	MGT	100	Granted 10/12/17
Razorback Ridge	SA	EL 6353	MGT	100	Granted 22/06/19
Dragon's Tail	SA	EL 5902	MGT	100	Granted 01/12/16
Sister's Dam	SA	EL 6037	MGT	100	Granted 02/11/17
Muster Dam	SA	EL 6746	MGT	100	Granted 06/05/22
Lipson Area	SA	EL 6745	MGT	100	Granted 06/05/22
Braemar	SA	EL 6788	MGT	100	Granted 09/06/22
Manunda North	SA	EL 6878	MGT	100	Granted 30/11/22
Mutooroo Ridge	SA	EL 6877	MGT	100	Granted 30/11/22
Braemar Creek	SA	EL 7100	MGT	100	Granted 05/01/26
Manna Hill	SA	EL 7106	MGT	100	Granted 18/03/26

Key to Tenement Type
EL = Exploration Licence

Key to Holders
MGT = Magnetite Mines Limited

Location
SA = South Australia

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MAGNETITE MINES

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