8 August 2025

Dear Option holder,

Notice to Option holders – Renounceable Rights Issue

I am writing to you as a registered holder of options in Magnetite Mines Limited ACN 108 102 432 (**Company** or **Magnetite Mines**) (ASX: MGT) as at the date of this letter.

As announced to ASX on 8 August 2025, the Company is proposing to raise up to approximately $2.65 million (before costs) by undertaking:

- a renounceable pro-rata rights issue (**Rights Issue**) to eligible shareholders on the basis of 1 new share (**New Shares**) for every 3 shares held (**Rights**) as at the Record Date (defined below) at an issue price of $0.065 per New Share together with 1 attaching option (**Option**) for every 1 New Share subscribed for under the Rights Issue; and

- an offer to Shareholders who subscribe for their full entitlement under the Rights Issue to subscribe for the shortfall to the Rights Issue, so that they will also be able to subscribe for additional shares in excess of their entitlement (**Shortfall Offer**),

(collectively the **Offer**).

The Rights Issue is renounceable which means that the Rights will be tradeable on ASX and are otherwise transferable. Rights trading is expected to commence on ASX at 10.00am on 12 August 2025 and to cease at the close of trading on ASX on 22 August 2025.

The Offer is partially underwritten by Mahe Capital Pty Ltd (**Underwriter**) to the amount of $500,000, subject to the terms of the underwriting agreement to be entered into between the Company and the Underwriter.

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

- seek to complete a binding transaction with strategic partners (JFE Shoji Australia Pty Ltd and potentially others) to secure DFS funding;

- support the assessment of the Razorback Project's Mining Lease Proposal with the South Australia Department of Energy and Mining and continuation of land access negotiations;

- complete further de-risking studies with a focus on firming the design, capital and operating cost estimates for the Razorback Project's water supply; and
- assess the Company's South Australian tenement portfolio for gold and critical mineral potential, guided by historical open file exploration data and in response to favourable market conditions for these commodities.

Details of the Rights Issue and the Shortfall Offer are set out in a prospectus which was lodged with ASIC, and released to ASX, on 8 August 2025.

Why am I receiving this letter?

The purpose of this letter is to advise you of the upcoming Rights Issue and to advise you that as an option holder you cannot participate in the Rights Issue without first exercising some or all of your options, and becoming a registered holder of shares following that exercise, prior to the record date for the Rights Issue on 13 August 2025 (**Record Date**). If you do not wish to participate in the Rights Issue (in respect of your existing options) you do not need to take any action.

The Offer is only available to shareholders whose registered address is in Australia or New Zealand as recorded with the Company's share registry as at 7.00pm on the Record Date (**Eligible Shareholders**). The Offer will not be made to any other shareholder (**Ineligible Shareholders**). Ineligible Shareholders will not be entitled to participate in the Offer.

Action you must take if you wish to participate in the Rights Issue

To be eligible to participate in the Rights Issue in respect of the shares to be issued on exercise of the options held by you, you must exercise the Company options you hold and be registered as the holder of the underlying Magnetite Mines shares before 7.00pm (Sydney time) on the Record Date, and have a registered address in Australia or New Zealand.

To exercise some or all of your options you will need to:

- give notice, in writing, to the Company in accordance with the terms and conditions of the options; and
- pay to the Company the exercise price for each Company option being exercised.

If you do not wish to participate in the Rights Issue, no action is required.

If your options have not yet vested and cannot be exercised to allow your participation in the Rights Issue, this letter is provided to you as a formality under the ASX Listing Rules and the terms of your options.

Indicative Timetable

The indicative timetable for the Offer is as follows:

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

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

Prospectus

The Prospectus is available on the ASX website at www.asx.com.au (ASX ticker: MGT). The Prospectus contains further details of the Offer. You are encouraged to read the Prospectus before exercising any of your Company options. From 15 August 2025, when the Rights Issue is expected to open to applications, a copy of the Prospectus, together with a personalised application form, will be available at the Company's offer website at www.computersharecas.com.au/mgtoffer.

If you have any questions in relation to any of the above matters, please contact the Magnetite Mines Offer Information Line on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia) from 8.30am to 5.00pm (Sydney time), Monday to Friday, until the Closing Date. For other questions, you should consult your stockbroker, accountant or other independent professional adviser.

Yours faithfully

Paul White
Chair of the Board
Magnetite Mines Limited