

ASX ANNOUNCEMENT

2 OCTOBER 2024

RIGHTS ISSUE CLOSES SECURING \$2.4M

Magnetite Mines Limited (**ASX: MGT**) is pleased to announce that the 1 for 5 pro rata Renounceable Rights Issue to eligible shareholders announced to the ASX on 3 September 2024 (**Offer**) closed on Wednesday, 25 September 2024¹. The Offer, together with the partial underwriting and shortfall amount taken up to date, raised \$2.4 million.

Mahe Capital Pty Ltd (**Mahe Capital**) acted as Lead Manager and Underwriter to the Offer, which was partially underwritten to the amount of \$2 million. In accordance with the terms of the Offer, the Directors reserve the right to place the remaining shortfall shares (together with attaching options) within the three month period following the close of the Offer, and the Company has engaged Mahe Capital to assist with that process.

The Board thanks shareholders for their ongoing support of the Company and welcomes new investors to the register. As previously disclosed, the funds will assist the Company in finalising definitive agreements for a DFS funding transaction with JFE Shoji Australia Pty Ltd that was announced to ASX on 8 July 2024².

It is noted that the majority of the Company's Directors and management took up their entitlements, demonstrating strong confidence in the Company's Razorback Iron Ore Project and its future.

In connection with the Offer, the Company will issue 12,000,000 new fully paid ordinary shares (**New Shares**) and 12,000,000 new options exercisable at \$0.30, with expiry date of 2 October 2027 (**Options**). The New Shares are expected to be issued today, 2 October 2024 and will commence trading on the ASX on a normal settlement basis from Thursday, 3 October 2024. Official quotation of the Options will be sought from ASX and are expected to trade under the ASX code MGTOA.

The final allocations under the Offer are set out below:

	Funds Raised	Shares*	Options*
Rights taken up	\$831,347	4,156,735	4,156,735
Shortfall	\$1,568,653	7,843,265	7,843,265
Total	\$2,400,000	12,000,000	12,000,000

* The number of new Shares and Options issued is subject to rounding. A further 3,439,408 loyalty options were taken up under the Loyalty Offer set out in the Company's prospectus dated 3 September 2024. In addition, the Company has agreed to issue a further 1,200,000 Options to Mahe Capital in consideration for lead manager services performed to date, and up to a further 850,000 Options in consideration for lead manager services still to be performed with respect to the ongoing Shortfall Offer (**Broker Options**), with such Broker Options to be issued on the same terms as the attaching Options under the Offer. Refer to the supplementary prospectus lodged on 2 October 2024 for further details.

Magnetite Mines Managing Director Tim Dobson said:

“On behalf of the Board, I extend our appreciation for the continued support of shareholders that have participated in this Rights Offer, and welcome new investors that have participated in the shortfall facility to date.

“Yesterday, Magnetite Mines, along with a consortium of major industry partners, made a comprehensive submission to the South Australian Government’s ‘Green Iron Opportunity’ Expression of Interest process. Our submission underscores the requirement for reliable, long-term, DR-grade magnetite concentrate production as the critical and necessary enabler for the creation of a green iron industry in South Australia. It further details a pathway that would see a green iron hub emerge in Port Pirie based on production from Razorback, with pellet-making, green iron production and export facilities heralding an entire new industry for the region and an economic game changer for South Australia.

“Underpinning the State and Federal government’s intense focus on Australia’s green iron opportunity is the forecast global demand for exportable green iron products. We remain fully committed to developing our world-class Razorback Project in concert with government and strategic partner support, to secure this once in a generation opportunity for shareholders, the state and the country.”

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

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ABOUT MAGNETITE MINES

Magnetite Mines Ltd is an ASX-listed iron ore company focused on the development of magnetite iron ore resources in the highly prospective Braemar iron region of South Australia. The Company has a 100%-owned Mineral Resource of 6 billion tonnes of iron ore and is developing the Razorback Iron Ore Project, located 240km from Adelaide, to meet accelerating market demand for premium iron ore products created by iron & steel sector decarbonisation, with the potential to produce high-value Direct Reduction (DR) grade concentrates. Razorback is set to become a long-life iron ore project with expansion optionality in a Tier 1 jurisdiction that will produce a superior iron ore product sought by steelmakers globally. For more information visit magnetitemines.com.

References

1. ASX:MGT Announcement –03/09/2024 - [Renounceable Rights Issue to raise up to \\$4.1 million](#)
2. ASX:MGT Announcement –08/07/2024 - [Agreement signed with JFE Shoji to fund DFS](#)